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1.0 OBJECTIVE


- 1.1. To ensure that employee performance is aligned with the organization's direction, priorities and values through goal setting at the beginning of the evaluation cycle;
- 1.2. To ensure that employee performance is regularly monitored, and employee is provided the corrective and/or supportive action where needed;
- 1.3. To provide an objective performance assessment rating that shall serve as basis for incentives and rewards, promotions, training and development and other personnel actions; and to provide a means for communicating these decisions/actions to the employee;
- 1.4. To enhance efficiency of both the employee and the organization;
- 1.5. To provide performance feedback, counseling and coaching to employees aimed at improving their performance and developing their potentials;
- 1.6. To develop among employees commitment to the organization through career discussion- opportunities and planning;
- 1.7. To motivate employees through recognition and support;
- 1.8. To strengthen superior-subordinate relations.


2.0 SCOPE

This covers performance management of employees of TSPI Development Corp (TSPI).

3.0 POLICY AND GUIDELINES

3.1 Features of a Good Performance Management System (PMS)

1. PMS focuses on results or outputs rather than activities or processes.
2. PMS requires the following activities:
 - a. Goal-setting. Performance goals are agreed upon by both the employee and his immediate superior at the start of the evaluation cycle. As the first step, tasks, targets and desired outputs, reflecting the company's priorities and values, are identified.
 - b. Coaching. Monitoring performance is as important as evaluating it; thus, it is the responsibility of any employee's immediate superior to provide the necessary guidance to keep performance on track.
 - c. Appraising. Results or outputs are assessed based on set evaluation criteria.
 - d. Rewarding. Reward for an effective performance, not necessarily an increase in salary, is determined at the end of the evaluation period. 

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3. PMS provides a fair and objective performance evaluation. The evaluation system is conducted for two basic purposes:
- a. Employee Movement. Assesses performance to make decisions for promotions, transfer, salary increases and termination.
 - b. Developmental Planning. Gathers information to facilitate individual improvement in performance, or for use in improving recruitment, selection and placement criteria and processes, and identifying training needs of the organization.

3.2 Specific Activities Involved in the PMS


I. Performance Planning

Immediate Superior's Responsibilities	Direct Report's Responsibilities
Step 1. Communicates strategic/ operation plans and links these plans to employee's objectives.	Step 2. Understands the link between individual and department/ business goals.
Step 4. Refines Performance Plan ensuring goal alignment and challenging yet realistic standards/ measures. Identifies which goals are top priorities by agreeing to performance weight.	Step 3. Develops Performance Plan citing specific Performance Goals/ Objectives. Completes Part 1- Key Performance Indicators (KPI).
Step 5. Explains reward, recognition and consequences of performance.	Step 6. Identifies skills/ resources needed to achieve Performance Goals/ Objectives.
Step 7. Provides resources.	Step 8. Executes the Performance Plan.

II. Performance Monitoring

Immediate Superior's Responsibilities	Direct Report's Responsibilities
Gives timely and constructive feedback.	Updates immediate superior of progress, changes and unexpected difficulties. Initiates review or discussion and asks for feedback.
Plays an active role in coaching, mentoring, training his direct report.	Updates Performance Plan when necessary documenting agreed modifications.

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III. Performance Evaluation

Immediate Superior's Responsibilities	Direct Report's Responsibilities
Step 1. Asks his direct report to self-assess using applicable PMS forms.	Step 2. Completes self-assessment and submits to his immediate superior.
Step 3. Schedules a performance review discussion.	
Step 4. PERFORMANCE REVIEW DISCUSSION	
Step 5. Completes the forms including Part 6- Comments and Signatures.	Step 6. Completes Part 6- Comments and Signatures.
Step 7. Forwards to immediate superior for final review, and submits to HR Specialist / HR Head.	

3.3 Performance Evaluation Form

Ensuring that TSPI uses only one yardstick when measuring performance is critical to the effectiveness of any performance evaluation tool. Thus, the performance evaluation tool needs to provide a system where standards are clear and understood in the same way by all employees.

