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PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

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PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM (PMAS)

The Performance Management and Appraisal System seeks to measure the performance of individuals as well as their organizational units. A Division's Performance is the result of the attainment by its various organizational units (department, section) of their goals for the year. An individual's performance, on the other hand, is the result of the accomplishment of key result areas or targets derived from the Company's business plans for the year, and from his defined duties and responsibilities.

The final consolidated output from Corporate Planning submitted to the Office of the President and Human Resources & Admin Services (HRASD) will be the rating of divisions/departments.

I. ORGANIZATIONAL UNIT PERFORMANCE APPRAISAL (DIVISION/DEPARTMENT/SECTION)

A Division/Department/Section is rated in terms of its attainment of specific objectives and performance factors agreed upon with Management. These performance factors are the Key Result Areas (KRAs) which are drawn up from the approved objectives and action plans of the Division/Department/Section for a given year. Each of the performance factor is assigned a corresponding weight expressed in percentage, which should sum up to one hundred percent (100%) of the committed goals or objectives for the year. Every organizational unit moreover, will have different weights assigned to each of its performance factors, as discussed and agreed upon with Management.

A. PERFORMANCE DIMENSIONS

Weight

1. Accomplishment of Action Plans and Key Result Areas 70%

Source of rating is the result of the scores obtained from the balanced score cards as provided by Planning and Performance Monitoring Services

2. Service Effectiveness 5%

Defined as the unit's ability to perform its function as a service representative through timely, consistent and quality service to the needs and expectations of the internal and external clientele.

Rating will be based on the results of the Service Effectiveness Survey which covers the following areas:

- a. Attitude and background of the personnel
- b. Problem handling
- c. Delivery of reports / information
- d. Telephone Service

3. Administrative Efficiency / ISO Implementation 15%

Administrative Efficiency which comprises 15% of the rating is defined as the unit's compliance to existing controls and procedural guidelines.

Sources of rating are internal audit reports, and the schedule of audit exceptions provided by the Internal Audit Department, covering the following general areas:

- a. Adherence to Operating Policies and Procedures

Defined as violations of BIR/SEC and Company rules and regulations, internal policies and guidelines and

generally accepted accounting and actuarial principles; deviations from or circumventions of procedural guidelines.

b. Control over Valuables and Records

Defined as lapses vs. the filing system, the handling and safekeeping of forms and the maintenance and upkeep of the office and its facilities.

c. Documents/Proofs and Verifications

Defined as lapses and documentation, internal control and Standard Operating Procedure (SOP).

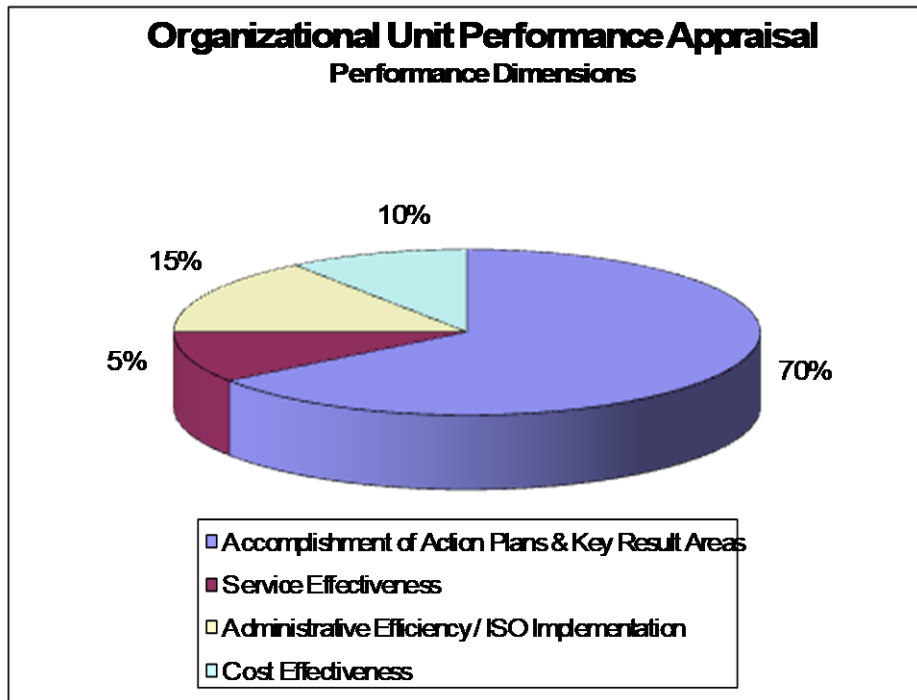
ISO implementation which comprises 5% of the rating.covers compliance to ISO. Sources of rating are the Surveillance and Internal Quality Audit (IQA) Results as well as the Customer Feedback Reports.

4. Cost Effectiveness

10%

Defined as the unit's proper management of its budget, human resources, overtime, etc. and initiated contributions and suggestions, that result in savings for the Company as a whole. Sources of rating are the budget usage and the operating efficiency.

