



Republic of the Philippines  
National Electrification Administration

30 June 2006

NEA MEMORANDUM No. 2006-018

MEMORANDUM TO ALL ELECTRIC COOPERATIVES

SUBJECT: ANNUAL ROUNDTABLE ASSESSMENT OF  
A GENERAL MANAGER'S PERFORMANCE

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Attached is a copy of the Policy on Annual Roundtable Assessment of a General Manager's Performance which was approved by the NEA Board of Administrators in its meeting on 28 April 2006. This assessment aims to measure the GM's competence in the different aspects of cooperative operations and provide adequate feedback mechanism to enhance and develop his/her skills, thus improving operations.

This shall take effect immediately.

  
EDITA S. BUENO  
Administrator

NATIONAL ELECTRIFICATION  
ADMINISTRATION

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Republic of the Philippines  
**National Electrification Administration**

**ANNUAL ROUNDTABLE ASSESSMENT OF A GENERAL  
MANAGER'S PERFORMANCE**

**I. RATIONALE**

The NEA was mandated under the EPIRA to prepare the electric cooperatives (ECs) to become competitive in the deregulated electric power industry. Thus, institutional strengthening was adopted as one of NEA's major thrust.

Considering the significant role of the General Manager (GM) in the attainment of the EC's goals, his/her competence and level of performance is NEA's utmost concern. Thus, in order to determine the effectiveness and efficiency of the GM, a review of individual performance against objectives and standards through an annual roundtable assessment of operations shall be conducted.

**II. POLICY**

The NEA Policy on Roundtable Assessment of a GM's Performance shall measure his/her competence or lack of it in the different aspects of cooperative operations and provide adequate feedback mechanism to enhance and develop his/her skills, thus improving operations. This shall also provide the venue for change of leadership, if results warrant.

**III. MECHANICS OF IMPLEMENTATION**

- 1) GMs of ECs under Category B, C, D, and E shall be required to undergo the roundtable assessment before a panel of evaluators to be composed of NEA top Management, invited outstanding EC officials and private sector representatives.
- 2) The Board President or authorized representative of the Board shall be present during the assessment.
- 3) GMs shall be required to submit their annual accomplishment report for presentation to the panel, to the Institutional Development Department (IDD) on or before the end of February of each year.

- 4) He/she shall report before the panel of evaluators his/her major accomplishments, problems and workplan through power point presentation for at least thirty (30) minutes.
- 5) The EC's performance shall be evaluated based on the KPIs on the submitted Integrated Computerized Planning Model (ICPM) and the GMs management skills with corresponding points.
- 6) The latest EC Audit Report shall also be utilized as one of the bases during the assessment.
- 7) The GMs shall sign a covenant on specific targets and actions which together form the action plan and shall be the subject for the next year's performance evaluation.
- 8) The results of the assessment (to also include areas for improvement) in a report card form shall be given to the GMs and their respective Boards for guidance and monitoring and appropriate action.
- 9) The Board of Directors of a GM who has not attained improvements in operations and given a very low mark shall accordingly discuss his possible replacement.

#### IV. RATING PARAMETERS

##### 1. EC Performance - Key Performance Indicators (50 percent)

The EC's performance shall be evaluated using the following KPIs :

PARAMETERS	STANDARD RATIO
1. Net Margin	Positive
2. Collection Efficiency	95-100
3. System Loss	14%
4. Payment to NPC	Current
5. Payment to NEA	Current
6. Non-Power Cost	P1,500
7. Ave. Collection Period	30-45 days
8. Customer per Employee	1:350
9. Power Factor	Not < 85%

##### 2. Latest EC Audit Findings (20 percent)

The latest audit report shall be utilized as one of the basis in assessing the GM's performance. The EC's degree of compliance to audit findings and recommendations shall be evaluated.

### **3. GM's Management Skills/Behavior (30 Percent at 5% each)**

#### **a. Technical Knowledge**

- i. able to suggest modifications to an existing system or design a new system to improve performance

#### **b. Communication Skills**

- i. presents information and ideas clearly and concisely, with content and style appropriate for the audience
- ii. presents opinions and ideas in an open, unprejudicial way
- iii. responds effectively without preparation in spontaneous situations

#### **c. Creativity/Innovation**

- i. ability to produce/recommend artistic and new ideas as well as to introduce new methods, devices and ways of doing things in a more efficient and effective manner.

#### **d. Leadership**

- i. Able to manage group interaction
- ii. Promotes open discussion and involvement of all participants while not dominating
- iii. Motivates and empowers others to act
- iv. Able to gain cooperation from unreceptive people
- v. Challenges existing policies and procedures in a responsible manner
- vi. Create shared organizational values and culture

#### **e. Integrity**

- i. Adherence to high moral and ethical standards

#### **f. Networking**

- 1. Ability to reach out and establish good rapport among the stakeholders

The following four-level rating scale shall be used in the evaluation of GM's performance:

- 1 = little or no competence
- 2 = some competence, but below level required for role
- 3 = competence at required level for role
- 4 = competence exceeds level required for role

**V. Checklist of materials needed for the assessment:**

- a. GM's Profile
- b. EC Fact Sheet
- c. Latest Audit Findings
- d. ICPM
- e. Accomplishment Report
- f. Latest Monthly Financial & Statistical Report

**VI. GENERAL**

The Roundtable Assessment for General Managers is geared towards achieving the goals and objectives of the ECs focusing on areas that need to be strengthened and to motivate and encourage to deliver what is expected of them.

VII. This Policy shall take effect immediately and shall be valid for one (1) year. Modifications will depend on the result of its implementation to be conducted after the said period.

  
**EDITA S. BUENO**  
Administrator

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