



PERFORMANCE MANAGEMENT SYSTEM

OBJECTIVE

Performance Management is the process of Performance Planning (goal setting), Performance Monitoring and Coaching, measuring (evaluating) Individual Performance linked to organizational goals, giving him/ her feedback, rewarding the individual based on his/ her achievements against set performance goals & required competencies, and working out a plan for his development.

PHILOSOPHY

VBHC believes that its business success is attributable to the performance, efforts and achievements of the employees, which are aligned with the Company's business goals and objectives. VBHC also believes in a performance-driven culture that allows employees opportunities to attain business objectives and fully stretch their potential.

- VBHC believes that Performance Management is a shared responsibility between the employees and the Company and is intended to be an on-going process where there is regular communication between employees and supervisors.
- The Performance Management Process has 4 basic elements – Performance Planning, Performance Execution, Performance Assessment and Performance Review.

The roles are as follows:

	Responsibility	
	Employee	Reporting Manager
Performance Planning/Goal Setting	Jointly set and agree with Reporting Manager on goals, performance targets and development plans which should be aligned with the department's & Company's goals and targets	Provide direction in terms of organization's strategic plan and department's objectives/ goals
Performance Execution	Accomplish goals and objectives as determined at the Performance Planning stage	Provide resources and on-going coaching for accomplishment of objectives/goals
Performance Assessment	Solicit feedback on performance and take	Provide on-going feedback on performance of employee



	necessary actions	
Performance Review	Participate in final review of performance and take necessary actions on performance issues	Conduct final review of employee's performance and provide feedback on performance issues

POLICY

1. For all regular full-time employees' performance review is done annually at the end of the Financial Year for the period from April to March.
2. Performance review for employment confirmation should be completed before the expiry of the probation period.
3. For employees transferring across VBHC group of companies, a performance review should also be conducted and documented prior to the transfer by the HODs.
4. The performance review should be an open discussion on the employees' achievement as well as areas for improvement. The employee's strengths and weaknesses should also be discussed, including possible career moves and recommended training plans.

PERFORMANCE REVIEW / APPRAISAL PROCESS

VBHC adopts an open appraisal system for all levels of employees where goals are agreed and performance is evaluated through open dialogue between the supervisor and the employees.

The process involves:

Goal-Setting / Target setting

The supervisors will discuss with the employees on the performance standards expected of them. The employees will also jointly set goals and performance standards for the upcoming year. It is also important that the goals and standards are clearly stated, measurable and mutually agreed and the Goals set are updated in HRMS.

Competencies Development & Career Planning

The employees will discuss with their supervisors on the training & development needs for increasing performance. The employees may also discuss their career development plans at this juncture.

Career development and planning is important to the success of the employees and the Company. The Company provides many ways to let the employees contribute and grow on the job.

The supervisors will provide feedback and discuss the performance with their employees. As effective performance management is a two-way process, it is important that the employees provide adequate feedback to their supervisor as well.

- It is also important for all supervisors to conduct on-going reviews of work performance with the employees. Supervisors are encouraged to keep a brief record of positive and corrective feedback provided during the periodic reviews.
- For the purpose of confirming the employment of the employees, the supervisors will conduct a performance appraisal before the expiry of their probationary period. The procedure under the Company's Probation & Confirmation policy will apply in such instances.
- As part of the hand over process for internal transfer within the group, a performance review should be conducted between the transferring employees and their releasing supervisors.
- This practice should also apply to managers/supervisors who are being transferred before handing over the department to the new manager. This is to establish a mutual agreement on the achievement to date as well as areas of improvement of the employees concerned. The review should be documented and file into the individual employee's personal file.

PROCEDURE FOR ANNUAL PERFORMANCE REVIEW

- The Performance Appraisal process shall commence post the completion of the financial year i.e. from 1st April of next financial year onwards and the process of appraisal review shall be completed within six weeks' time.
- To be eligible for the appraisal the employee should have completed 6 (Six) months of employment as at 31st March. List of eligible employees based on the eligibility criteria to be rolled out in the month of February.



- HR Department will issue the guidelines and review schedules to Department Heads as well as forward / routed through HRMS the Performance Appraisal Forms of all employees to their respective Departments at the appropriate time.
- Supervisors will arrange for performance appraisal meetings with their employees using the appropriate Performance Appraisal Forms (Goal setting Form) to document the agreement on objectives / targets and performance achievements. Eligible employees to do the Self-Appraisal of their KRAs by providing narrative and evaluation on five-point scale in HRMS. Employees to complete the Self-Appraisal within five working days and submit it for review by their respective reporting managers online through HRMS.
- Employee Self-Appraisals then available on HRMS to the Reporting Manager for review.
- The reporting Manager discusses with respective employees their performance; adds his comments to the appraisal and provides his ratings in consensus with the employee.
- HR tabulates and documents these scores and the information consisting of Self-Appraisal Rating, Reporting Manager's Rating and the remarks are passed on to the management for further review.
- HR in liaison with Top Management reviews scores and finalizes increments and grade revisions.
- HR prepares the relevant letters on Salary Increase/Grade Revision which is then handed over to the Reporting Manager who in turn hands it over to the employee.
- Finally the Performance Appraisal memo approved by Top Management is shared to all the employees in the company.