



HUMAN CAPITAL MANAGEMENT

Our engaged, innovative and customer-oriented employees are the driving force behind Xcel Energy's success.

We value our employees and consider them among our most important stakeholders. Only through our team can we accomplish our goals and strategic priorities. Xcel Energy's workforce strategy is designed to put the best talent in place and create the right culture to move these priorities forward: leading the clean energy transition, enhancing the customer experience and keeping bills low.

To attract and retain high quality talent, we embrace the needs and desires of our workforce, not only in compensation, benefits, recognition and leadership, but also in how employees work, where they work and their career aspirations. We want employees to have a positive experience from the moment they are recruited, through the onboarding process, and continuing with a workforce culture that fosters growth and development and a sense of purpose through inspirational leadership and rewarding work.

As our company strives to serve customers with 100% carbon-free electricity, we are taking a strategic and integrated approach to long-term workforce planning and development, while at the same time, engaging employees to achieve this ambitious aspiration. We are also preparing to meet customers' growing expectations and increasing business demands. By partnering with educational and community organizations, we fill our talent pipeline with diverse employees who reflect the communities we serve and embrace our values.

Overall, we aim to deliver an exceptional employee experience — one where employees feel respected and are challenged to bring their best to work each day to serve our customers and one another by living our values: Committed, Connected, Safe and Trustworthy.



HIGHLIGHTS

- In response to the COVID-19 pandemic, we expanded our medical plan to cover coronavirus-related health care costs and extended our paid time off to provide 80 hours of additional recovery time, as well as paid time off for quarantine, as needed. We also encouraged employees to donate or participate in our donation program for paid time off and take advantage of new stress management tools and remote learning opportunities.
- In 2019, employees volunteered more than 16,500 hours through our Volunteer Paid Time Off program, which offers full-time employees up to 40 hours of paid time for volunteering to help eligible 501(c)(3) organizations.
- Through Connect 4 Performance, 90% of non-bargaining employees met with their leaders quarterly in 2019 to discuss their job performance and contribution to our strategic business objectives, as well as professional development opportunities, and progress on their individual goals.
- We identified approximately 960 “ready now” successors for positions in the company, including 295 potential successors for 200 of our most essential positions through succession planning in 2019.
- The newly formed Just Transition Office in Colorado is charged with creating a plan to mitigate economic challenges for communities and workers as a result of the state transitioning away from fossil fuels to cleaner energy sources. As a leader in this area, we are working closely with this office to evaluate options for employees, such as retraining and relocation.
- The Human Rights Campaign again named Xcel Energy one of the Best Places to Work for LGBTQ Equality in early 2020, with a perfect score on its Corporate Equality Index for the fourth consecutive year.
- Through 2019, more than 6,600 employees and contractors have completed a half-day diversity and inclusion session on microinequities and unconscious bias. Our goal is for 100% of employees to complete the course by the end of 2021.
- GI Jobs named Xcel Energy a Top-10 Military Friendly Employer for the 12th consecutive year, with Gold Level status. We are also included in Military Times’ Best for Vets Index and are a Best for Vets employer for the fifth consecutive year.
- We employed 300 college interns and 53 high school interns through partnerships with local schools and community programs.
- In 2019, we refreshed our Employee Engagement Survey, improving our ability to continuously listen to employees and take quick action in response to their feedback.

STRATEGIC WORKFORCE PLANNING

We take a strategic, data-driven approach to planning that ensures we have the right workforce size and skill set to meet business objectives and serve our customers. Through this intentional process, we manage the company’s needs and mitigate any potential risks associated with our changing workforce.

Data Analytics

Human Capital Reports are created monthly for senior leaders that include information on employee demographics, performance, headcount and attrition trends within their organizations. Leaders and their business partners in Human Resources use the reports to make informed decisions on staffing. As needed, Workforce Planning provides enterprise-wide analyses and models potential operational scenarios for near- and long-term workforce planning discussions and decisions.