=====
100 %



B. MEASURING PERFORMANCE RESULTS

1. For Unit Performance Appraisal

a. For Target/Goals and Key Result Areas

PERFORMANCE LEVEL	POINT EQUIVALENT
Outstanding	100 points
Exceptional 1	93 to 99
Exceptional 2	86 to 92
Exceeds Expectations 1	79 to 85
Exceeds Expectations 2	71 to 78
Meets Expectations 1	64 to 70
Meets Expectations 2	56 to 63
Meets Most Expectations 1	49 to 55

Meets Most Expectations 2	41 to 48
Minimally Meets Expectations	26 to 40
Does Not Meet Expectations	25 & below

b. For Service Effectiveness

DEGREE OF SATISFACTION	POINT EQUIVALENT
Exceptional	10 points
Outstanding	8 to 9.9
Very Satisfactory	6 to 7.9
Satisfactory	4 to 5.9
Below Satisfactory	2 to 3.9
Poor	1 to 1.9
Very Poor	0

c. For Administrative Efficiency

i. Administrative Efficiency (Internal Audit)

Ten (10) points correspond to 100% rating while a 75% rating is equivalent to 5.5 points. Rating below 75% means 0 point. The points are arrived at by using the following formula:

$$\text{Equivalent Points} = 4.5 \times ((\text{Rating \%} - 75\%) / 25\%) + 5.5$$

where Rating % = ((Total Base Points less Deductible Points) / Total Base Points) x 100

ii. ISO Implementation

The allotted 5 points is equally divided between ISO and Customer Feedback Results, each with a maximum of 2.50 points. Ratings given are based on the following factors: (1) number of non-conformities, (2) corrective, improvement and preventive action taken, and (3) promptness in the submission of CIPAR.

d. Cost Effectiveness

i. Budget Usage

(60% for Support Units; 40% for Income-Generating Units)

Benchmark : Approved Budget

VARIANCE FROM HISTORICAL AVERAGE	RATING
0 to 5% over / under	10 points
6 to 10% over	7.5 points
11 to 15 % over	5.0 points
16 to 20 % over	2.5 points
over 20%	0 points

ii. Operating Efficiency

(40% for Support Units; 60% for Income-Generating Units)

Benchmark : Historical Experience / Company Benchmark

VARIANCE FROM HISTORICAL AVERAGE	RATING
0 to 10% variance (over/under)	10 points
11 to 15 % variance (over)	7.5 points
16 to 20 % variance (over)	5.0 points
21 to 25 % variance (over)	2.5 points
over 25 % variance	0 points

II. EMPLOYEE'S PERFORMANCE APPRAISAL

An employee's contribution to a given unit is assessed and measured to determine its relative impact on, and importance to the achievement of the unit's objectives.

The overall rating of a division, department or section should logically reflect the efforts which the employees have individually contributed to attain the large unit's objectives. Individual ratings of officers and staff, therefore should generally cluster around their unit's rating. There may be an instance, though, when an employee's performance could be better, or worse, compared to the unit's performance.

The individual performance appraisal covers both behaviors at work and the results or outputs from work performance. The components are:

A. PERFORMANCE DIMENSIONS

Weight

1. TARGETS/GOALS or KEY RESULT AREAS

70%

The individual targets or goals and key result areas establish the result which the employee is held accountable for during the year. These are derived from the respective unit's business plans and from the individual's specific responsibilities and accountabilities mutually developed, understood, and accepted by both the unit head and the subordinate staff in the said unit.

The target or goals usually set at the start of the year and are updated within the year to make adjustments in previously set objectives or to establish additional or new ones, whenever necessary.

Examples of these targets for officers are:

- Financial Targets
- Customer Service Delivery
- Market Share Percentage
- Systems Development and Automation
- Cost Effectiveness

Examples of Key Result Areas for non-officers are:

Position	Key Result Area
○ Clerk	Accuracy and speed in clerical transactions processed within the day
○ Bookkeeper	Maintenance of complete and updated accounting records
○ Processor	Timely submission of reports, replies to inquiries and other required documents

- Executive Secretary Courtesy and promptness in handling telephone calls according to the Company's standards of customer service

For officers, targets or goals are derived primarily from their respective unit's business plans.

For non-officers, performance is based primarily on the quantity and quality of work as well as their efficiency in their respective positions, as defined in their job description.

2. PERFORMANCE FACTORS

30%

Performance factors cover job dimensions, work processes, and work values, attitudes, and behaviors as determinants of efficient, productive, and effective employees. They represent the remaining thirty (30%) for both non-officers and supervisory/officers level.

The Performance Factors covered in this system and their respective weight allocations are enumerated below. Their definitions and behavioral indicators appear on the Appraiser's Guide.

