

 <p>HAWAII HEALTH SYSTEMS CORPORATION "Quality Healthcare For All"</p> <p>Policies and Procedures</p>	<p>Department: Office of the President</p>	<p>Policy No.: HR 0007A</p>
	<p>Issued by: President & CEO</p>	<p>Revision No.: NA</p>
<p>Subject:</p> <p>Exempt, Excluded Compensation Policy and Compensation Administration Manual</p>	<p>Approved by: <i>Carol VanCamp</i></p> <p>HHSC Board of Directors By: Carol A. VanCamp Its: Secretary/Treasurer</p>	<p>Effective Date: June 19, 2014</p>
		<p>Supersedes Policy: NA</p> <p>Page: 1</p>

Reviewed: June 2, 2014; Next Review: June 2, 2017

- I. **PURPOSE:** To identify and define the Personnel (Human Resources) policies and procedures under the Hawaii Health Systems Corporation (HHSC) regarding the compensation of exempt, excluded employees. The Hawaii Health System is a public employer and a separate jurisdiction with one personnel system.
- II. **POLICY:** As a public employer under one personnel system, all facilities and regions must follow all HHSC Human Resources Personnel Rules, Policies, Human Resources Guidelines, Executive Orders and applicable State laws and regulations as it relates to the compensation of exempt, excluded employees.
- III. **PROCEDURE:**
 - A. HHSC will periodically procure the services of an independent compensation consultant to update the exempt, excluded compensation plan for the system. The update may include, and is not limited to reviewing revised job descriptions, evaluating internal alignment issues, obtaining relative market data, and proposing a new or revised benefits and/or compensation plan.
 - B. The HHSC Compensation Administration Manual for Exempt, Excluded Employees that has been adopted by the Board must also be referred to as it relates to merit increases, equity increases, promotions, performance evaluations, and other compensation. HHSC will periodically update and revise this manual for the HHSC Board of Directors' approval. This manual may be subject to change as needed with input and recommendations from the regions and/or is in effect until such time that regional boards may develop their own exempt, excluded compensation administration manual.
 - C. The procedures for adopting new or amending current HHSC Personnel Rules, Policies & Human Resources Guidelines will follow the same process as outlined and defined by the Policy Committee, the respective Regional and HHSC Board of Directors.

**HAWAII HEALTH SYSTEMS
CORPORATION**

**COMPENSATION
ADMINISTRATION MANUAL
FOR
EXEMPT, EXCLUDED EMPLOYEES**

HHSC Board Approved: Updated 6/12/08

**HAWAII HEALTH SYSTEMS CORPORATION
COMPENSATION ADMINISTRATION MANUAL FOR EXEMPT, EXCLUDED
EMPLOYEES**

SALARY ADMINISTRATION

At Hawaii Health Systems Corporation (HHSC), our salary program is designed to meet several important objectives. These objectives are:

- To help attract and retain highly qualified employees;
- To provide financial incentives for employees to improve job performance; pay for performance;
- To provide financial rewards to employees who are significant contributors and;
- To offer competitive salary opportunities.

How Salaries are Determined

In order to recruit and retain quality employees, HHSC must pay salaries that are equitable in relation to one another and the market. To meet this objective, the following is conducted:

- Development of position/job description which identifies functions, knowledge and skills, decision-making, supervision, management and leadership responsibilities;
- Market study & salary survey of the position or similar position; the market is reviewed both locally and Nationally and considers the industry, profession, market pool for recruitment, organization size, and other relative factors;
- Assignment of jobs to salary grades based on level of job and market conditions; pay practices both in and out of the hospital industry and internal job relationships (hierarchies) are also taken into consideration;
- Assignment of salary ranges to salary grades based on the market pricing and competitive factors that have been established;
- Individual base salaries are determined by various factors such as the in-hire rate, competition, internal/external equity, and the evaluation of job performance in meeting expectations and objectives.

