

SUBJECT: REVISED PROCEDURES ON THE SELECTION OF A
GENERAL MANAGER FOR ELECTRIC COOPERATIVES

I. PURPOSE

To establish uniform and procedures for the selection of dismissal of a General Manager by the Board of Directors of Electric Cooperatives, and in securing approval by the National Electrification Administration (NEA).

II. POLICY

1. Each electric cooperative shall have a General Manager. His salary and other fringe benefits shall be paid by the Cooperative.
2. For as long as the NEA has a substantial stake in the electric cooperatives in the form of loans, the selection, hiring or dismissal of a General Manager shall be subject to NEA guidelines, review and approval.

III. IMPLEMENTATION

1. Publication of the Vacancy
 - a) On the request of the Board or upon determination of NEA, an advertisement will be published, on behalf of the Cooperative in at least one major newspaper of nationwide circulation. The advertisement will appear in one Sunday and one Monday issues. The cooperative will also advertise the vacancy in provincial papers covering its service area. (See attachment 1 for sample). The coop will pay for both the national and local advertisement.
 - b) On the basis of a very satisfactory performance, a coop employee who has been designated Officer-in-Charge for a period of not less than one year, and has been recommended by the Board as regular General Manager, may be appointed without going through the regular process of recruitment as herein specified, subject however to background investigation and confirmation of NEA.
 - c) To safeguard the delineation of functions between the Board and Management, an incumbent Board Director is eligible to apply for the position of General Manager only after six (6) months that he has ceased to be a member thereof. This shall not, however, preclude an incumbent director in another electric cooperative to apply for the position of General Manager.

d) Qualification

Applicant must at least be thirty years old but not more than fifty five years of age, college graduate, preferably in Business Management or Engineering with Master's Degree in Business Administration or Industrial Management, at least five years experience and must be willing to relocate with his family in the coop headquarters site.

2. Screening Applicants

a) All applicants shall use NEA Form 4-1 (Attachment 2) and shall submit the completed application to the Cooperatives Operation Department, NEA, within the deadline indicated in the advertisement.

b) A Preliminary Screening Team composed of NEA Members in the Selection Committee shall process all qualification for the position.

c) These prequalified candidates will be invited to appear for personal interview before the Selection Committee on a designated date. The interview will be conducted at the NEA or within the region of the concerned cooperative. An applicant who fails to report for interview shall be deemed to have waived his right to be interview.

d) The Selection Committee for General Managers shall be composed of the following:

Chairman – Director for Co-op Operations

Members – NEA Directors for Coop Audit Finance, Loans Engineering, concerned Regional Association President, Board President, Board President, one director from the coop concerned and the PHILRECA General Manager.

e) The Selection Committee shall choose not less than three (3) best qualified applicants on the basis of scores obtained in the interview using NEA Form 4-3 (Attachment 3). Only applicants who attained score of 70 or above shall qualify for further consideration. These applicants shall then undergo background investigation to be conducted by NEA, after which the final list along with necessary information shall be transmitted to the Board of Directors.

3) Selection

From the list of names submitted by NEA the Board of Directors shall select the General Manager. In the event that the Board rejects all prequalified applicants, which decision shall be submitted to the NEA through a resolution, the entire selection process may, at the discretion of the NEA again be undertaken all at the expense of the Cooperative.

4) Approval

The Board's choice shall be submitted to NEA through a resolution, not more than 30 days upon receipt of the list, and shall become valid upon approval by NEA. The Board shall notify the new General Manager of his selection and direct him to report for duty.

5) Orientation

To assist the General Manager to meet his new job responsibilities quickly and easily, he shall attend a NEA seminar for Coop General Manager as early as possible.

6) Probationary Period

The General Manager will be employed by the Cooperative on a probationary basis for six (6) months dating from his approval by NEA, in order to give the Board time to evaluate his on-the-job effectiveness. If this period does not provide a basis for fair evaluation, the Board may notify Nea that it wants the probationary period extended up to a maximum of another 6 to 12 months, after which the Board may either extend permanent appointment or terminate the services of the General Manager.

7) Permanent Appointment

Sixty (60) days before the expiration of the probationary appointment of the General Manager, the Board will notify NEA of its impending decision and ask approval. No permanent appointment shall be made without NEA approval. The Board's decision shall be in the form of a resolution accompanied by a completed evaluation sheet. Permanent appointment shall mean tenure of office until the Board of Directors feels it is in the best interest of the Cooperative to make a change. NEA approval in this case shall be based on the verified performance indexes.

8) Evaluation

The Board shall evaluate the performance of its new General Manager at the end of the six (6) month probationary period and annually thereafter or whenever necessary. The Board is urged to sit down with the General Manager annually at a time designated in advance to review and evaluate his performance during the conclude year.

9) Termination/Suspension

If on the basis of its evaluation of the General Manager's performance or for specific cause, the Board decides to terminate his employment, the Board shall advise NEA of its decision and request NEA approval. The General Manager cannot be dismissed without NEA approval. However, if the Board of Directors determines that the welfare of the Cooperative is endangered, the Board may suspend the General Manager while a final decision is being reached and/or until such time that NEA revokes the suspension. No action shall be taken to dismiss a General Manager until the case has been reviewed with the Cooperative's Attorney and NEA to make sure any action taken will comply with the National Labor Laws. The Board's decision to terminate the employment of its General Manager shall be in the form of a resolution accompanied by an evaluation of his performance. NEA can make a unilateral decision to terminate a General Manager based on audit findings which, on through evaluation, warrant such action.

10) Designation of an Officer-In-Charge

In case of resignation, suspension, termination, leave of absence or official travel outside of the Cooperative area, an Officer-In-Charge (OIC) shall be designated from among the senior staff of the Cooperative. Except for reason of leave of absence or official travel not exceeding one month, in which the authority to designate an OIC is vested on the General Manager, designation for all other reason shall rest on the Board, subject to the approval of the National Electrification Administration. In no case shall an incumbent employee of the Cooperative be designated as Officer-In-Charge.

IV. General

The successful establishment and operation of an Electric Cooperative as a service enterprise depends in substantial degree upon the effectiveness of the General Manager. It is therefore essential that a competent, dedicated person of high integrity be selected for his position. This is a major responsibility of the Board of Directors. NEA in the exercise of its banking responsibilities will exercise close supervision over the selection and dismissal of the General Manager.

- V. This supersedes NEA Bulletin No. 32 dated 25 July 1988 and NEA Bulletin No. 32-A. This takes effect immediately.


TEODORICO P. SANCHEZ
Administrator