



HR Policies Manual

Performance & Talent Management

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6. PERFORMANCE & TALENT MANAGEMENT POLICY

6.1 POLICY STATEMENT

The concept of “organization” has changed fundamentally. Organizations are responding to these changes by looking for more adaptive and effective channels to fulfill their visions and missions. Some of the emerging characteristics include innovation, vision, values, information, knowledge, teamwork, empowerment, equity, networking and global focus. The most successful organizations are those who develop their staff in a culture devoted to values, problem solving, teamwork, and continuous improvement.

Sustaining profitable growth for our business and long-term value creation for our shareholders and people require a total commitment to:

- Exceptional standards of performance;
- Working together effectively and
- A willingness to embrace new ideas and learn continuously.

To do this, Octagon will strive to create a high performance organization in which people develop, grow and thrive, and by working together, deliver outstanding business performance.

Furthermore, Octagon believes that the successful accomplishment of its mission rests with its staff, and strives to fulfill the development of its human resource to their fullest potential. Staff possessing skills, knowledge, experiences and needs are both a valuable resource and an integral part of the whole society.

Octagon recognizes the need to develop its staff with special emphasis on building their confidence and capabilities in line with its strategic direction. This would also relate to raising job related skills, knowledge and attitudes in facilitating technical, managerial and leadership capabilities so as to improve efficiency and effectiveness in all functions and operations.

If Octagon is to succeed in having real impact in, and through, its work, it will require staff who are competent, committed, creative and strong in character and recognizing that its human resources are its most important asset.

Job duties and responsibilities are clearly defined and there is an agreement as to job performance and behavior expectations. Octagon has put in place the Performance Development Planning (PMP) Process to support this.

6.2 APPROACH

- i. Raise job-related skills, knowledge and values in facilitating technical and managerial capabilities of personnel in Octagon for efficiency and effectiveness in every function or operation
- ii. Establish a supportive environment for personal growth and development that positively impacts staff attitudes, growth, professional virtues and values necessary for promoting healthy transformation and effective development.

- iii. Providing a program for each staff member to fully understand the vision, mission, values, strategies, and work culture of the Organization
- iv. Ensuring that all new employees have adequate skills and resources required to enable them perform to acceptable standards by providing on the job and other training
- v. Creating career progression and succession tracks to ensure personal career growth and availability of qualified and motivated personnel.

Enabling working environment strategy

A creative, positive and enabling work environment can provide tremendous job satisfaction to employees.

It is also necessary if innovation and risk-taking is to flourish. Octagon therefore aims to;

- i. Create a culture of ownership and shared values through constant discussion of who we are, what we stand for, and what we want to achieve
- ii. Create an empowering environment where staff are given authority within their areas of operation, are aware of what is expected of them, and know how to deal with problems and how to seek consultation
- iii. Build management groups and equipping them with the tools required to undertake their tasks
- iv. Enable frequent opportunities for staff to share experiences and learning through formal meetings, workshops and events
- v. Promote a climate of healthy debate
- vi. Ensure that staff have all the resources required for program implementation by adequate evaluation of the individuals' needs and goals.

6.3 PERFORMANCE MANAGEMENT PLANNING PROCESS

As a principle, all management employees must have a formal annual performance review with their Line Manager. This must include a review of the targets that have been achieved (impact on the business) and how it has been achieved (Behavioral competencies). Targets for the following year must be agreed and development needs identified. An individual's career wishes should be clarified and a career plan agreed."

The main objective of the PMP process is to support the performance of the business and the development of individual employees. The PMP process aligns individual work deliverables and behavior/skill development with the Octagon Strategy, longer-term business plans and Values, and ensures an ongoing process of performance and development review.

6.4 SCOPE OF THE PMP PROCESS

The PMP policy shall apply to all management employees.

6.5 PMP GOVERNING PRINCIPLES

- Single aligned PMP process – Harmonized process, timetable and set of forms/tools/templates across Octagon Africa
- Focus of PMP - there should be an appropriate balance of time/energy invested across the following areas: Targets and Individual Development Plans.
- Line Manager owns the PMP process jointly with the individual. The Line Manager has primacy of responsibility for ensuring that the timetable and governing principles are met.