Salary Surveys

We conduct, obtain or purchase, and participate in salary surveys to determine what other companies are paying for jobs similar to ours. These surveys are performed by professional organizations, and they are reviewed to determine the validity and reliability of the data.

The surveys are defined by labor markets and by geographic areas in which we compete for employees. Most jobs can be measured against one survey or another, and those that cannot be competitively measured are classified at a salary grade level determined by an evaluation of the job responsibilities and a comparison against other related jobs for internal equity. Salary surveys form the basis for the design of our salary structure and salary ranges. Because they reflect changes that occur in other companies, review of the surveys enables us to maintain our competitive position.

Salary Structure and Salary Ranges

A salary structure is a series of salary ranges, which provide a framework for administering salaries. A salary range example as shown below, is a salary level that applies to all jobs classified in that salary range.

<u>Grade A</u>	\$99,000	-	\$130,000	-	\$160,000
	Minimum		Midpoint		Maximum

The salary ranges may overlap to provide for hiring of inexperienced employees at salary rates lower than highly experienced and productive employees classified in the lower level jobs.

These salary structures are reviewed periodically to maintain our competitive position. HHSC will periodically procure the services of an independent compensation consultant to update the salary ranges for the exempt, excluded positions in coordination with the regions.

Enforcement of Salary Ranges

A salary range is the range of pay rates established for a particular salary grade, consisting of a minimum, midpoint and maximum. The range defines the range of competitive salaries for that grade. Not everyone is paid the same salary for a particular job. As experienced employees are expected to be more productive and work with less supervision, they are generally paid at the higher rate than employees who are just learning their jobs.

Each salary range reflects the minimum and maximum dollars HHSC is willing to pay for the position. Salary ranges are divided into thirds that reflect different levels of experience, knowledge and contributions.

The minimum is the minimum salary that should be paid to someone who is new to that job at that level. Typically an employee's salary should not be below the minimum of the assigned salary range.

The midpoint is the mathematical middle of the salary range and normally reflects salaries of the market average.

The maximum is the maximum wage competitively necessary for a given position. As such, it is the highest amount a person should be making in that salary grade. Employees should not receive salary adjustments which place their salaries over the maximum of their assigned salary ranges.

Exceptions to the above guidelines can only be made due to:

- extraordinary dependence on the employee's unique skills, background or contribution, and/or
- unusually broad scope in job content far beyond the typical incumbent in the same position.

Salaries at the Maximum

An employee whose salary is at the maximum of the salary range may receive additional increases for one of the following:

- promotion into a job assigned to a higher salary range
- maximum has been increased due to a structural adjustment
- other reasons or circumstances as deemed appropriate

The employee does not automatically receive an increase following a general structural adjustment. The employee may be eligible to receive a merit adjustment on his/her next review cycle providing that his/her performance is at a satisfactory level.

Hiring Salary Guidelines

Newly hired employees who are relatively new to the level of their position are typically brought in at or near the minimum of the appropriate salary range. The minimum represents a salary for someone whose qualifications meet the minimum requirements for that position. Employees may be hired above the minimum salary range; factors such as previous work experience, years of experience, job knowledge, skills and abilities, internal equity, and recruitment shortages are considered.

Hiring Above the Minimum

An employee whose qualifications clearly exceed the stated minimum requirements for a position may be hired above the midpoint of the range. Consideration should always be given to the salaries and qualifications of incumbents currently employed in peer positions. Additional approvals are required to hire an employee above the midpoint; refer to page 10 for more information.

Hiring Below the Minimum

An employee who does not have all of the necessary skills and experience for a position may be hired at a salary below the minimum for the designated salary range. In such an instance, the employee should be brought to the salary range minimum at the first opportunity when eligible for a merit increase, providing the performance meets expectations. An equity increase to bring an individual to the salary range minimum should not exceed 15%; additional approvals are required for increases exceeding 15%. Please refer to page 10 for authority approvals.

