Vietnam Block B Gas Project

PHU QUOC POC

Performance Management Appraisal

Guidelines
Must do, Should do, Could do

PQPOC *Professionalism & Quality*	**Performance Management Appraisal**	**Version 1**

Must do, Should do, Could do - Guidelines

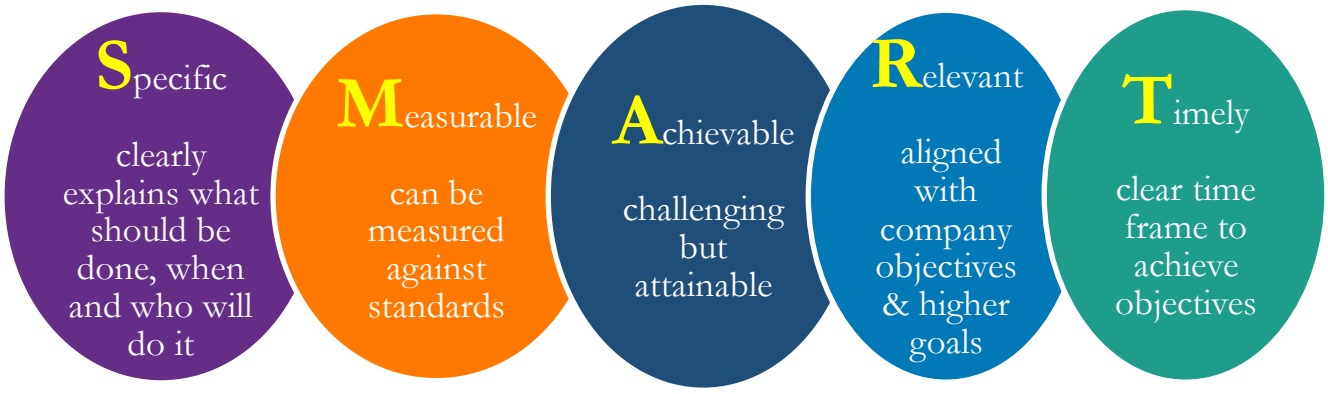
1. **Objective:**
   - To shape and sustain the High Performance Culture in PQPOC to enable the delivery of superior business results
   - To structure approach for an effective management of individual performance that will support the Company to attract and retain high performing individuals with distinctive values and competencies.

2. **Guiding Principles**
   - Performance management serves as a tool to improve business performance and drive business results by ensuring goals are aligned, targets and competencies are defined and people are held accountable to create a high-performance culture.
   - Performance management provides the platform for competency development and identification of differentiated growth or development opportunities to ensure sustainable pipeline of talents for current and future business needs.
   - Performance management review and appraisal must be fair, objective and provides ratings that send the right message.

3. **Roles of Superior**
   a. Communicate and explain clearly specific goals and how these are linked to the business objectives
   b. Cascade own Goal setting to subordinate.
   c. Lead and guide subordinate(s) in developing of performance objectives in accordance to SMART principle.
   d. Review subordinate's annual and monthly Goal setting. Perform the assessment of subordinate's annual and monthly performance.
   e. Lead the discussion during expectation setting session.
   f. Ensure completion of subordinate's Goal setting and approved by deadline given.

4. **Roles of Subordinates**
   a. Prepare own Goal setting and self-assessment (annual and monthly). Provide relevant evidences to support the performance appraisal.
   b. Identify development needs and propose own Personal Development Plan (PDP).
   c. Initiate the discussion with Superior and being actively involved in the discussion during the Expectation Setting session to finalise own Goal setting.
   d. Create and discuss and agree with superior within stipulated timeframe.

5. SMART Objectives



6. What Are MSCs?

M

What Must You Do This Month

- Must do are the top priorities that must be accomplished, the critical work that directly contributes to your goal achievement (core & priorities objectives that approved in WP&B)

Typically **4** of **Must-Do** Goals Each Month

S

What Else Should You Do This Month

- Should do can be core objective but less importance and not necessarily urgent.
- Shared objectives : HSE KPI, Recruitment and staff development, Company common KPIs, other tasks assigned by management

Typically **2** of **Should-Do** Goals Each Month

C

What Extra Could You Do This Month

- Extra effort: Company culture, emulation and initiatives; CSR, Company events, activities.

Typically **1** of **Could-Do** Goal Each Month

7. Performance Rating Scales

7.1 Performance Rating Scale

Improvement Opportunity	**1**
Meets Expectation	**2**
Exceeds Expectation	**3**
Exceeds many Expectations	**4**

Outstanding	**5**

7.2 Performance Calculating Method

No	Rating	Criteria (Achievement of MSCs)
1	Improvement Opportunity	Achieves 1-3 out of 4 Must-Do Goals (*) (1 mark)
2	Meets Expectation	Achieves 4 out of 4 Must-Do Goals (achieve 100%) (2 marks)
3	Exceeds Expectation	Achieves 4 Must-Do Goals and 1 Should-Do (3 marks)
4	Exceeds many Expectation	Achieves 4 Must-Do and 2 Should-Do Goals (4 marks)
5	Outstanding	Achieves 4 Must-Do and 2 Should-Do and 1 Could-Do (**) (5 marks)

Notes:

(*) The above 04 **Must do** is typical, **Must do** can be more or less however, in principle, the core objectives must be appropriate assigned within the month.