- The importance of individual/organizational alignment – individual goals should be fully aligned with and serve achievement of the business unit goals, and other business plans/projects. In addition, individual performance messages and assessment should reflect impact on and contribution to the overall business performance.
- The importance of clarity and honest feedback – leaders should provide clarity to their people, individually and collectively, about what they need to achieve, and should give honest feedback on their performance/development. This not only leads to the delivery of sustained organizational performance, but also fosters a culture of dignity and respect.
- The importance of regularity – Performance feedback should be regularly given/received, and goals should be reviewed in the light of significantly changed business circumstances. Performance Management is “real-time” and should not be viewed simply as an end-of-year appraisal process.
- The importance of reflecting performance and capability differentiation – the reality of variation in individual performance or capability of the manager within his peer group should be recognized and reflected (through feedback, performance summaries and rewards) Whilst in some cases, this takes courage, it is critical for individual learning, team motivation (fairness/justice) and organizational performance.
- The importance of judgment – perception and judgment should be accepted as an important part of the PMP process. Where practical, subjective biases will be minimized by the use of multi-source assessments or calibration meetings.

6.6 THE PMP CYCLE

The annual PMP cycle - The PMP process is made up of five major sub-processes, organized around the annual business planning cycle, starting in January and finishing in December. The timings and key process steps for each of the sub-processes are described below.

- 6.6.1** Appropriate Goal Plan objectives and Individual Development Plan (IDP) are set for every individual. The employee’s Goal Plan should align to the Business Goals.
- o All goals, and changes to goals, are agreed between the Line Manager and employee.
 - o Development Plans are created from assessment against relevant skills and behavior frameworks (Values, Professional Skills and General Skills).
- 6.6.2** As a minimum, every individual must have a performance & development review discussion every quarter.
- 6.6.3** Performance reviews and summaries are completed, before reward recommendations are made by the Line Manager.
- 6.6.4** All performance summaries must be approved by the Manager’s Manager in advance of the approval of reward recommendations.
- 6.6.5** The end of year PMP review summary must be completed and acknowledged/signed-off by the individual and their Line Manager.

During the discussion preceding the finalization of the report, the staff member and supervisor are expected to cover the following pertinent areas (amongst others):

- i. Specific strengths and weaknesses which are task oriented
- ii. Specific strengths and weaknesses which are dependent upon work relationships
- iii. Specific hindrances to successful performance
- iv. Any perceived training needs and possible economical ways to satisfy these needs

Touch-base/ regular reviews to give/receive feedback and update goals are highly recommended. As a guide, a touch-base review every month is desirable, particularly in times of rapid business change. Managers may choose to give/receive feedback and steer work on an informal daily or weekly basis. These interactions are equivalent to regular touch-base reviews, as long as the employee is left with total clarity about performance expectations.

6.7 PMP ROLES & RESPONSIBILITIES

The following table describes the main responsibilities within the PMP process:-

Role	Responsibility
Employee ("Reviewee")	<ul style="list-style-type: none"> • To draft Goal Plan and Development Plan goals (start of the year and ongoing) based on their best understanding of business goals/plans and their personal development needs • To prepare for performance reviews (mid-year and year-end) through thorough self-assessment against their Goal Plan, Development Plan, and Capability frameworks
Line Manager ("Reviewer")	<ul style="list-style-type: none"> • To ensure individual targets/goals/KPIs are aligned to business goals and KPIs, and are set at the right level of stretch for the role and individual in a market competitive context • To conduct regular two-way conversations with their direct reports about their performance, giving feedback on strengths and identifying further areas for development • To initiate the PMP process at each formal step in the cycle (goal setting, mid-year review, end of year review), prompting reviewees to complete their self-assessments and seeking feedback from key stakeholders • To explain the rationale for individual performance summaries to their Manager, ensuring fairness and consistency in the evaluation of performance • To explain the final performance summary to the reviewee after it has been approved by their Manager and to confirm company view on next career steps after confirmation in the HRP. • Should the Line Manager change, to providing accurate and appropriate documentation of the employee's performance and development to the successor.
Head of Department	<ul style="list-style-type: none"> • To hold his/her direct reports accountable for ensuring full alignment of employee goals with the business goals and other business goals/plans. • To hold his/her direct reports accountable for accurately and honestly evaluating the performance and development of their direct reports with respect to approved Goal and Individual Development Plans • To approve the end of year performance summaries for employees submitted by his/her direct reports.
HR Business	<ul style="list-style-type: none"> • To communicate the PMP policy, process and system to Line Managers, both at year end and on an ongoing basis