- Salary Adjustments – Lateral Moves

A lateral move is the assignment of an employee to another position in the same salary range as that to which the employee is currently assigned, regardless of a change in location.

The type of salary adjustment which may occur as a result of a lateral move is dependent upon the reason for the transfer or move. This is not an automatic entitlement. It is subject to judgment based upon the facts and circumstances of the case under consideration; refer to page 10 for authority approvals.

Salary Adjustments – Promotion

A promotion is the assignment of an employee to another position in a higher salary range than that to which the employee is currently assigned. The addition of one or two added responsibilities or duties to a person's job either permanently, temporarily or on a trial basis does not automatically constitute a promotion. The added responsibilities and accountabilities must significantly expand the original job's scope.

The salary range is designed to promote movement within a range and movement from one range to another. Based on this design and to provide flexibility, promotional guidelines provide for a 5 to 8 percent increase.

In determining the amount of the promotional increase, supervisors should consider the individual's knowledge and skill level, development activities

required to produce an acceptable level of performance, where the individual's salary is within the new salary range, and how the employee's salary will compare to salaries of other staff members within the unit who perform the same or similar functions.

In addition to the promotional increase, a merit increase should be given at the same time since future performance will be measured in relation to the new job. If the promotion occurs at the time a merit increase is due, the percentage of merit and promotion are added together. If a merit increase is not due, a pro-rated increase is to be calculated using the following procedures:

- Step 1: Divide the percentage of the merit increase the staff member would have received by 12 (the number of months on a regular review period.)
- Step 2: Multiply the resulting percentage in Step 1 by the number of months since the employee's last increase. The resulting number is the pro-rated merit increase percentage.
- Step 3: Add together the pro-rated merit increase percentage and the percent of promotional increase (5 to 8%). Next, multiply this resulting percentage by the employee's present salary. This is the amount of the salary increase.

The following is an example of the calculation:

Assumptions:

Employee's Current Salary:	\$1915 per month (within middle 3 rd)
Performance Rating:	Exceeds Expectations
Date of Last Increase:	July 1, 1997
Date of Promotion:	April 1, 1998
Normal Review Cycle:	12 months
No. Months since Last Increase:	9 months
Merit Increase Percentage:	3 to 5 percent

Calculation of Merit Increase:

3% merit ÷ 12 months = .25% Merit increase guideline is 3-5%
.25% x 9 months = 2.25%
Pro-rated Merit Increase = 2.25% Example is calculated on 3%

Calculation of Merit and Promotional Increase:

2.25%	Merit
+ 7.00%	Promotion
<u>9.25%</u>	Total Increase

\$1915	Monthly Salary (current)
<u>x 9.25%</u>	Total Increase Percentage
\$ 177	Amount of Increase

\$1915	Monthly Salary (current)
<u>+ 177</u>	Amount of Increase
\$2092	New Salary

If the promotional increase plus the pro-rated merit is not sufficient to raise the employee's salary to the minimum of the new salary range, an additional amount should be included which will bring the salary up to the minimum of the new range.

Each time that a promotional increase is granted at a time other than the regular merit increase date it sets a new date for the scheduling of the next merit increase. This is because the pro-rated merit increase is built into the total promotional increase when it is granted.

If an employee's promotion is effective between the 1st and 15th of the month, the promotional increase becomes effective the first of that month. If the promotion becomes effective between the 16th and the last day of the month, the promotional increase becomes effective the first of the following month. The employee's next salary review will be one year from the effective date of the promotional increase.

Salary Adjustments – Demotions

A demotion is the assignment of an employee to a job in a lower salary range than the one to which the employee is currently assigned. This may occur due to poor performance or to reorganization.

Any salary adjustment in this circumstance is subject to judgment based on the facts and circumstances of the case under consideration. The employee's performance and length of service should be taken into consideration.