Succession Planning

We annually assess employee skill sets and identify potential successors for future job openings. Through the talent review process, executives and managers evaluate the long-term performance, leadership potential and career aspirations of their employees. They work in teams to determine developmental opportunities for employees, create customized development plans and identify talent gaps. Potential “ready now” successors who possess necessary skills are identified for key positions around the company, ensuring a seamless transition, if needed. Nearly 2,200 leaders and individual contributors were reviewed in 2019.

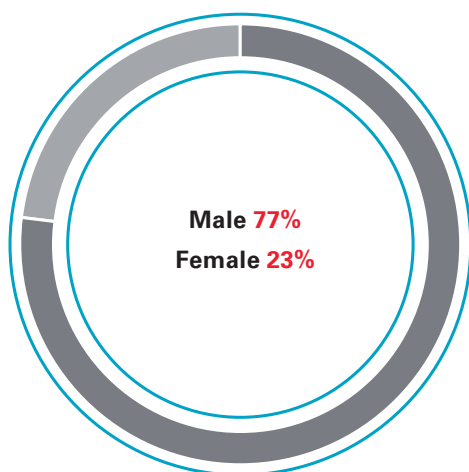
As we transition away from coal to cleaner energy sources, we are committed to responsibly managing the transition for our workforce. We report on our efforts in the Community Relations and [Economic Development](#) section of the Corporate Responsibility Report.

Current Workforce Profile

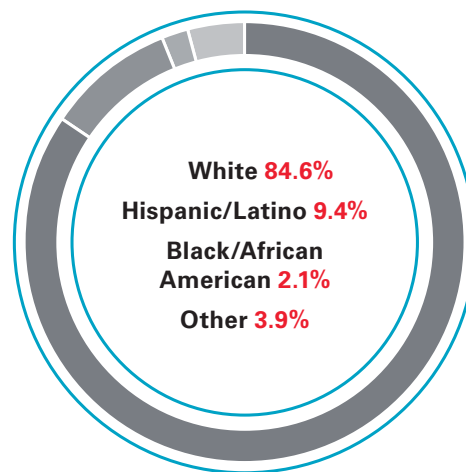
As of year-end 2019, Xcel Energy had 11,896 full-time, part-time and temporary employees.

Bargaining		Non-bargaining		
42% Bargaining	5% Craft	2% Temporary	38% Non-management Professional	13% Management

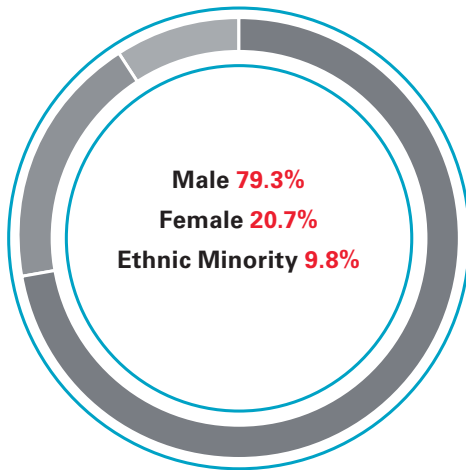
Workforce by Gender



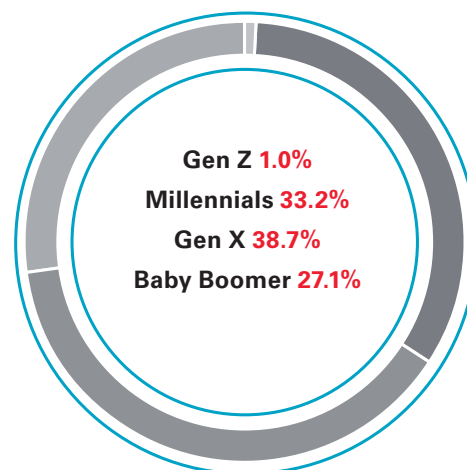
Workforce by Ethnicity



Management by Gender and Ethnicity



Workforce Distribution by Generational Group



2019 Turnover, Projections and Plans

The average employee turnover in 2019 was 7% for bargaining employees and 11% for non-bargaining employees. Approximately 33% of employee turnover was from retirements, 53% was from resignations and the remaining 15% includes turnover for other reasons, such as unsatisfactory performance, misconduct, severance or death. Our workforce planning data analytics project that 27% of employees will be eligible to retire over the next five years and 40% over the next 10 years. Those turnover projections have been incorporated into our five- and 10-year workforce and operational plans.