Partner	<ul style="list-style-type: none"> • To facilitate performance calibration sessions • To offer advice and counsel to Line Managers and individual employees on performance improvement and development/career planning • To ensure full compliance with local employment legislation e.g. data privacy
HR Director/ Expertise	<ul style="list-style-type: none"> • To set and update the Performance Management policy, process and system in association with key HR and business stakeholders. • To plan and initiate the deployment of the annual PMP process, including the preparation of all support/training/communication materials

6.8 ADVERSE PERFORMANCE REPORTS

If an employee's performance is found unsatisfactory during the end year performance review, the employee will be advised of the shortfalls in his/her performance and will be placed on a performance and skills improvement Programme in line with the Performance Improvement Policy guidelines.

6.9 SUSTAINED HIGH PERFORMANCE LIST

The definition of "Sustained High Performance" is continued demonstration of most outstanding performance through experience and/or skills.

Employees who exhibit Sustained High Performance may not always have the potential for further promotion. Indeed, sometimes Sustained High Performance reflects the accumulation of knowledge and experience through long involvement in the same job.

Selecting employees for the Sustained High Performance List focuses on:

- i. Track record for the last three years;
- ii. At least three examples of value creation, contribution to top or bottom line;
- iii. Completion of major projects;
- iv. Examples of innovation, entrepreneurship, leadership and ability to work with people.

6.10 HIGH POTENTIAL EMPLOYEES

In order to provide for future talent, Octagon will systematically develop talented employees and put them into leadership positions in order to fast track them for larger roles. High Potential employees will be employees who have the potential to fill positions in the next level within five years.

To be placed officially on a 'high potential' list the candidate must be nominated by the line manager. The nomination must be supported by a written schedule of competencies for review and decision at the appropriate Human Resources Planning meeting.

Employees must be informed when they are listed (subject to local legal requirements) or removed from a list.

Employees who are identified as having high potential may be omitted from a list if they have just been promoted and need to re-qualify for the next list or if they have other constraints limiting their growth within the next three years.

6.11 PERFORMANCE APPRAISAL REPORTS FOR TEMPORARY/CONTRACTUAL

EMPLOYEES

All employees engaged directly by the Company on a temporary basis for a period exceeding 3 months shall have their targets for the period of their contract clearly outlined in a work plan at the beginning of the term; which should be reviewed at the end of the contract in an appraisal process.

It is the responsibility of the Line Manager to support the contract employee to set targets at the beginning of the contract period and to conduct an appraisal at the end of the contract period.

Completed reports will be returned to the Human Resources Department for filing after endorsement by the concerned Departmental Lead.

6.12 PERFORMANCE IMPROVEMENT POLICY

6.12.1 PURPOSE & SCOPE

The purpose of the policy is to help and encourage employees who are not performing to a satisfactory standard to reach the required level of performance. The Company aims to do this in a supportive, firm and fair way.

If the employee performance fails to improve, outcomes of the performance improvement procedure may include (but are not limited to):

- i. Transfer to another role.
- ii. Demotion
- iii. Termination of employment on the grounds of incapability.

The total length of time that the performance improvement procedure takes will be 1 to 3 months.

