



MANUAL OF LBP INSURANCE
BROKERAGE, INC. EMPLOYEES
APPRAISAL SYSTEM
(LIBI-EAS)

First Edition 2015



LBP INSURANCE BROKERAGE, INC

EMPLOYEES APPRAISAL SYSTEM (LIBI-EAS)

The LBP Insurance Brokerage, Inc. (LIBI) Employees Appraisal System (EAS) is a response to the two-fold thrust of strengthening its business operation and human resources. It seeks to provide an objective basis of all our employees' accomplishments and contributions to attaining corporate goals.

As a LandBank subsidiary, it seeks to align its employees' level of performance and accomplishments in support of the over-all vision and mission of LandBank in general, and LIBI in particular.

OBJECTIVES

- To motivate and guide the individual employee toward improved performance and development of competencies by providing effective feedback mechanism through which particular strengths and weaknesses and progress on the job are distinctly spelled-out.
- To assist the supervisor and employee in appraising individual contributions toward the attainment of organizational goals and targets.
- To clearly delineate the responsibilities and appropriate activities of each individual.
- To provide a rational measure of employee performance which shall form part as basis for personnel actions such as promotions, merit increases, transfer and re-assignments.



BASIC POLICIES

- The LIBI-EAS operates on the principle of shared commitments and objective measures of performance results. Performance targets and standards are planned and agreed upon by Management, Unit Heads, Supervisors and employees.
- Performance shall be evaluated on the basis of the employee's accomplishments against targets.
- All immediate superiors shall assist each of the subordinates in the establishments of targets/results which are attuned to the corporate goals and mandate.
- The Employee Appraisal System shall promote transparency and provides mechanism for appeals and resolution of conflicts and/or disagreements.
- Appropriate training opportunities shall be sought for the continued enhancement of the Employee Appraisal System.

SCOPE

The LIBI-EAS applies to all regular officers and employees in the service of LBP Insurance Brokerage, Inc.



RATING PERIOD

- For Regular Employees – the Appraisal Evaluation is done semi-annually, ending June 30 and December 31 of every year. The appraisal form to be used is the Performance Target Worksheet and Appraisal Report (PTWAR).
- For Newly Hired/Probationary Personnel – initial ratings shall be administered upon completion of the first six (6) months of service. This will serve as basis for regularization.

MECHANICS OF THE PERFORMANCE EVALUATION SYSTEM

1. At the Start of the Rating Period

a. Setting of Targets and Standards

- A planning session shall be conducted during which the targets, Key Results Areas (KRAs) and work standards shall be jointly set by the Heads of the Operating Unit and subordinates. Board approved corporate targets shall serve as the springboard of target setting per Operating Unit.
- The supervisor and the employee shall also establish a pre-determined weight in percentage form for every KRA, and the work standards against which actual performance shall be assessed. KRAs shall be categorized according to priority, complexity and impact on the established goals of the operating unit. To note, the staff's target are also the supervisor target.
- Using the prescribed PTWAR form, the employee writes down the KRAs/Targets agreed within the unit.
- The Heads of Operating Units shall convene together with the President & CEO to review/validate the units' target/work standards which shall serve as reference point in rating individual performance.



2. During the Evaluation Period

a. Progress Review

- The rater regularly monitor the employees progress on the job. Periodic feedback meetings may be conducted either by scheduled meetings or one-on-one consultations between the rater and the rate to discuss on problems/difficulties encountered, ways to resolve problems or checkpoints in terms of schedule and output to ensure accomplishments or tasks.
- The immediate supervisor of the employee records every significant observation (positive comments or suggestions for improvement) he/she makes on employees performance anytime during the evaluation period.
- Rater shows and discusses with the rate all remarks/written entries in the PTWAR. The rate, in turn, gives corresponding reaction, explanation or plan of action for the remarks.

b. Modifications

During the rating period, the rater and rate may re-negotiate goals and standards where necessary to give way to new thrusts of the unit. The Unit head must give concurrence to the adjustments of the individual targets while changes in the Unit targets must be approved by Management.

3. At the end of the Evaluation Period

a. Performance Evaluation

The ratee writes down the actual results/accomplishments of each projected output.

The rater then assesses the ratee's actual job performance as against targets and established work standards. Upon his/her discretion, the rater may ask the ratee to do self-appraisal prior to giving final evaluation.



Performance Evaluation must be supported by rater’s observations as reflected in the PTWAR. The veracity and accuracy of the evaluation forms content must be attested by both rater and ratee by affixing their respective signatures, duly confirmed by the Unit Head and approved by the President & CEO.

COMPONENTS OF RATING

A. JOB PERFORMANCE

Job Performance is given a weight of

- 60% for rank and file up to Supervisors
- 50% for Unit Heads

Rating in this portion is derived through evaluation of actual accomplishments versus the targets and/or planned standards agreed upon by both supervisor and ratee and duly confirmed by Unit Heads and the President & CEO.

Steps in Rating:

1. The supervisor determines how the ratee met each requirement of his/her performance targets as to QUANTITY, QUALITY and/or TIME, whichever is applicable, and rates him/her on the basis of the following rating points:

RATING	PERFORMANCE LEVEL
10	Ratee’s performance exceeds planned targets by 30% and above
8	Ratee’s performance exceeds targets by 15% to 29%
6	Ratee’s performance meets 100% or exceeds planned targets up to 14%. For accomplishments requiring 100% of the targets such as those pertaining to money or accuracy of those which may no longer be exceeded, the usual rating of 10 for those who met the targets or 4 for those who failed or fell short of the requirements applies.
4	Ratee’s performance only meets 51% to 99% of the planned targets
2	Ratee’s performance only meets 50% or below the planned targets



2. Weighed score is computed by multiplying the rating with the assigned weights for each KRA.
3. All weighted scores are added to obtain the TOTAL POINT SCORE (TPS).
4. To get the EQUIVALENT POINT SCORE (EPS) for Job Performance, the TPS is multiplied by 60% or 50%, whichever is applicable.