According to U.S. Bureau of Labor Statistic definitions, the baby-boom generation makes up approximately 27% of our workforce, and through succession planning, we have identified those in key positions to ensure knowledge transfer prior to their retirement. Employees classified as millennial and Gen Z comprise approximately 34% of our workforce and that level is projected to increase 50% to 70% by 2030. We are well positioned to attract and retain top talent from these two growing generational groups. Our generous family leave and paid-time-off benefits, flexible web-collaboration tools, and community volunteer and matching gift programs align with their desire for an integrated work-life experience and opportunities to make a meaningful personal impact. Each year, we dedicate significant resources toward understanding our current and future talent mix to make sure we remain an attractive employer.

DIVERSITY AND INCLUSION

We believe that a diverse and inclusive workforce makes our company stronger. Our commitment to diversity and inclusion goes beyond human resource policies and practices — it is an integral part of who we are, how we operate and how we see our future.

Our inclusive work culture supports all employees and provides equal access to employment opportunities and development. To us, diversity is more than ethnicity, gender, age, race, national origin, disability, religion and sexual orientation. It includes differences in thought processes, educational backgrounds, work experiences, personalities, lifestyles and cultural backgrounds. Each Xcel Energy employee is trained to create an inclusive environment and encouraged to be proactive in doing so. We regularly track progress by gathering employee feedback through our employee engagement survey.

Outreach to Increase Diversity in our Talent Pipeline

Through our partnerships with state workforce centers, Local Job Network, and Diversity Minnesota, we reach diverse job seekers in the places where they live and work. We also work with diverse student groups to attract entry-level employees. These include the National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers and Society of Asian Scientists and Engineers. Approximately 30% of our recruiting events in 2019 were specifically focused on hiring diverse candidates.

Diversity and Inclusion Education

Our commitment to diversity and inclusion is instilled in employees from their first day on the job, as part of our new employee orientation program. In addition, more than 5,600 employees and contractors across the company participated in half-day diversity and inclusion education sessions in 2019. The training on microinequities and unconscious bias is designed to provide knowledge, insight and skills necessary to work in diverse teams and create an inclusive workplace culture.

Business Resource Groups and the Council for Diversity and Inclusion

Our Business Resource Groups give employees an inclusive and supportive outlet for personal and professional growth. They offer opportunities for cultural exchange and community outreach. Additionally, through the Council for Diversity and Inclusion, leaders of our Business Resource Groups collaborate with business area leaders to solve business challenges and achieve goals. We currently have the following 11 Business Resource Groups:

- **ECN (Employee Connection Network):** Connects new and existing employees and broadens employee understanding of Xcel Energy through networking and community service opportunities.
- **GCEEE (General Counsel Employee Excellence and Equality Committee):** Aids the general counsel in fostering a spirit of inclusiveness throughout the company.
- **GenNext:** Aims to support employees through employee education, collaboration and development.
- **GROW:** Identifies and implements innovative ideas and strategies for recruiting, developing, promoting and retaining women in non-traditional work roles in our Energy Supply business area.
- **MOVE (Military Ombudsmen for Veterans and Employees):** Sustains awareness on issues of interest to veterans and active military employees in our workforce and promotes programs and policies that support the welfare of veterans and their families.
- **SAGE (Supportive Association for Gay, Lesbian, Bisexual, Transgender Employees):** Advocates for the company's leadership in and seeks to address issues related to sexual orientation and gender identification.
- **SOURCE (Strategic Organization Utilizing Resources for Career Enhancement):** Promotes career development, continued education, training and cultural awareness with a focus on African Americans.
- **Tribal Wind:** Supports diverse workforce initiatives and the Native American population through business initiatives such as recruiting, retention, professional development and cultural awareness.
- **WIN (Women's Interest Network):** Focuses on issues of interest to women, such as professional development and work-life balance.
- **!Xcelente:** Increases visibility of Latino employees within the company and community while also promoting professional development and sharing Latino culture through awareness, inclusion and celebration.
- **XE WiN (Women in Nuclear):** Explores and develops programs that help all employees working within our nuclear organization to expand their leadership skills, network and create positive visibility for the nuclear industry within the communities we serve.