Often times, a salary decrease is not in order. However, the employee's salary should typically not exceed the maximum for the new position. Future increases will also be limited by the new maximum. It may be appropriate to adjust the salary to a position in the new range comparable to the employee's position in the old range.

Managing Salaries

The salary management program is based on "pay for performance" as stated in the objectives. Salary increases are based on the employee's current performance rating.

There is another basis for determining the size of the salary increase. In addition to performance, the position of an individual's salary in relation to the salary range is a consideration. Obviously, the higher the performance level, the larger the salary increase opportunity. Also, if the salary is in the lower third of the range guidelines provide for a larger percentage of increase. This is important in order to increase the salaries of newly hired or promoted employees to a competitive salary level as rapidly as they become trained, experienced and competent.

The merit increase matrices are found in Exhibit A.

Merit Increases Allows Pay for Performance

How quickly individuals move through the salary range depends on their performance. HHSC believes in rewarding the contribution employees make to their department and facility with merit salary increases, where possible.

<u>Performance Level</u>	<u>Definitions</u>
Exceptional Performer	Significantly exceeds the qualitative and quantitative standards; see Exhibit B.
Consistent Performer	Proficient at the majority of skills required performing their jobs; see Exhibit B.
Developing Performer/Needs Improvement	Performance is somewhat below expectations for quality & quantity work performed; see Exhibit B.
Unsatisfactory Performer	Performance is noticeably below job requirements, even under close supervision; see Exhibit B.

Normally, the higher the performance level, the greater the merit increase. Merit increases may also be affected by where a salary falls in the salary range. This program is designed to provide rapid salary growth for high performers who are low in the salary range. Also, salary opportunities become less accelerated once an individual's salary reaches the upper third.

Merit Increase Matrix

<u>Performance</u>	<u>Lower Third</u>	<u>Middle Third</u>	<u>Upper Third</u>
Exceptional Performer	6-8%	4-6%	2-4%

Consistent Performer	4-6%	2-4%	1-3%
Developing Performer	0	0	0
Unsatisfactory	0	0	0

This section is subject to amendment each fiscal year. The respective Corporate and Regional System Boards may take into consideration the across-the-board increase percentages provided to union employees when determining the annual percentage of merit increases based on performance. Please refer to Exhibit A.

The President & CEO and Regional CEOs will collectively discuss and provide merit pay percentage recommendations to their respective Boards for consideration.

Performance Evaluations

Managers/Supervisors will review their employees' eligibility for merit increases once a year based on the individual's performance. Evaluations provide a means of measuring performance against previously established standards, goals and objectives, develop future goals and objectives and communicate expectations. A sample copy of the Performance Evaluation is found in Exhibit B.

Note: The Performance Evaluation forms for exempt, excluded employees will be revised in coordination with the Regional CEOs for employees under their supervision for the performance evaluation rating period starting July 1, 2009. During the interim, the regions may elect to use the current form provided in Exhibit B, until or unless otherwise modified. The performance evaluation forms for the President & CEO and Regional CEOs are subject to discussion and modification by their respective Boards for the evaluation rating period starting July 1, 2009.

The President & CEO, Regional CEO or designees determine individual performance goals for exempt, excluded employees under their respective supervision. The goals may be regional, facility or individual specific goals and may also include system-wide goals. The President & CEO and Regional CEOs should provide recommendations on such goals to their respective Boards for approval and adoption.

Employees are reviewed after the completion of six months service and in July of each year, thereafter. There are times when this schedule may be changed. When an employee changes department or is promoted, the supervisor/manager is required to provide an evaluation covering the period from the last performance evaluation to the date of promotion or transfer. If this period is less than three months, a performance evaluation is not required. Employees must have been employed for at least six months service to receive a merit increase.

Employees should be informed in advance of the scheduled evaluation meeting in order to provide them time to prepare for the discussion. The meeting should be a two-way communication, held in private and with appropriate time set aside to cover all discussions. The employee being evaluated should be encouraged to provide comments. New objectives, goals and career plans should be discussed, as well as corporate direction and priorities.