**B. CRITICAL FACTORS/BEHAVIORAL CHARACTERISTICS
AFFECTING JOB PERFORMANCE**

Behavioral characteristics affecting Job Performance are given a weight of:

- 40% for rank and file up to Supervisors
- 50% for Unit Heads

The critical factors are grouped into four (4): Core Factors, Additional Factors for Technical Personnel and Supervisors, Additional Factors for Unit Heads and Optional Bonus Factors.

Steps in Rating:

1. The rate is evaluated after each dimension according to the degree to which said attribute is exhibited by him/her by five (5) rating points – 10, 8, 6, 4, 2 – which shall be used as bases for appraisal, each of which has a corresponding qualitative description.

Important Note: Extremely high (10) or low (2) ratings must be justified by citing specific critical incidents , otherwise the rating shall be automatically converted to 8 or 4, respectively.

2. The average rating is then computed and multiplied by 40% or 50%, whichever is applicable, to obtain the EQUIVALENT POINT SCORE (EPS).

**COMPUTING THE OVERALL RATING:**

- Using the Summary of Rating in the PTWAR, the EAS of A, and B are added to obtain the TOTAL EQUIVALENT POINTS SCORE (TEPS). After which, the adjectival rating is determined as follows:

RANGE OF TEPS	EQUIVALENT ADJECTIVAL RATING
9.503 - 10.000	OUTSTANDING
8.752 - 9.502	HIGHLY COMMENDABLE
7.501 - 8.751	COMMENDABLE
5.000 - 7.500	ACCEPTABLE
2.401 - 4.999	MARGINAL
2.000 - 2.400	POOR

- The rater writes down his/her comments regarding the ratee's strength and weaknesses on the job and/or recommendations. The rater may also suggest training programs and other useful strategies that may help improve or further enhance job performance.
- If the ratee has been assigned a special project during the evaluation period, a maximum of one (1) point shall be added to his/her overall performance rating.
- After the immediate supervisor has made initial evaluation on the performance of the ratee, he/she then submits the accomplished PTWAR to respective Unit heads, who shall validate/confirm the performance ratings within the unit before submission to Management for final approval.

b. Submission of Evaluation Forms

- Accomplished performance evaluation forms with the final ratings are submitted to the Administrative Unit not later than the 15th day after the end of the rating period, which shall consolidate all appraisal forms and performance ratings.

**c. Other Provisions**

- Employees who are on official travel, approved leave of absence, training or scholarship programs and who have already met required minimum rating period of 90% are required to submit their PTWAR before leaving the office.
- For purposes of performance-based personnel actions, employees who are not given ratings for a particular period shall use their performance ratings obtained in the preceding rating period. This provision shall not however, apply to those who are on vacation leave, even with an approved application.

DUTIES AND RESPONSIBILITIES**The RATEE shall:**

- Exert all efforts to increase ones' efficiency and effective in the job.
- Seek feedback on his/her performance and/or offer suggestions on how his/her supervisor can help to make him/her more productive and effective on the job.
- Prepare a summary of achievements for the whole rating period and accomplish performance appraisal report promptly.

The RATER/SUPERVISOR/UNIT HEAD shall:

- Assure that objectives and results of each subordinate under his supervision accurately reflect the significant responsibility areas of said ratee's position.
- Evaluate performance on a continuing basis and keeps employee currently informed on how he/she is measuring up to the objectives/results agreed upon.
- Give guidance and assistance to every subordinate.
- Ensure on-time submission of evaluation reports.

**The Administrative Unit**

Administer the performance evaluation.

Serve as custodian of all rating reports.

Prepare a summarized report of the performance evaluation

Provide assistance to unit head/supervisors/raters

REWARDS

- Employees who meet or exceed expectations of their job are given due recognition and reward. OUTSTANDING, HIGHLY COMMENDABLE, COMMENDABLE AND ACCEPTABLE performers are eligible for merit increases.
- OUTSTANDING, HIGHLY COMMENDABLE, COMMENDABLE shall be considered for promotion, training and other personnel actions as approved by the Board of Directors

SANCTIONS

- Administrative sanction shall be taken against any supervisor/rater who uses the evaluation to give undue advantage or disadvantage to the personnel he/she rates.
- Per LANDBANK practice, two (2) successive marginal ratings or a single (1) poor rating shall constitute a ground for dropping from the rolls, but only after due process has been sought and all possible corrective measures are already exhausted.
- Non-submission of performance evaluation report after the set deadline must be justified and accepted accordingly, otherwise, it shall constitute a ground for an administrative sanction for violation of reasonable office rules and regulations of the concerned employee.



APPEALS

- Any employee who feels aggrieved or dissatisfied with their final performance ratings can file an appeal in writing addressed to the President & CEO, who in turn convenes all Unit Heads to form the Appeals Committee for the speedy resolution of an appeal. The appeal must be made only within fifteen (15) days from receipt of his/her copy of the performance rating which shall serve as the appeals period.
- Any employee is not allowed to protest the performance ratings of his/her colleagues.