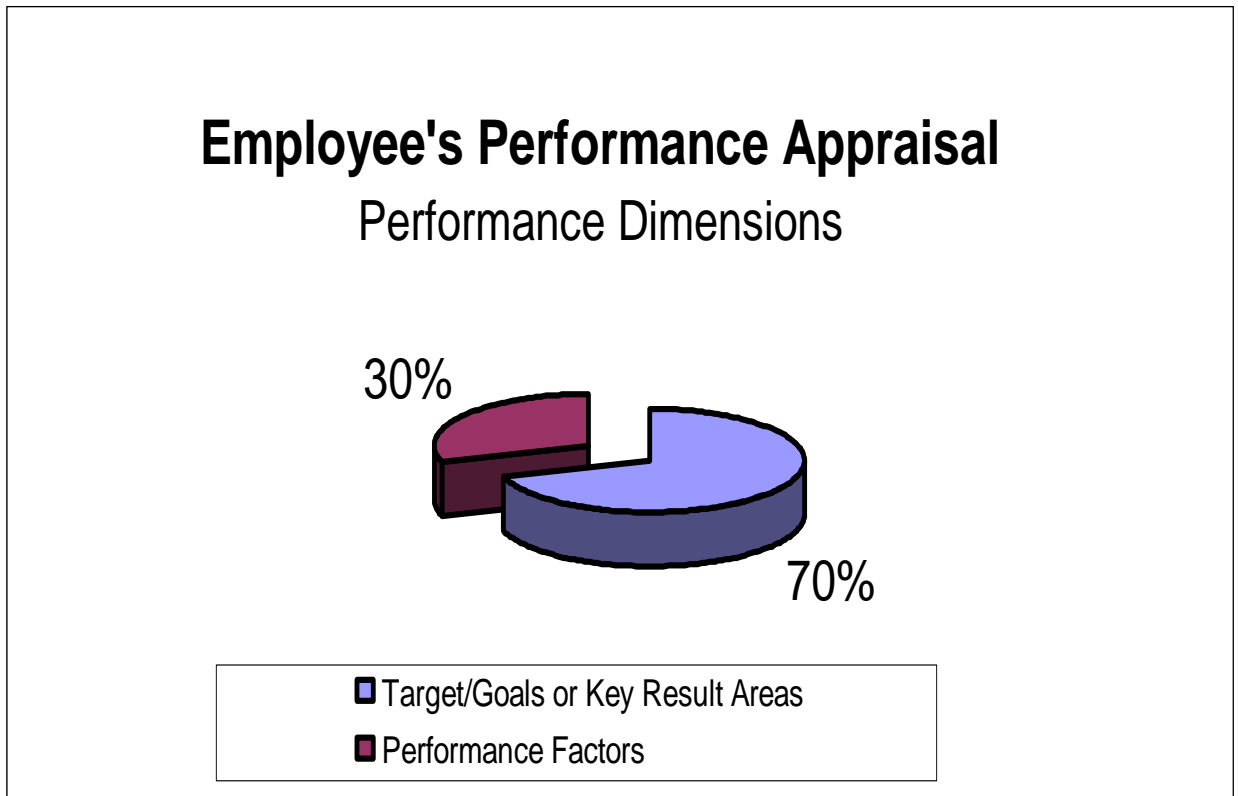
Non-officer Level

- | | |
|--|----|
| a. Quality of Work | 6% |
| b. Responsiveness/Customer Service Orientation | 6% |
| c. Initiative, Creativity & Innovation | 4% |
| d. Discipline | 3% |
| e. Commitment to & Concern to the Organization | 4% |
| f. Problem Solving and Decision Making | 3% |
| g. Cooperation and Teamwork | 4% |

Supervisory / Officer Level

- | | |
|--|----|
| a. Planning, Organizing and Controlling | 6% |
| b. Leadership and Employee Development | 5% |
| c. Responsiveness/Customer Service Orientation | 4% |
| d. Initiative, Creativity and Innovation | 3% |

e. Job Knowledge and Technical Competence	3%
f. Cooperation and Teamwork	3%
g. Commitment to & Concern to the Organization	3%
h. Judgment and Decisiveness	3%



FOR EMPLOYEE'S PERFORMANCE APPRAISAL
(Please refer to the more detailed Appraiser's Guide)

TARGETS/GOALS OR KEY RESULT AREAS

a. PERFORMANCE OUTPUTS APPRAISAL

The appraiser indicates the specific objectives (goals) and their respective weights. He proceeds to describe the actual performance and indicates the appropriate level to reflect the standards met and the corresponding points earned for the actual performance level. For each goal, the weight is multiplied by points earned to arrive at the weighted score. The weighted scores for each goal are then added up. The sum becomes the **Total Score for Performance Outputs**.

b. PERFORMANCE FACTORS APPRAISAL

These include those that have been previously recorded in the Progress Review Recall Sheets as well as new observations. These become the basis for the selection of an appropriate button and number in the continuum to reflect the employee's rating on each of the factors.

In considering the options, these are some suggested benchmarks:

HIGHLY EVIDENT (HE) - Behavioral evidences are **strong positive** manifestations of the factors under consideration. There are at least three or more of such behavioral evidences and there should be no negative evidences.

EVIDENT (E) - The behavioral evidences may be a combination of **moderate** to **strong positive** evidences in relation to the factor. There should at least be two of such evidences and none of negative evidences.

MODERATELY EVIDENT (ME) - Behavioral evidences may be a combination of moderate to strong positive and weak negative evidences. There should at least be two positive evidences that should outweigh the negative in number and/or significance.

SLIGHTLY EVIDENT (SE) - Behavioral evidences may be a combination of **weak to strong positive** and **weak to moderate negative** evidences. However, the positive evidences should outweigh the negatives in number and/or significance.

NOT EVIDENT (NE) - Behavioral evidences consists mainly of **moderate to strong negative** manifestations of the performance factor under review. The presence of **weak** positives will not justify upgrading of rating from this level to the next higher. The absence of behavioral evidences also merits this rating.

c. OVERALL SCORE

To get the overall score, the Targets/Goals or Key Result Areas and the Performance Factors are added. The sum is the **Overall Score**. It is then compared against the various levels of performance appearing on the end of Part 3 to establish the adjectival description of the employee's performance.

EMPLOYEE'S PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

APPRAISER'S GUIDE

OVERVIEW OF THE SYSTEM

PHASES OF THE SYSTEM

The Performance Management and Appraisal System for Employees covers the process of pre-determining work goals and performance standards linked to organizational plans, reviewing work in progress, and appraising results over a specified period of time.

The system involves three major phases as follows:

1. GOAL SETTING AND EXPECTATION PLANNING

The employee (appraisee) formulates specific work goals that will be implemented within the appraisal period. The employee and his immediate superior (appraiser) discuss and mutually agree on the goals.

