



KPY-POPS-003

PERFORMANCE MANAGEMENT POLICY

Purpose: The purpose of the Performance Management Policy is to ensure the Performance Management system supports and maintains a culture of learning, growth, leadership and accountability for outcomes. The policy will support the achievement of enhanced leadership and performance management across Kora.

At Kora, we recognise that performance management should be progressive while being managed and implemented using techniques, processes and tools which are consistent with our core values and comply with legal requirements.

Scope This policy applies to all full-time employees.

Employees who are absent for extended periods due to leave (parental, sick, sabbatical, etc.) exceeding 6 weeks in a quarter (within a performance cycle) will be exempt from that specific performance cycle.

This exemption ensures your final performance score at the year's end reflects only the quarters you were actively working. Your final score will be calculated by averaging your performance scores from all quarters in which you were present.

When the employee returns to work, the manager should hold a “back to work” meeting with them to discuss what support is needed to reintroduce them to the workplace and to agree on objectives and key results. At this time, previous objectives should also be considered in the context of what was reasonable for the employee to have achieved while they were at work. A formal appraisal will then be held as usual in the subsequent appraisal cycle.

Definitions The organisation adopts the OKRs and KPIs approach to Performance Management.

OKRs stands for Objectives and Key Results. It is an agile goal management system that enables organisations, teams, and individuals to keep everyone moving in the same direction.

- a) Objectives are your ultimate destination. It is “where you want to go”. Objectives are goals and intent.
- b) Key Results are how you’re going to get to the destination. They are the steps that guide you towards reaching your ultimate destination.

QPRs - Quarterly Performance Reviews

Performance Improvement Plan (PIP) is designed to facilitate constructive discussion between employees and their managers and to clarify the specific aspects of work performance to be improved. This is usually used when there are significant underperformance issues and a structured approach is required to address those concerns.

Overview: Performance Management is a two-way, collaborative process between an employee and their manager. There are three phases in our Performance Management process; planning, feedback, and review.

- In the planning phase, employees and their managers should establish a common understanding of expectations for the year ahead.
- In the feedback phase, employees and their managers should have regular discussions about progress against objectives and any training or development required.
- In the review phase, employees and their managers should discuss and review how actual performance measures up to what was planned and expected. It should be a summary of the ongoing coaching and feedback discussions.

Policy:

1. GUIDELINES

1.1 The performance management cycle runs quarterly, starting in January and ending in December, as outlined below:

Quarter 1: January - March

Quarter 2: April - June

Quarter 3: July - September

Quarter 4: October - December

1.2 The Performance Management system is designed to assess the performance of every employee in the following areas:

- Individual OKRs (70%)
- Competency Reviews by Manager (10%)
- Peer Review (10%)
- Self Review
- Mandatory Monthly Information Security and Compliance Training Completion (10%)

1.2.1 **Technical Assessment:** Performance assessment of OKRs is expected to take place in two ways:

- Monthly Performance Reviews (MPRs)
- Quarterly Performance Reviews (QPRs)

1.2.1.1 **1:1 feedback sessions (monthly):** These check-in sessions are to review progress against agreed-upon goals and objectives, check for alignment between expectations of the team lead and direct report, and finally, facilitate two-way feedback between both parties about what's working and where things can be improved.

The 1:1 feedback sessions are expected to be held each month, which then accumulate to form the monthly performance reviews (MPR) and quarterly performance reviews (QPR).

1.2.1.2 **Quarterly Performance Reviews** - The QPR sessions are to discuss where your team is at in achieving its objectives, measure the individual performances of all team members within a department, and ensure each person/individual is on track for the month or quarter to meet the company goals and our stated impact.

1.2.2 **360-Degree Feedback** - 360-degree feedback appraisal is a feedback process where each employee will receive an analysis of how they are viewed based on their skills, behaviour, and impact on the team by team leads, peers, direct reports, and clients/customers. The objective is to ensure every employee develops their non-technical and soft skills in alignment with the values and culture of the organisation. This happens only at the end of every quarter.