The evaluation is used for many purposes; therefore, it is extremely important that it be objective and accurate. Constructive criticism, when presented objectively, will improve performance and the work relationship. Documentation of performance is not only necessary for salary administration purposes, but in the event of discipline or discharge, documentation is a corporate requirement.

Merit increases will be based on how well the employee performed responsibilities and met specific goals and objectives as rated by their respective supervisor. Merit increases are not automatic and may be determined by the availability of funds, etc.

Exception and Equity Increases

There may be a number of reasons that management may want to recommend an equity or exception increase. A few such reasons may include, but are not limited to the following:

- An employee's salary is too low in comparison with other employees who are performing at the same level in the job.
- A supervisor/manager has a salary which is low in comparison to the employees he/she supervises.

Exception increases may be granted to correct inequitable compensation situations and require documentation. Proposed exception increases should be reasonable and, if the amount needed to create equity is large, the increase may be given in two steps.

Salary increases are to be based on performance and not length of service. Length of service does not entitle an employee to a salary increase. Salary increases are granted for continuing satisfactory or better performance. The salary structure and Merit Increase Matrix is designed to gradually increase an employee's salary to a specific level over a period of time based on performance. Merit increases are typically not meant to move an employee's salary from minimum to the middle third in one step.

AUTHORITY FOR APPROVAL OF INCREASES

- All salary actions impacting the HHSC President & Chief Executive Officer require the approval of the HHSC System Board of Directors.
- All salary actions impacting the Corporate Executive Staff require the approval of the HHSC President & Chief Executive Officer
- All salary actions impacting a Regional Chief Executive Officer require the approval of the respective Regional System Board, and all salary actions impacting a Facility Administrator require the approval of the respective Regional Chief Executive Officer, unless otherwise determined by the respective Regional System Board Bylaws. Effective January 1, 2009, salary actions impacting the Regional CEOs may be subject to approval by the HHSC Corporate Board; to be determined.
- All exempt salary actions (except as otherwise specified) impacting positions reporting to the Regional Chief Executive Officers and their region's Facility Administrators require the approval of the respective Regional Chief Executive Officer, unless otherwise determined by the respective Regional System Board Bylaws.
- Hiring above the midpoint or below the minimum of the salary range requires the approval of the HHSC President & Chief Executive Officer for Corporate office employees or the respective Regional Chief Executive Officer for regional employees.
- Salary adjustments for lateral moves require the approval of the HHSC President & Chief Executive Officer for Corporate office employees or the respective Regional Chief Executive Officer for regional employees.
- Exceptions, adjustments or equity increases require the approval of the HHSC President & Chief Executive Officer for Corporate office employees or the respective Regional Chief Executive Officer for regional employees.

EXHIBIT A

**MERIT INCREASE MATRIX
ADDENDUM TO COMPENSATION ADMINISTRATION MANUAL
EXEMPT, EXCLUDED EMPLOYEES
JULY 1, 2001**

The following merit increase matrix amends the current HHSC Compensation Administration Manual for exempt, excluded employees as found on page 8 of the manual. The amendment is effective for the fiscal year July 1, 2000 to June 30, 2001.

<u>PERFORMANCE RATING</u>	<u>PERCENTAGE OF INCREASE ELIGIBLE</u>
Exceptional Performer	6 – 8 % of base salary
Consistent Performer	3 – 5.99 % of base salary
Developing Performer	0%
Unsatisfactory Performer	0%

Eligible employees may receive merit increases based on their individual performance rating as measured in their FY01 performance evaluation. All increases are also subject to pro-ration based on the employee's date of hire with HHSC.

MERIT INCREASE MATRIX
ADDENDUM TO COMPENSATION ADMINISTRATION MANUAL
EXEMPT EXCLUDED EMPLOYEES
JULY 1, 2002

The following merit increase matrix amends the current HHSC Compensation Administration Manual for exempt, excluded employees as found on page 8 of the manual. The amendment is effective for the fiscal year July 1, 2001 to June 30, 2002.