(**) Setting and appraise MSC are based on completion of milestone; monthly MSC is breakdown of yearly MSC tasks.

In case the performance results do not match with the above standard model, the calculation shall base on the following:

- Should do : **½ mark(maximum 1 mark)**
- Could do : **½ mark (maximum ½ mark)**

Additional notes (Year end performance)

- The calculation is based on the average of actual working months;
- Achieve better set KPI (cost saving, ahead schedule…) : plus ½ mark (maximum);
- Staff those receive the Certificates, Prizes (adhoc): plus ½ mark (maximum);
- Staff those violated Company's regulations: minus ½ mark (maximum);
- Staff achieved monthly **Must do**, however, do not meet yearly **Must do** objectives: minus ½ mark/**Must do** (maximum 1 mark) except the beyond control cases.

7.3 Rating rates (Annual) – 5 points

Improvement Opportunity	Average is Between **1.00 to 2.49**
Meets Expectation	Average is Between **2.50 to 2.99**
Exceeds Expectation	Average is Between **3.00 to 3.49**
Exceeds many Expectation	Average is Between **3.50 to 4.19**
Outstanding	Average is Between **4.20 to 5.00**

7.4 Annual Performance distributions

Ranking Classification
Improvement Opportunity
Meets Expectation
Exceeds Expectation
Exceeds many Expectation
Outstanding

- ✓ The performance of every individual in the business shall be evaluated, based on their performance in 2 following areas:
  - i. Goal Setting Objective
  - ii. Competencies Behaviour
- ✓ The individuals shall be ranked and segmented into the above ranking classifications

CLASSIFIED

Improvement Opportunity	Up to 5%
Meets Expectation	Up to 30%
Exceeds Expectation	Up to 35%
Exceeds many Expectation	Up to 25%
Outstanding	Up to 10%

EXAMPLES

1. **Match with the standard model**
   - **Achieves Overall Rating: Meets expectation**

Month / Year	Achieved (√) or Not (x)							Monthly Rates	Monthly Performance Appraisal Level
	Must-Do 1	Must-Do 2	Must-Do 3	Must-Do 4	Should-Do 1	Should-Do 2	Could-Do 1		
Jan-19	√	√	√	√				2	Meets expectation
Feb-19	√	√	√					1	Improvement Opportunity
Mar-19	√	√	√	√	√	√		4	Exceeds many expectation
Apr-19	√	√	√					1	Improvement Opportunity
May-19	√	√						1	Improvement Opportunity
Jun-19	√	√	√	√	√	√	√	5	Outstanding
Jul-19	√	√	√	√				2	Meets expectation
Aug-19	√	√	√	√	√	√		4	Exceeds many expectation
Sep-19	√	√	√	√				2	Meets expectation
Oct-19	√	√	√	√	√	√	√	5	Outstanding
Nov-19	√	√	√	√	√			3	Exceeds expectation
Dec-19	√	√	√	√	√	√	√	5	Outstanding
							Annual Average Rate:	2.916666	
							Convert to Annual Performance Appraisal Level:	Meets Expectation	

2. **Does not match with the standard Model**
   - Achieves Overall **Rating: Exceeds expectation**

Month / Year	Achieved (√) or Not (x)							Monthly Rates	Monthly Performance Appraisal Level
	Must-Do 1	Must-Do 2	Must-Do 3	Must-Do 4	Should-Do 1	Should-Do 2	Could-Do 1		
Jan-19	√	√	√					1	Improvement Opportunity
Feb-19	√	√			√	√		2	Meets expectation
Mar-19	√	√	√		√			1.5	-
Apr-19	√	√	√		√		√	2	Meets expectation
May-19	√	√	√	√	√	√		4	Exceeds many expectation
Jun-19	√	√	√	√	√	√	√	5	Outstanding
Jul-19	√	√	√	√	√		√	3	Exceeds expectation
Aug-19	√	√	√	√	√	√		4	Exceeds many expectation
Sep-19	√	√	√	√	√	√	√	5	Outstanding
Oct-19	√	√	√	√			√	2.5	-
Nov-19	√	√	√					1	Improvement Opportunity
Dec-19	√	√	√	√	√	√	√	5	Outstanding
							Annual Average Rate:	3	
							Convert to Annual Performance Appraisal Level:	Exceeds expectation	

Note: Orange color indicated cases do not match with standard model

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