Xcel Energy is also committed to doing business with companies owned by women, minorities or veterans. We report on our Supplier Diversity program in the [Supply Chain section](#) of the Corporate Responsibility Report.

ATTRACTING TOP TALENT

To establish a strong talent pipeline that provides a steady stream of qualified candidates for job openings, we engage with community and educational organizations. In 2019, 96% of new hires were sourced from the states we serve, with internal candidates filling 40% of open positions and new hires filling the other 60%.

Community Partnerships and College Joint Training Programs

As a member of the Center for Energy Workforce Development (CEWD), we support the development of training and curriculum that prepares students for skilled jobs in the energy industry. We implemented CEWD's Legacy I-3 training program for high school students in the Twin Cities to build a pipeline of skilled, diverse candidates.

To reach prospective employees, we seek out targeted job fairs and employment events in our communities. We also maintain relationships with schools and organizations that specifically hold job fairs for diverse populations. Through these efforts, we continuously improve our candidate pool, reduce the need for candidate relocation and support our local economies.

Internship Programs

College and university internships are an essential tool for building the professional skills and talent pipeline we need for our next generation of employees. We hire hundreds of college interns over the summer and afterward many end up working for us full time.

We also partner with high schools and community organizations to place high school interns in positions across our business areas. A significant number of high school interns come from our partnerships with Denver Public Schools' Launch, Minneapolis' Step Up, and Saint Paul's Right Track programs. Specific business areas also hire interns through community organizations, such as Genesys Works, Cristo Rey, Girls Inc., and Workforce Solutions Panhandle.

Military and Veteran Outreach

Our commitment to hiring veterans and those currently serving in the National Guard or Reserves remains strong. We continue to build our strategic partnerships with military veteran organizations and support activities that maintain our visibility as a preferred employer for veterans. Last year, we participated in over 30 job fairs and events targeted to military veterans and participated in the Department of Defense SkillBridge program, as well as the Hiring our Heroes Corporate Fellowship Program.

Approximately 10% of current employees are veterans. Many are actively involved in our Military Ombudsmen for Veterans and Employees (MOVE) business resource group and volunteer to help with veteran recruiting, as well as the development, retention and mentoring of current veteran employees.

TALENT LEARNING AND DEVELOPMENT

Once employees join the Xcel Energy team, we want to provide challenging and rewarding work for them. To enable that, we offer meaningful feedback through quarterly performance discussions and extensive training and engagement opportunities to develop their skills and help them grow professionally.

Performance Feedback

Connect 4 Performance is a progressive approach to performance management for non-bargaining employees. It focuses on open, meaningful and frequent conversations between employees and their leaders, instead of the traditional method involving annual year-end reviews and ratings.

At the start of the year, employees set performance goals that align with the goals and priorities of the company and their business areas. They also identify professional development opportunities to pursue over the next 12 months. Each quarter, they meet with their leaders to discuss their successes, the impact of their work on business objectives, progress made toward achieving performance goals and professional development plans, as well as how their work and performance demonstrates company values.

Performance ratings are not given because current research supports the use of meaningful conversations, rather than rating systems, to help employees achieve optimal performance.

Performance-based Incentives

We have a pay-for-performance philosophy, providing larger rewards through incentives and other recognition to our best performers. Exempt, non-bargaining employees who go above and beyond and achieve results aligned with the company's goals can earn cash-based awards as part of our Annual Incentive Plan. This includes earning one or more of the following:

- Year-end Awards that recognize and reward eligible employees for achieving individual goals and contributing to the goals of their business areas and company goals overall. This includes an employee's contribution toward the company's annual performance indicators, which in 2019 were associated with enhancing the customer experience, keeping bills low and improving reliability and safety.
- I Deliver Awards that recognize and reward eligible employees or work teams throughout the year for specific, outstanding contributions that deliver greater than expected results and move our business forward.
- Innovator Awards that recognize and reward teams throughout the year for implementing innovative, high-impact solutions or projects resulting in significant savings or customer benefits.