<u>PERFORMANCE RATING</u>	<u>PERCENTAGE OF INCREASE ELIGIBLE</u>
Exceptional Performer	2 - 3% of base salary
Consistent Performer	1 – 2% of base salary
Developing Performer	0%
Unsatisfactory Performer	0%

Eligible employees may receive merit increases based on their individual performance rating as measured in their FY02 performance evaluation. All increases are also subject to pro-ration based on the employee's date of hire with HHSC.

MERIT INCREASE MATRIX
ADDENDUM TO COMPENSATION ADMINISTRATION MANUAL
EXEMPT EXCLUDED EMPLOYEES
JULY 1, 2004

The following merit increase matrix amends the current HHSC Compensation Administration Manual for exempt, excluded employees as found on page 8 of the manual. The amendment is effective for the fiscal year July 1, 2003 to June 30, 2004.

<u>PERFORMANCE RATING</u>	<u>PERCENTAGE OF INCREASE ELIGIBLE</u>
Exceptional Performer	3 - 5% of base salary
Consistent Performer	2 - 3% of base salary
Developing Performer	0 - 1% of base salary
Unsatisfactory Performer	0%

Eligible employees may receive merit increases based on their individual performance rating as measured in their FY04 performance evaluation. All increases are also subject to pro-ration based on the employee's date of hire with HHSC.

MERIT INCREASE MATRIX
ADDENDUM TO COMPENSATION ADMINISTRATION MANUAL
EXEMPT EXCLUDED EMPLOYEES
JULY 1, 2005

The following merit increase matrix amends the current HHSC Compensation Administration Manual for exempt, excluded employees as found on page 8 of the manual. The amendment is effective for the fiscal year July 1, 2004 to June 30, 2005.

<u>PERFORMANCE RATING</u>	<u>PERCENTAGE OF INCREASE ELIGIBLE</u>
Exceptional Performer	3 - 5% of base salary
Consistent Performer	2 - 3% of base salary
Developing Performer	0 - 1% of base salary
Unsatisfactory Performer	0%

Eligible employees may receive merit increases based on their individual performance rating as measured in their FY05 performance evaluation. All increases are also subject to pro-ration based on the employee's date of hire with HHSC.

MERIT INCREASE MATRIX
ADDENDUM TO COMPENSATION ADMINISTRATION MANUAL
EXEMPT EXCLUDED EMPLOYEES
JULY 1, 2006

The following merit increase matrix amends the current HHSC Compensation Administration Manual for exempt, excluded employees as found on page 8 of the manual. The amendment is effective for the fiscal year July 1, 2005 to June 30, 2006.

<u>PERFORMANCE RATING</u>	<u>PERCENTAGE OF INCREASE ELIGIBLE</u>
Exceptional Performer	3 - 5% of base salary
Consistent Performer	2 - 3% of base salary
Developing Performer	0 - 1% of base salary
Unsatisfactory Performer	0%

Eligible employees may receive merit increases based on their individual performance rating as measured in their FY06 performance evaluation. All increases are also subject to pro-ration based on the employee's date of hire with HHSC.

EXHIBIT B

HAWAII HEALTH SYSTEMS CORPORATION

PERFORMANCE EVALUATION PRESIDENT & CHIEF EXECUTIVE OFFICER

EMPLOYEE

DATE IN POSITION:

RATING PERIOD:

RATED BY:

A. TEAM DEVELOPMENT:

RATING:

- * Provides people with motivation & supportive work climate required for long-term high levels of performance & satisfaction
- * Establishes clear vision and direction for the team; always maintaining focus on quality, comprehensive, accessible patient care
- * Staff Development – training team members their skills & addressing career development needs improving
- * Integrates the concept of quality patient care and quality performance improvement in all activities