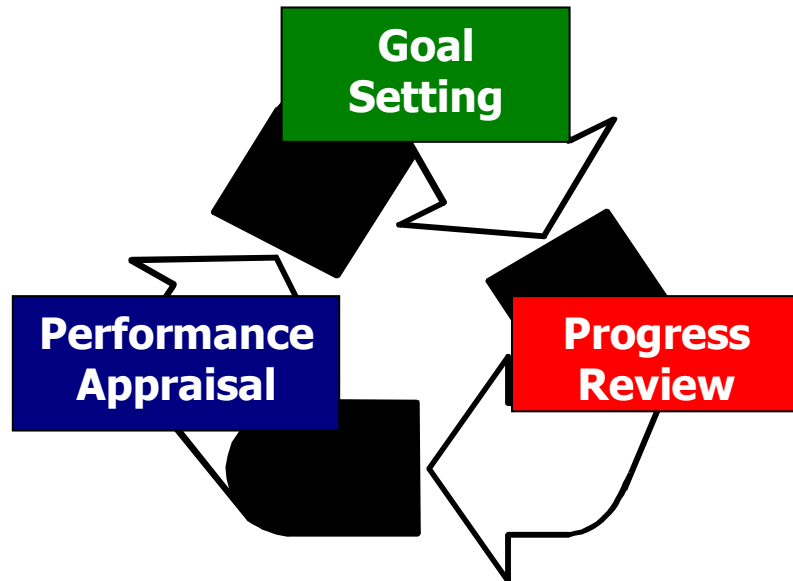
2. PROGRESS REVIEW

Concurrent review is undertaken through regular day-to-day feedback provided by the superior to the employee on the latter's performance.

The formal progress review takes the form of a scheduled discussion between the employee and the superior on the progress of agreed goals and observed behavioral manifestations of performance factors or job dimensions that significantly impact on the desired or standard performance on the job.

3. PERFORMANCE APPRAISAL

The superior documents evaluation of the performance of the employee over the rating period and conducts the appraisal interview to provide feedback on performance and to mutually agree on developmental action plans for the employee.



COMPONENTS OF THE SYSTEM

1. Targets/Goals or Key Result Areas

This covers specific work goals reflecting desired performance results or outputs. A weight of seventy percent (70%) is assigned to this component.

2. Performance Factors

Performance Factors covers job dimensions, work processes, and work values, attitudes and behaviors as determinants of an efficient, productive, and effective employee. They represent the remaining thirty percent (30%) of the appraisal.



The Performance Factors covered in this system, their definitions and behavioral indicators, and the respective weight allocations are as follows:

DEFINITION OF PERFORMANCE FACTORS

NON-OFFICERS LEVEL

Weight

Quality of Work

6%

- Shows accuracy, completeness, neatness and timeliness of work in relation to company and industry standards and in conformity with operating policies and procedures as applicable to the appraisee's work unit.
- Displays quality and excellence at work by meeting the expectations of internal and external clients with minimal and optimal use of human and material resources in the performance of tasks.
- Demonstrates understanding of scope of job responsibilities and technical and professional proficiency in the application of methods, techniques, and skills required to accomplish job functions.

Responsiveness / Customer Service Orientation

6%

- Performs functions as service representative in support of the corporate image through timely and consistent responsiveness to needs and expectations of the external clientele.
- Exhibits enthusiasm, sincerity, empathy and reliability when rendering service both to internal and external customers.
- Shows cognizance of the task linkages (customer-supplier chain) between positions and/or departments and responds to requirements of internal clientele by meeting the quality standards of their support requirements.
- Demonstrates active and receptive listening skills marked by the ability to absorb and understand messages from others.

Initiative, Creativity and Innovation 4%

- Display self-motivation and self-direction; originates action without being prodded or with minimum outside direction.
- Takes active efforts to influence people and events to achieve individual and group goals.
- Develops and recommends more effective ways of doing work by generating new ideas on product, process or service improvement; generates creative ideas on organizational concerns as profitability, cost effectiveness, project management and customer satisfaction and initiates their adaptation and operationalization in the work setting.

Discipline 3%

- Observes work ethics and behavior standards and complies with company rules and regulations in the work setting.
- Does not exhibit deliberate violation of operating policies and procedures characterized by bad faith, dishonesty or abuse of authority.
- Exhibits industry and perseverance by pursuing tasks until completion.
- Observes regularity and punctuality in work hours; makes productive use of presence in the work setting; minimizes lost time in the performance of functions.

Commitment to and Concern for the Organization 4%

- Lives up to corporate mission and values.
- Upholds corporate perspective by taking responsibility over and recognizing the impact and implications of personal actions and decisions on organizational concerns as corporate image, productivity and profitability.

- Demonstrates personal responsibility, commitment and loyalty to the company by adhering to corporate principles of business conduct and ethics.

Problem Solving and Decision-Making

3%

- Identifies work-related problems and opportunities for improvement.
- Analyzes facts, data and logic and understands content and circumstances to arrive at practical decisions and/or recommendations on problems and improvement areas.
- Provides necessary and timely feedback regarding work or personal concerns affecting the work environment.

Cooperation and Teamwork

4%

- Respects opinions, abilities and contributions of others; treats others with dignity and importance.
- Interacts effectively within one's own workgroup and with other divisions/departments in the organization by responding to their needs and concerns as internal customers.
- Participates in group efforts and commits to work group objectives; provides help and support to others by sharing one's knowledge, experience and resources.
- Performs functions as service representative in support of the corporate image through the timely and consistent response to the needs and expectations of the external clientele.
- delivers messages and information to others through the use of appropriate medium of language.

OFFICER AND SUPERVISORY LEVEL

Planning, Organizing and Controlling

6%

- Formulates clear and relevant strategies, policies and procedures for application in the work setting.
- Sets quantifiable and time-bound goals and work performance standards and establishes course of action for self and other members of the group.
- Takes a proactive rather than reactive stance about work activities.
- Defines proper placement of and work assignments to subordinates in consideration of their present and potential competence level.
- Optimizes allocation of time, materials, and financial resources to get things done.
- Identifies preventive and contingent action against potential problems.
- Sets up reportorial systems and feedback mechanism to track group and individual compliance with work standards.