In addition, non-exempt employees who go above and beyond in their responsibilities are eligible for Spot-On cash bonus awards.

Learning Opportunities and Job Training

We are committed to professional development and maintaining an environment where learning and growth occur. Employees are provided opportunities to pursue higher education, as well as multiple job-specific and internal professional development trainings.

Learning Opportunity	What It Includes
Internal Training Programs and Learning Opportunities	<p>We offer employees over 18,000 resources and tools to support their personal and professional development, including a Learning Management System that provides e-learning as well as virtual and instructor-led training options.</p> <p>The offerings in our extensive catalog of online courses range from technical and computer-application training to professional and management training to compliance-related education and more. Employees can also choose to attend training programs taught in person. These range from safety and compliance-related classes to professional development and technical trainings. Employees and contractors completed over 520,000 classes in 2019. Depending on job responsibilities, some of these courses are mandatory.</p> <p>For our bargaining employees, we offer on-the-job training through four-year apprenticeship programs, including for Line, Substation, Gas and Energy Supply apprentices.</p>
Higher Education Support	<p>Tuition reimbursement is provided to all full-time and part-time non-bargaining employees and to bargaining employees whose contracts provide for it. The program pays 80% of tuition for qualifying courses in approved degree programs at accredited higher education institutions (up to \$5,250 per year for full-time or \$2,625 per year for part-time employees).</p>

Leadership Development

Our objective is to develop inspirational and courageous leaders that hold employees accountable for achieving results. Nearly 3,000 employees participated in various development opportunities in 2019 designed to increase their leadership skills.

Development Opportunity	What It Includes
Leadership Training	Coaching in the Moment is a course that specifically teaches leaders how to coach employees by using insightful observations, shifting their worldviews and empowering them to take meaningful action. Offered both in a classroom and online setting, this training is transforming how our leaders interact with their team members by teaching them to resolve their own dilemmas. Employees and contractors completed more than 400 Coaching in the Moment courses in 2019.
Rotational Career Development Assignments	High-performing employees can expand their skills and knowledge through cross-functional experiences. The opportunities may be posted for internal applications or employees may be pre-identified through our succession planning process.
Leadership 24/7 Resources	Leadership Essentials is an online portal accessible to all employees that features over 25 learning topics, such as managing relationships, how to influence and development planning. Each topic contains informational content, practice activities and links to curated internal and external resources, such as helpful articles and videos.

EMPLOYEE ENGAGEMENT

Two-way communication with employees is vital to providing a great workplace. We regularly share enterprise-wide information with employees and use a variety of mechanisms to gather their feedback throughout the year.

Employee Listening Initiative

We refreshed our employee engagement survey in 2019 as part of a new, larger Employee Listening Initiative. Using the onboarding survey, employee engagement survey and exit survey, we are continuously listening during every stage of an employee's work with Xcel Energy to better learn and take quick action based on feedback.

Our refreshed employee engagement survey was developed and administered through Glint, a third-party survey technology company. It is designed to include conversational language and open-ended questions, ensure confidentiality, and provide an easy, online completion. All Xcel Energy employees, including bargaining, non-bargaining, full-time and part-time employees, are invited to participate and provide feedback.

The first survey launched in June of 2019 and asked employees about their experience in the workplace and to identify areas for improvement. Subsequently, a short pulse survey was conducted in November to gauge progress in improving since the June survey.

Going forward, we will conduct employee engagement surveys throughout the year to continuously listen to employees. In 2020, a COVID-19 working-from-home survey was conducted in April and a standard survey will be conducted in the second-half of the year.

PROGRESSIVE NON-SALARY BENEFITS

We recognize that employees want benefits that help them manage the work and family/home aspects of their lives. To meet this need, we have invested in a progressive set of programs for employees. The programs are assessed annually, and new features are added as needed to meet changing needs and maintain our leadership position in this area.