1.2.2.1 Each individual and their team lead are to discuss and agree on the peers eligible to give feedback to the individual being reviewed. The peers selected should not be more than 3, and they must be people with whom the individual being reviewed has had to work closely.

1.2.2.2 360-degree feedback forms will be shared with each stakeholder, including the individual being appraised. The feedback is not anonymous.

1.3 Objectives shall be set at the beginning of each performance cycle between the employee and team lead, which shall form the basis for assessment by the end of the cycle.

2. PERFORMANCE RATINGS

- 2.1 At the end of each review cycle, each employee will be assigned a rating based on their final score.

Final Score	Ratings
(90 - 100)%	A*
(85 - 89.99)%	A
(80 - 84.99)%	B*
(75 - 79.99)%	B
(70 - 74.99)%	C
(60 - 60.99)%	D
<60%	No rating

- Any employee with a performance score below 75% goes on a [Performance Improvement Plan](#) for 3 months.
 - Such employees are expected to make considerable improvement month on month within the 3 months and attain nothing less than 80% in performance score at the end of the 3 months. This is a requirement to not only be out of PIP but also continue as an employee of Kora.
 - Where such an employee on PIP fails to perform accordingly, he or she will be exited from the company based on non-performance.
 - Meeting the 75% minimum performance score to exit the PIP is the beginning of the growth process, given that the expected minimum standard is 75%. Such an employee is therefore expected to have an upward improvement in performance and achieve the 75% minimum benchmark by the 2nd quarter post-PIP exit.
- Any employee with a performance score between 70.99% - 74.99% gets a letter of warning, and two letters of warning within 4 quarters would warrant enrollment for PIP.
 - A performance score below 75% would lead to the issuance of the first letter of warning. Another performance score below 75% within the space of 4 quarters would lead to the issuance of the 2nd letter of warning as well as enrollment for PIP for 3 months.

- Such an employee is expected to considerably improve on performance MoM within the 3 months PIP, and make at least a 75% performance score at the next performance review.
 - Where the employee concerned does not make it through, a grace period of an extension of the PIP would be granted. Where the employee still does not make it through, after the extension, by making a minimum performance of 75%, there will be a “jury” meeting between the COO, HOP and Manager to determine the next steps.
- Employees are eligible for a performance bonus as indicated, subject to approval by management.
 - All evaluated performance documents for each employee will be housed in the employee files.

3. RESPONSIBILITIES

3.1 Team leads are to:

- 3.1.1 Ensure the performance management policy is applied correctly and adhered to during the appraisal process.
- 3.1.2 Provide information, feedback, and guidance regularly, and agree on opportunities for the employee to work successfully in the role.
- 3.1.3 Ensure performance expectations have been discussed with all direct reports and the objectives are agreed upon and documented two weeks before a new quarter begins.
- 3.1.4 Ensure regular feedback and coaching discussions are held with direct reports throughout the year. Structured discussions should reflect progress towards expectations and any training or development required and should occur regularly.
- 3.1.5 Provide direct reports with constructive feedback that enables them to enhance performance, and where necessary, work with the People & Culture Manager to improve performance.
- 3.1.6 Conduct an end-of-quarter performance review with each direct report and determine an initial performance rating in collaboration with a member of the People & Culture team.

- 3.17. Retain an electronic copy of the Employee Objectives Reflection document for each of their direct reports and share it with the People & Culture team.
- 3.2 Employees are to:
 - 3.2.1 Have awareness of and understanding of the policy.
 - 3.2.2 Obtain a clear understanding of the divisional/department objectives and how their roles impact them.
- 3.3 The People & Culture team is to:
 - 3.3.1 Provide expert advice and support to all team leads across the organisation in the execution of the performance management process.
 - 3.3.2 Facilitate and monitor the performance management process of each cycle in an innovative, seamless way.
 - 3.3.3 Ensure proper documentation of the process outcome.
 - 3.3.4 Ensure that overall employee performance is a reflection of business performance.

APPLICABLE/ REFERENCED DOCUMENTS/ LINKS

Nigerian Labour Act