Leadership and Employee Development

5%

- Leads by example.
- Assumes responsibility for one's action and decisions and those of others in the work group.
- Inspires, persuades and enables individuals and groups to support and accomplish defined objectives and tasks.
- Facilitates subordinates' completion of tasks by providing needed support and resources.
- Practices motivational approaches and non-adversarial disciplining to ensure subordinates' compliance with operative policies, procedures and guidelines.

- Conducts regular assessment of subordinates' strengths and areas of improvement; provides them with feedback on such, and effects developmental activities to enhance subordinates' performance.
- Develops subordinates' job and personal competence through delegation of authority and responsibility, on-the-job training, and coaching and counseling.
- matches words with corresponding actions.

Responsiveness / Customer Service Orientation

4%

- Performs functions as service representative in support of the corporate image through timely and consistent responsiveness to needs and expectations of the external clientele.
- Exhibits enthusiasm, sincerity, empathy and reliability when rendering service both to internal and external customers.
- Shows cognizance of the task linkages (customer-supplier chain) between positions and/or departments and responds to requirements of internal clientele by meeting the quality standards of their support requirements.

Initiative, Creativity and Innovation

3%

- Displays self-motivation and self-direction; originates action without being prodded or with minimum outside direction.
- Takes active effort to influence people and events to achieve individual and group goals.
- Displays positive attitude towards change that will lead to improvement of status quo.
- Explores possibilities and alternatives for improvements both on the basis of non-traditional approaches and on apparently simple, traditional, or tested situations.

- Develops or recommends more effective ways of doing work by generating new ideas on product, process, or service improvement; generates creative ideas on organizational concerns as profitability, cost effectiveness, project management and customer satisfaction and initiates their adaptation and operationalization in the work setting.
- Find ways of satisfactorily completing assignments even in the absence of some requirements to activity completion.

Job Knowledge and Technical Competence

3%

- Shows familiarity with the insurance industry and Company - its organization, products and services.
- Shows familiarity with and explains to subordinates policies and procedures applicable to one's own unit.
- Demonstrates understanding of scope of job responsibilities and technical and professional proficiency in the application of methods, techniques, and skills required to accomplish job functions.
- Organizes ideas clearly and concisely; transmits ideas persuasively to gain understanding, agreement, acceptance, or action of others, either orally or in writing in individual and group situations.
- Illustrates cognizance of specific details of the job by accomplishing duties enumerated in the job description in a practical and efficient manner.
- Demonstrates familiarity and compliance with acceptable standards of performance on the job for self and subordinates.

Cooperation and Teamwork

3%

- Respects opinions, abilities, and contributions of others; treats others with dignity and importance.

- Delivers messages, instructions, or directions to others through the use of appropriate medium and language.
- Interacts effectively within one's own work group and with other divisions/departments in the organization by responding to their needs and concerns as internal customers.
- Participates in group efforts and commits to work group objectives; provides help and support to others by sharing one's knowledge, experience, and resources.
- Performs functions as service representative in support of the corporate image through the timely and consistent response to needs and expectations of the external clientele.

Concern for and Commitment to the Organization

3%

- Lives up to corporate mission and values; demonstrates personal responsibility to the Company by compliance with policies and guidelines and work behavior standards.
- Uphold corporate perspective and manifests identification with the orientation and interest of the management of the organization.
- Takes responsibility over and recognizes the impact and implications of personal actions and decisions on the organizational concerns as corporate image, productivity, and profitability.
- Demonstrates personal responsibility, commitment, and loyalty to the company by adhering to corporate principles of business conduct and ethics in relation to conflict of interests.
- Observes regularity and punctuality in work hours; makes productive use of work hours.

Judgment and Decisiveness

3%

- Identifies work-related problems and their causes, and opportunities for improvement.
- Analyzes facts, data, and logic, and understands content and circumstances to arrive at practical decisions and/or recommendations on problems and developmental areas.
- Chooses sound course of action from given alternatives within designated time constraints.
- Establishes distinction between general as against unique or isolated situations and develop quality, realistic, and practical decisions responsive to particular situation.
- provides necessary and timely feedback regarding work or personal concerns affecting the environment.

THE GOAL SETTING PROCESS

At the start of the rating period, each employee is asked to formulate around three to five priority goals. The goals are based on the corporate plans and departmental objectives.

The formulation of goals may be initiated either by the employee or his immediate superior.

Employees are encouraged to formulate meaningful and significant goals that have direct impact on organizational productivity and effectiveness. Thus, the goals may deviate from routine activities such that employees are encouraged to focus on improvements such as profit maximization or cost reduction, problem solving, or product and process improvement. Routine goals are developed in cases where compliance and consistency with predetermined performance standards are critical.



Below are the types of goals:

- Routine Goals - these are goal statements reflecting day-to-day or repetitive activities. These become significant when they reflect compliance with pre-determined standards to ensure smooth organizational operations.
- Improvement Goals - these are the statement of plans to improve the current level of performance. These goals have the “from-to” considerations such as increases in volume of production, sales performance and profitability, or decreases in terms of time and expenses.
- Project Completion Goals - these are statements of one-time assignments as against routine job functions. Special projects include such things as the implementation of a new technology, conduct of a research or analysis project, or assignment as a special liaison in an external business.
- Problem Solving Goals - these goals reflect specific efforts to respond to existing problems or concerns in the organization. These goals are usually contingent in nature, but can also reflect preventive action in anticipation of problems.
- Innovation Goals - these imply the application of creativity in introducing new ideas and their subsequent implementation, in relation to products, processes and procedures, methods and systems, etc.
- Staff Development Goals - these are statements of plans to improve and develop skills and effectiveness of subordinates. These goals may reflect remedial or developmental approaches in relation to knowledge, attitudes, skills, and abilities. These may cover training programs, on-the-job training, coaching and counseling, job rotation and job enrichment.
- Personal Development Goals - these goals highlight personal responsibility to initiate the continued improvement of personal skills for professional growth. These goals may reflect remedial or developmental approaches in relation to knowledge, attitudes, skills, and abilities.