What We Offer	How It Meets Employee Needs
Remote Web-based Collaboration Tools	To facilitate and empower employees and teams to flexibly meet anywhere, employees' laptops are loaded with Microsoft Teams, Skype and Zoom online meeting, file sharing and collaboration tools.
Subsidized Mass Transit Monthly Passes	Xcel Energy offers discounted mass transit monthly passes for employees at our two largest employee locations. In 2019, 956 employees in the Minneapolis metro area and 326 employees in the Denver metro area used the discount, which also supports the goals of local communities to improve air quality and reduce carbon emissions.
Adoption Assistance	We offer an Adoption Assistance Program to help employees pay for services associated with adopting a child. Our program reimburses employees for eligible expenses up to \$2,000 for full-time employees and \$1,000 for part-time employees. It is available for non-bargaining employees and bargaining employees, as allowed by their negotiated bargaining agreement.
Paid Parental Leave	We expanded our parental leave policies, to include new fathers and mothers of adopted children. Our program now provides up to four weeks of additional paid time off for full-time non-bargaining employees and two weeks of additional paid time off for part-time non-bargaining employees to help them bond with a new child in the family, whether it is through birth, adoption or fostering.
Paid Time Off and Donation Bank	<p>Paid Time Off (PTO) encompasses traditional vacation, personal day and sick day programs for non-bargaining employees. PTO can be used for a variety of reasons, such as illness, doctor visits, vacation or personal use.</p> <p>Xcel Energy also has a PTO donation program, designed to provide eligible non-bargaining employees with a means to donate earned and accrued PTO, as well as to apply for donated PTO. It is intended to assist employees who have exhausted their paid time off and are subject to severe loss of income because of continued absence from work due to a catastrophic event or serious health condition, affecting them or a family member.</p>
Volunteer Paid Time Off	We provide all full-time bargaining and non-bargaining employees up to 40 hours of paid time off each calendar year for time spent during normal business hours volunteering to help an eligible 501(c)(3) or educational institution that does not primarily promote politics or religion, located within the eight states where Xcel Energy operates. During the COVID-19 pandemic, we supported employees pursuing virtual volunteering projects, such as sewing face masks for health care workers.
Military Time Away from Work	Xcel Energy provides enhanced military time away from work policies for employees currently serving in the National Guard or Reserves. While away, employees are paid the difference between their base pay and their base military pay for up to 24 months. They also have the option to use 151 days of military leave to ensure there is no interruption of pay during their mandatory two weeks of annual training.

What We Offer	How It Meets Employee Needs
Long-term Financial Well-being	<p>Xcel Energy is committed to supporting employees' long-term financial well-being, for both bargaining and non-bargaining employees. We offer a defined benefit pension plan, in addition to a 401(k) savings plan. Unlike many employers who have frozen pension plans or reduced contributions to 401(k) accounts, we continue to contribute to these plans at market-appropriate levels and partner with employees to help them save for the future</p> <p>Our pension plan is 100% funded by the company and includes a 5% cash balance plan for new employees and legacy formulas for other employees.</p> <p>The 401(k) savings plan allows employees to save for their future through automatic payroll deductions (pretax, Roth 401(k) after-tax or a combination of both) and includes a variety of investment options (cash, bond and stock investments), along with company matching contributions.</p>

EMPLOYEE HEALTH AND SAFETY

We support the health of our employees and offer multiple benefits toward that goal, including medical, dental and vision plans, as well as programs to encourage healthy lifestyles.

Our medical plan provides comprehensive coverage and encourages preventive care, to identify health issues early. The plan also offers employees and their covered dependents the option for online and virtual or telephone visits with a medical professional 24 hours a day, seven days a week.

The plan for bargaining and non-bargaining employees includes the following*:

- High Deductible Healthcare Plan (HDHP) with reasonable and affordable premiums and pretax Health Savings Account (HSA). During the COVID-19 pandemic, we expanded our medical coverage to include 100% of coronavirus testing and treatment costs. In addition, we provided up to 80 hours of additional paid time off or sick leave to employees who tested positive or were presumed positive for the virus.
- Dental plan that includes subsidized basic and enhanced dental plan options.
- An optional vision plan that is available.
- Wellness programs that support healthy behaviors and offer fitness center reimbursements, wellness coaching, tobacco cessation, weight management, diabetes management, on-site yoga and flu shots.