The PMS uses qualitative and quantitative descriptors translated in the following forms –


1. Part I – Key Performance Indicators
2. Part II – TSPI Core Values
3. Part III – Leadership Actual and Potential Measures

3.4 Performance Evaluation Rating System

1. Interpretation of the Overall Rating Scale:

<i>Rating Scale</i>		<i>Interpretation</i>
100 & above	Outstanding	<u>Far exceeded all expectations.</u>
90 to 99	Very Satisfactory	<u>Exceeded most expectations.</u> The employee achieved all performance targets with desired outputs, and has, on several occasions, accomplished other major tasks (unscheduled) and delivered results beyond expectations.
80 to 89	Satisfactory	<u>Met expectations.</u> The employee achieved all performance targets set at the start of the rating period with desired outputs.
70 to 79	Needs Improvement	<u>Failed to meet some expectations.</u> The employee failed to achieve some of his performance targets.
Below 70	Unacceptable	<u>Failed to meet expectations.</u> The employee did not meet performance targets.

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2. Computation of Rating using Scale (For Part 2, 3 and Part 3- Summary of Ratings). Each dimension/ factor has a corresponding weight depending on its relative importance to the job. The rating for each dimension/ factor is not simply the score from the rating scale but is computed further to include the weight of the dimension/ factor. Below is the formula when computing for the rating: **raw score x weight**

All the ratings then are summed up to get the employee's total score or evaluation rating.

3. Acceptable Rating. Any rating less than 3 is unacceptable. Thus, a performance evaluation rating of 3 or higher is necessary to justify any recommendation for regularization, promotion, reclassification or salary adjustment.

For probationary employees, a rating of 2 or less in one rating period may result to termination of contract.

3.5 Performance Evaluation Schedule

<i>Evaluation Period</i>	<i>Goal-Setting</i>	<i>Performance Review/ Discussion</i>	<i>Performance Evaluation</i>	<i>Submission to HRMS</i>
January to April	December	<i>Probationary:</i> Monthly* <i>Regular:</i> Preferably every other month	1 st week of May	3 rd week of May
May to August	April		1 st week of September	3 rd week of September
September to December	August		1 st week of January	3 rd week of January

*The monthly assessment or performance review/ discussion for probationary employees may be used as basis for termination of probationary contract.

4.0 PROCEDURE


Responsibility

Employee and his Immediate Superior

Activity

1. Discusses and agrees on performance goals every start of the rating period to complete Part 1- Performance Goals of the Performance Evaluation Form.
2. Maintains a copy of the completed section (Part 1) of the Performance Evaluation Form.

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Employee

3. Makes a self-appraisal by accomplishing a Performance Evaluation Form at the end of the rating period.
4. Submits his self-appraisal to his immediate superior using the prescribed Performance Evaluation Form.

Employee's Immediate Superior

5. Reviews the employee's self-appraisal and makes assessment based on the achievement of the performance goals agreed upon at the start of the rating period.
6. Schedules a performance discussion with the employee.

Employee and his/ her Immediate Superior

7. Discusses performance assessment using all the supporting documents.
8. Agrees on the final evaluation and computes for the final rating.

Employee's Immediate Superior

9. If necessary, makes recommendation, e.g., promotion, to the next approving authority by submitting necessary documents.
10. Submits the signed PMS forms to the HR Specialist / HR Head.

Approving Authority

11. Reviews all recommendations and documents, and makes a decision.
12. Advises the employee's immediate superior of the decision.

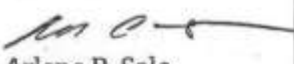
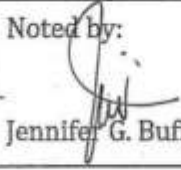
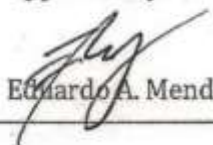
Employee's Immediate Superior

13. Implements the personnel movement.

5.0 FORMS

5.1 Notice of Personnel Action (NOPA) form

5.2 PMS Forms

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