Identifying the key result areas of his position will help an employee determine specific concerns on which he may be able to formulate goals. Ideally, there should be at least one major goal for each of the key responsibility areas.

As a general rule, the employee should be involved in the identification and establishment of goals. It has been widely noted that employees who are involved in goal setting tend to aim for an improvement of past performance.

GUIDELINES FOR THE GOAL RECORD SHEET

The Goal Record Sheet provides for the documentation of the goals that the employee is committed to undertake within the appraisal period. This also clarifies the standards against which the performance of the employee will be assessed later.

A separate Goal Record Sheet is completed for each of the goals formulated by the employee.

The elements of a Goal Record Sheet are described below to provide guidelines on its completion.

1. IDENTIFICATION

On the topmost portion of the form, the Appraisee writes his name, his position, his department and the rating period within which the goals will be implemented.

2. GOAL STATEMENT

The Appraisee enters the complete goal statement ensuring that it conforms to the SMART (Specific, Measurable, Attainable, Results-Oriented, and Time-bound) criteria. Measurement standards should reflect quality, quantity and timeliness consideration as applicable.

Example:

For a Provincial-based BRANCH CASHIER

To submit to the Head Office the monthly Production Report with complete and accurate data by the fifth working day of each succeeding month starting January 2003.

3. GOAL WEIGHT

The Appraiser indicates the weight assigned to the goal. The total weight assigned to the performance outputs appraisal is divided among the three or more goals formulated by the Appraisee based on their significance or priority, level of difficulty of, and risks involved in their implementation.

4. PERFORMANCE STANDARDS

The Appraisee identifies the reference points to be used to measure the degree by which the proponent has achieved his goals at the performance evaluation stage. He enters count, percentages, or description to indicate standards of quantity, quality, and timeliness for each of the performance level.

The goal statement is formulated to reflect the *Meets Expectations* level. As a guide, standards shall be set according to this scale.

Exceptional - performance exceeds the goal by at least 25% over the target.

Exceeds Expectations - performance exceeds goals by at least 12.5% but the favorable variance is less than 25% over the target.

Meets Expectations - performance is consistent with goal set or has a favorable variance not exceeding 12.5% over the target.

Meets Most Expectations - goals are not met but the unfavorable variance does not go beyond 12.5% lower than the target.

Minimally Meets Expectations - the unfavorable variance in goal achievement is more than 12.5% but does not go beyond 25% lower than the target.

Does Not Meet Expectations - the unfavorable variance in meeting the goal/target is more than 25%.

Example:

Based on the goal statement of the Branch Cashier presented above:

Exceptional (E) - *Regular submission by the second working day of succeeding month*

Exceeds Expectations (EE) - *Regular submission by the third working day of succeeding month*

Meets Expectations (ME) - *Regular submission by the fifth working day of succeeding month*

Meets Most Expectations (MM) - *Regular submission by the seventh working day of succeeding month*

Does Not Meet Expectations (DE) - *Regular submission later than the seventh working day of succeeding month*

5. PROGRAM STEPS

The Appraiser determines the major actions for each goal. He lists down in sequential and logical order the major action steps that have to be undertaken in pursuance of the goal.

6. TIMETABLE

The Appraiser, likewise, indicates the anticipated target date for completion of each of the major action steps. The time frame is determined on the basis of completion of all activities on the date as indicated in the goal statement.

7. SUPPORT REQUIRED

The Appraiser proceeds to list down all support that may be needed from other individuals or work groups in terms of financial, logical, and manpower resources, collaborative activities, or information that are not within the immediate control of the goal proponent. Alongside, he indicates the specific persons (not just position titles or names of work groups) from whom such support is expected.

8. SIGNATURE

Upon completion of the discussion and negotiations on the goals which is done through the Expectations Planning Session, both the employee (appraisee) and his immediate superior (appraiser) sign to signify mutual agreement and commitment to the goal. The date of agreement is likewise indicated in the form.

Completed Goal Record Sheets (GRS) shall be reproduced in the copies, one retained by the Appraiser, another given to his immediate superior, and a

third copy being part of a compilation of Goal Record Sheets for the entire department. This compilation shall serve as the reference for the regular review on the progress of goals accomplishment. In the case of department heads, the copies of their Goal Record Sheets meant for their superior shall be compiled at the Office of their respective Division Heads. The original shall be forwarded to Compensation and Benefits Department.

Division and Department Heads who are directly reporting to the President shall no longer be required to submit their individual GRS. Instead, their respective Key Result Areas (KRAs) which were submitted to Corplan Department shall be used in evaluating their respective performance. Likewise, Division Heads may opt to implement the same to their direct reports (Department / Services Head) provided the latter have submitted their respective KRAs to Corplan Department.

EXPECTATION PLANNING SESSION

The Expectation Planning Session or the performance planning discussion takes place at the start of the rating period, immediately after the formulation of the goals by the employee. The end result is the agreement on the goals and program steps transformed in a written plan (documented on the Goal Record Sheets) with copies provided the employee (appraisee), his immediate superior (appraiser), and next level superior of the appraiser.

The key items to be included in the discussion re the following:

- **Goals** - What is to be done
- **Program Steps** - How to achieve the goal
- **Performance Standards** - How performance in relation to the goal will be measured. How significant is the goal.