6.12.2 PRINCIPLES

- If, despite informal discussions and/or the normal PMP process, the employee is not reaching the required standards of performance, the employee will be invited, in writing, to a formal meeting to discuss the matter and the employee will be informed that the formal performance improvement procedure is being used.
- Arrangements for all formal meetings will be confirmed to the employee in writing.
- The performance issues will be set out in writing.
- The employee will be given sufficient time to prepare for any formal performance improvement meeting (at least a week).
- During the performance review, the employee will have the option of being accompanied by a work colleague.
- The employee shall have the option to appeal the outcome of any of the review meetings of the formal performance improvement procedure.

6.12.3 VARIABLE PAY

Employees who are being managed under the formal performance improvement procedure will not be eligible to earn variable pay for this period. Any variable payments will be pro-rated to reflect time spent in/out of the

formal procedure. Employees who are being managed under the formal procedure are also unlikely to receive a merit increase.

6.12.4 INFORMAL DISCUSSIONS/COUNSELLING AND THE PMP PROCESS

Initially, concerns regarding poor performance will be dealt with informally and/or through the PMP process. If these discussions with the employee's line manager do not bring about an improvement the performance improvement plan will be used.

6.12.5 THE FORMAL PERFORMANCE IMPROVEMENT PROCEDURE

If the Line manager is concerned about the employee's performance and informal discussions and/or the normal PMP process have failed to bring about an improvement, the employee will be invited to a formal meeting to discuss the situation.

The Line manager will, in discussion with the employee:

- Review previous discussions and clearly outline areas where the employee's performance needs to improve
- Identify actions required to help bring the employee's performance up to the agreed standard (this may include action for the Line manager and the Company as well as action for the employee)
- Agree a review period – maximum of three months.
- Agree appropriate targets and measures.

After the meeting the employee will receive written confirmation of what was discussed. The line manager will provide on-going, informal feedback on the employee's progress during the review period.

6.12.6 REVIEW

At the end of the review period, the employee will again be invited to a formal meeting to discuss progress. If the employee's performance has improved to a satisfactory level this will be confirmed, the formal procedure will end and going forward the employee will be managed within the normal PMP process. Where an employee's performance has not improved to a satisfactory level, the line manager, will make an appropriate decision. However, should the employee's performance again fall below a satisfactory level during the following 3 months, the manager has the discretion to make a final decision to either transfer the employee to another role, demote, terminate or enter a new process for a maximum one month.

6.12.7 APPEALS

The employee has the right to appeal the outcome of any of the formal performance improvement procedure. For the avoidance of doubt the employee does not have the right to appeal a decision to place him/her on the formal performance improvement procedure.

If the employee wishes to appeal they should do so, in writing, within 5 working days of receiving written confirmation of the outcome of the performance review meeting. The employee's appeal should be lodged with his/her HR Business Partner who will arrange for the employee to have a meeting with an appropriate level of manager. The manager hearing the appeal will consider whether the previous decisions/actions should remain in place or moderated. His/her decision is final.

Appendix 1: Performance management strategy; Use of the balanced scorecard

To provide first class retirement benefits services aimed at securing financial security in retirement for all.

To successfully create and be a client driven, results oriented one-stop professional services Institution of repute for mutual benefit to our clients, shareholders, and staff and service providers.

We take responsibility for QUALITY

We passionately deliver CLIENT satisfaction

We provide LEADERSHIP as a company and as individuals

We act with INTEGRITY in all we do

We value Octagon PEOPLE

We regard our SUPPLIERS as essential team member

Employee's Name:

Title:

Reports to:

Performance Plan Period:

PART I: WHAT IS TO BE ACCOMPLISHED

KEY PERFORMANCE AREA(Weighing)	KEY RESULT AREAS(KRAs)	PERFORMANCE MEASURES	TARGET
1. FINANCIAL PERSPECTIVE (40%)			
2. MARKET/CUSTOMER PERSPECTIVE (20%)			
3. INTERNAL BUSINESS PROCESSES (10%)			

4. LEARNING & GROWTH (People Management) (10%)			

PART II: AGREEMENT SIGNATURES

Objectives Agreed:

Job Holder's Signature

Date

Objectives Agreed:

HOD Signature.....

Date