*Bargaining unit benefits are based on the contract negotiated with the specific local union. The Southwestern Public Service (SPS) bargaining unit is on a different medical plan than the rest of the company, per their negotiated contract.

Our concern for employee well-being extends beyond medical issues. Our Employee Assistance Program is offered to all bargaining and non-bargaining employees to connect them with free, confidential support to resolve a variety of issues, including mental health counseling, elder care, financial and legal advice.

Employee Safety

Based on the latest research and best practices for preventing serious injuries and mitigating severe risk, we are focused on building a culture where our employees and partners have open, transparent conversations and where they feel comfortable sharing details about their injuries and near misses so that we can learn from those situations and prevent future occurrences. We provide details on this in the [Employee Safety section](#) of the Corporate Responsibility Report.

HUMAN RIGHTS AND A CULTURE OF RESPECT

At Xcel Energy, we are committed to upholding the human rights and ethical treatment of employees, subsidiary company employees and contractors. The company has multiple policies in place to assure those rights are protected and that we maintain a culture of respect in the workplace.

Equal Employment Opportunity Policy

We recognize that our continued success depends on the unified strengths of our employees. As such, we provide equal opportunity in hiring, promotion and other terms and conditions of employment, without regard to race, color, religion, creed, national origin, gender, age, disability, veteran status, sexual orientation, gender identity, genetic information or any other protected class status in accordance with applicable federal, state and local laws.

Discrimination, Harassment and Other Unacceptable Behaviors Policy and Anti-Retaliation Policy

Part of living our core values means we treat others with respect, professionalism and dignity. This includes maintaining a work environment free from harassment and discrimination or any other unacceptable behavior that unreasonably interferes with workplace productivity, creates an unsafe work environment or appears to or is intended to demean an individual. Additionally, our standalone Anti-Retaliation Policy strictly prohibits retaliation against an employee who reports a violation or suspected violation of the law, Code of Conduct or any other policy, participates in an investigation, or exercises any other lawful right.

Xcel Energy has one Code of Conduct that applies to every employee and multiple options for employees to report any concerns. We provide more information on this in the [Corporate Compliance and Business Conduct](#) section of the Corporate Responsibility Report.

COLLECTIVE BARGAINING AGREEMENTS AND FREEDOM OF ASSOCIATION

Our company policy is to respect employees' freedom of association and their right to collectively organize, as desired. Approximately half of our workforce is currently represented by unions. Each Xcel Energy operating company has separate collective bargaining agreements, negotiated with the local unions for its jurisdictions.

Interim bargaining has been used for the past 19 years to facilitate positive union relations and promote collaboration on business challenges that impact our operations and workforce. Because we recognize that all parties benefit by working together to achieve mutual goals, we meet frequently with our unions to discuss new and ongoing issues. Employee safety is a mutual focus and top priority for both bargaining units and the company. Bargaining unit employees fully support and participate in the company's safety advisory councils, committees and training.

Xcel Energy bargaining agreements include equal opportunity clauses, and we operate in compliance with the policies and regulations established by the National Labor Relations Board and the statutes of the National Labor Relations Act.

Grievance Policies

Xcel Energy has detailed, written policies for bargaining employees to file grievances. Each policy is negotiated with the local union representing employees for specific operating companies or jurisdictions. While the details of each policy vary based on those negotiations, each includes three general stages of resolution, including:

- Resolution with immediate supervisor is the first step toward resolution that involves the union steward, company workforce relations representative, employee and the employee's immediate supervisor.
- Escalation to higher levels of management takes place if a grievance is not resolved in the first step. It is referred to higher levels of management for attempted resolution between the employee, union steward, company workforce relations representative and the higher level of management.
- Arbitration or Mediation is the final step in obtaining resolution if a grievance is not resolved after being elevated to higher levels of management.