The Expectation Planning Session has two phases. The first phase is the advance preparation wherein the superior is expected to do the following:

1. Provide the necessary information to the employee for him to develop the goals.
2. Be available to answer questions or discuss suggestions which the employee may have.

3. Review the tentative goals and program steps to check if the employee has accurately defined what must be done and how it is to be done.
4. Sit down with his next level superior to secure initial clearance on the subordinates' goals and to align such goals to department objectives.

The second phase involves the final discussion of the goals, program steps, and rating standard. The objective of the discussion is to attain understanding, agreement, and commitment to the goals.

The following steps are undertaken during the session:

1. Establish an atmosphere that is relaxed and friendly.
2. Express the importance of the individual's job to departmental and corporate performance.
3. Ask the employee to explain each goal with the corresponding action steps and check for understanding. Negotiate for agreement on the major features of the goal.
4. Agree on the performance rating standards for each goal.
5. Assign the weight to each goal.
6. Set the date for a progress review meeting and express confidence in the employee's capacity to achieve the objectives.

PROGRESS REVIEW MEETINGS

Regular and concurrent feedbacks on the day-to-day performance of the subordinates are critical activities in performance management. Feedback will provide the superior the opportunity of complimenting positive behaviors and calling the attention of the subordinates on the lapses, errors, or shortcomings. Feedback-giving is a key ingredient in the performance management and appraisal system.

This notwithstanding, Progress Review Meetings need to be conducted still.

A Progress Review Meeting is a formal meeting between the appraisee and the appraiser for a discussion of the status of accomplishment of goals

and program steps, problems being encountered, or any changes in the plan. It also includes a discussion of behaviors of the appraisee as observed by the appraiser in relation to the performance factors covered by the appraisal system.

As an intermediate appraisal activity, the Progress Review Meeting will be undertaken at least once covering the performance for the first half of the year on dates agreed upon by both parties.

The following are steps to be observed by a superior in the conduct of the Progress Review Meetings:

1. Discuss observed behaviors of the employee-appraisee in relation to the performance factors. Compliment the employee on positive behaviors.
2. Discuss goals and program steps achieved and compliment the employee for the accomplishment.
3. Analyze with the employee the goals and/or program steps that have not been met and identify causes.
4. Agree on solutions, contingent action steps, and write the agreement.
5. Whenever valid, revise goals and/or action steps.
6. Document observations and agreements made on development areas relevant to the performance factors as well as on the goals. Solicit action plans from the employee rather than imposing one's own solutions.
7. Express confidence in the subordinate's capacity to demonstrate exemplary performance on the job and to see his goals through and set the date for the next progress review, if necessary.



GUIDELINES FOR THE PROGRESS REVIEW RECALL SHEET

The basic instrument for documenting the Progress Review Meetings is the Progress Review Recall Sheet. This form is filled out by the superior of the employee being appraised.

The elements of Progress Review Recall Sheet are described below to provide guidelines on its completion.

1. IDENTIFICATION

Fill-out all blanks. Indicate the appraisal period for which the progress review meeting is being undertaken.

2. PERFORMANCE FACTORS REVIEW

The superior writes down/cites specific situations that describe behaviors observed of the specific employee/appraisee based on the definition of the performance factors. He then determines whether such behaviors are positive or negative manifestations of that particular factor by checking the appropriate box.

3. STATUS OF GOALS ACCOMPLISHMENT

After discussion and verification with the employee, the superior indicates the current status of each of the goals earlier formulated and as documented in the Goal Record Sheet. Special attention should be given to the review of the program steps and their corresponding schedules.

4. CHANGES IN/REVISIONS OF GOALS

The employee and his superior discuss any revision of goals that may arise as a result of changes in work priorities. They also discuss weight assigned to new goals that may have been agreed upon. Note that any new goals necessitates the preparation of a new Goal Record Sheet.

5. SIGNATURES

Both the employee and his superior sign the Progress Review Recall Sheet with each one maintaining a copy for his future reference.

PERFORMANCE APPRAISAL

Performance Appraisal is the process by which an employee is provided by his immediate superior with feedback information regarding his quality of performance, and assistance in planning improvements on his performance in his present job assignment.

A documented Performance Appraisal will be undertaken for officers and employees at all hierarchical levels of the organization. Those on contractual or casual status of employment as well as those hired as consultants on part-time basis shall not be covered by this plan unless they are being considered for regular employment in the immediate future.

The Performance Appraisal Form will be used specifically for the following situations:

1. Conversion of employee from probationary to regular (permanent) employment status.
2. Periodic (annual) performance evaluation of permanent employees.
3. Interim evaluation of permanent employees being considered for promotion, transfer, designation to new position, or similar personnel transactions.

Employees on probationary status shall be subjected to a performance appraisal at least one month prior to the expiration of probationary appointment. This appraisal shall be made a substantial basis for the decision to convert the temporary employment status of the employee concerned to permanent, or to discontinue his employment with the organization.

The standard rating period for regular employee shall coincide with the calendar year. Thus, the appraisal, covering the completion of the performance appraisal form and the conduct of the appraisal interview, is done the following year, on dates as advised by Human Resources and Administrative Services Division. The new set of goals for the incoming year is finalized within the first two months of the applicable year.

GUIDELINES FOR THE PERFORMANCE APPRAISAL FORM

The following explanatory notes would guide the superior-appraiser in completing the Performance Appraisal Form.

1. RESPONSIBILITY

The appraiser will be the immediate superior of the employee whose performance is being evaluated. Under no circumstance will the employee be allowed to fill out for himself the evaluation in relation to the performance outputs and factors.

2. SELF-ASSESSMENT

The employee is provided the initial page (Part I - Self-Assessment) of the appraisal form on which he writes his responses to the self-assessment questions. Upon completion of this page, the employee submits this to his immediate superior who will use this page as input information for consideration as he accomplishes the rest of the form.

3. TARGETS/GOALS OR KEY RESULT AREAS

On Part 2- Performance Outputs Appraisal, the appraiser indicates the specific objectives (goals) and their corresponding weights. He proceeds to describe the actual performance with respect to each goal and indicates a number (by dragging the cursor to the desired number) in the continuum that corresponds to the points earned for the actual performance level against the previously set performance standards level.

Example:

In relation to the goal of the Branch Operations Assistant earlier presented, if his actual performance was submission by the third working day, drag the cursor to 60 within the Meets Expectations Level. If his average performance was by the fourth working day, this may merit 65 points within the Exceeds Expectations Level.

For each goal, the weight is multiplied by the points earned to arrive at the weighted score. The weighted scores for each goal are then added up. The sum becomes the Total Points for Performance Outputs.

4. PERFORMANCE FACTORS APPRAISAL

On Part 3 - Performance Factors Appraisal, the appraiser gives rating for observed behaviors relating to the specific performance factors. These include those that have been previously recorded in the Progress Review Recall Sheets as well as new observations noted. These become the bases for the selection of an appropriate button and number in the continuum to reflect the employee's rating on each of the factors.

In considering the options, these are some suggested benchmarks.

Highly Evident - Behavioral Evidences are **strong positive** manifestations of the factors under consideration. There are at least three or more of such behavioral evidences and there are no negative evidences.

Evident - The behavioral evidences may be a combination of **moderate to strong positive** evidences in relation to the factor. There are at least two of such evidences and none of negative evidences.

Moderately Evident - Behavioral evidences may be a combination of **moderate to strong positive and weak negative evidences**. There should at least be two positive evidences that should outweigh the negatives in number and/or significance.

Slightly Evident - Behavioral evidence may be a combination of **weak to strong positive** and **weak to moderate negative** evidences. However, the positive evidences outweigh the negatives in number and/or significance.

The numbers chosen to represent the points assigned to each performance factors are added. The sum subsequently reflected in the box marked Total Points for Performance Factors.

5. OVERALL SCORE

The Total Points for Key Result areas derived form Part 2, and the Total Points for Performance Factors (from Part 3) are added. The sum is the Overall score. It is then compared against the seven (7) levels appearing at the end of Part 3 to establish the overall performance level of the employee.

6. SUPPLEMENTARY COMMENTS

The appraiser fills out Part 4 - Appraiser's Supplementary Comments to elaborate on the employee's strengths and areas of improvement. For strengths include other positive manifestations of knowledge, attitude, skills and habits not covered by the performance factors already rated. In addition to the listing of areas of improvement, include also specific action plans and time frame for their implementation to address such developmental areas. Some alternative courses of action may include formal training programs, coaching and counseling sessions, cross-training, job enrichment, on-the-job-training, etc.

7. APPRAISAL INTERVIEW

Upon completion of the rating, the performance appraisal interview is undertaken. The superior provides summary feedback on the employee's performance and both plan out specific approaches to effect a higher performance level for the subsequent rating period. It is at this dialogue that the employee is given opportunity to write down on the space provided in the form his comments on the appraisal that was undertaken.

8. SIGNATURES

The form is signed by both appraiser and appraisee to signify that the appraisal interview has been conducted. The signature of the employee does not necessarily mean his conformity with the appraisal. The form is passed on to the next higher level superior for his signature of the attestation of the document.

9. SUBMISSION

The completed form (Part 1 to 4) is submitted by the appraiser to the Compensation and Benefits Department who will consolidate and analyze information surfaced from the forms, to serve as bases for human resource planning. The forms shall thereafter be filed with the individual personnel folders (201 files) as reference for future personnel transactions involving the employee concerned.

PERFORMANCE APPRAISAL INTERVIEW
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The preparatory phase to the discussion involves the following:

1. Establishing agreement between the employee and his superior on the proposed discussion date, time and venue.
2. Providing advance notice to the employee, asking him to provide additional data as may be relevant to appraisal.
3. Reviewing job of the appraisee in terms of the scope of work as prescribed by the job description, his job objectives, activities, goals and performance standards or success indicators.
4. Reviewing notes on the Progress Review Recall Sheets and appraising the employee's performance based on pre-determined goals and

program steps as reflected in the Goal Record Sheets, and performance factors' behavioral indicators.

5. Presenting to and discussing with the next level superior of the appraisee the accomplished appraisal form to prelude differences in the assessment of the subject appraisee.
6. Providing the copy of the accomplished form to the employee prior to the actual discussion.

The discussion phase shall be conducted in private on the date earlier agreed upon. The following critical steps shall be observed in the conduct of the appraisal interview.

1. Establish a climate that is relaxed and friendly.
2. Summarize major strengths of the appraisee and provide recognition and affirmation.
3. Recognize accomplished goals and program steps. Check out the enabling factors that helped him towards such accomplishments.
4. Discuss unattained goals and program steps together with the hindering factors or causes for unattainment. Review also all changes in goals and action steps that may have been agreed upon during the Progress Review Meetings.
5. Discuss the ratings on the individual performance factors giving emphasis on the behavioral evidence that served as the bases for the ratings given.
6. Discuss rationale behind overall rating.
7. Jointly formulate development plans, action steps, and follow-up dates. Set guidelines for the new performance management and appraisal cycle.
8. Summarize the agreements arrived at during the session and express confidence in the capabilities of the appraisee.