B. LEADERSHIP

- * Demonstrates the personal skills which enhance a manager's ability to motivate, guide and direct the action of others
- * Accountability – personally exemplifying responsible and honest behavior; practicing what is preached
- * Influence – persuading others; expressing ideas in ways which lead others to share your perspective and agree
- * Networking – cultivating useful contacts with a broad range of people in a variety of strategic positions
- * Empowerment – pushing decision-making authority & responsibility downward; giving team members "ownership" of their work
- * Develops realistic strategic and operational goals which enable clear and focused efforts.
- * Performs under physical and mental stress

C. ORGANIZATIONAL IMPACT

- * Contributes to and demonstrates commitment to our culture and corporate environment; inspires others to actively support the philosophy and vision.
- * Recognizes key problems, analyzes problems, determines alternatives and implements practical and timely solutions with a goal of quality improvement; problem solving.
- * Considers environmental and system-wide impact of decisions and actions; consideration for the "good of the system/corporate-wide"
- * Contributes original ideas and seeks new and innovative ways to to change; open to change and new ideas to continuously improve work processes; builds and fosters commitment
- * Is adaptable to changing situation and facilitates change when it will benefit the organization

D. COMMUNICATION/INTERPERSONAL SKILLS

RATING:

- * Communicates effectively using oral, written and/or presentation skills serves as chief spokesperson, communicating effectively with all stakeholders
- * Ensures that the corporation and its operating units contribute appropriately to the well-being of their communities and industry
- * Listens effectively to others; values and respects differences; uses fact and diplomacy to resolve conflicts
- * Uses power and influence appropriately; contributes to an open, productive atmosphere which promotes harmony & teamwork; represents company in a professional manner at all times

E. MANAGEMENT OF HUMAN RESOURCES

- * Recruits and selects well-qualified applicants
- * Promotes EEO and Affirmative Action
- * Provides coaching and development; training and promotional opportunities
- * Addresses discipline problems in a timely and effective manner
- * Provides a positive working environment (addresses ADA, sexual harassment issues in accordance with established standard)
- * Demonstrates balance and objectivity in personnel related decisions

F. JOB KNOWLEDGE & APPLICATION

- * Demonstrates knowledge of management and of the appropriate professional field
- * Possesses and uses knowledge to do the job and applies necessary skills and abilities to perform required assignments; uses knowledge and skills to improve productivity
- * Displays sound judgement on critical actions

G. BOARD RELATIONS

- * Works closely with the board of directors to keep them fully informed on important aspects of the status and development of the company. Facilitates the board's governance, composition, and committee structure. Implements board policies and recommends policies for board consideration

OVERALL RATING:

(Add total points divide by # areas rated)

COMMENTS

SIGNATURES:

Employee: _____ Date: _____

Board Members: _____ Date: _____

Board Chair

Vice Chair Date: _____

Chair, Personnel & Compensation Committee Date: _____

Chair, Finance & Information Systems Committee Date: _____

PERFORMANCE RATING DEFINITIONS

RATING

DEFINITION OF RATING

10 – 8

EXCEPTIONAL PERFORMER:

- significantly exceeds the qualitative and quantitative standards
- exceptional and extraordinary attainment that far exceeds the highest standard of performance in all key result areas
- contribution and achievement consistently and significantly exceeds the requirement
- demonstrates exceptional managerial/technical/professional skills required to perform the job
- Team player

7 – 4

CONSISTENT PERFORMER:

- are proficient at the majority of skills required to perform their jobs and consistently meet performance expectations
- perform in a reliable and professional manner
- consistently demonstrates significant and lasting achievements which meaningfully impact the business
- contribution and achievement consistently meets requirements
- has the mastery of the managerial/technical/professional skills required to perform the job

3 – 1

DEVELOPING PERFORMER/NEEDS IMPROVEMENT:

- those who are still developing the skills required to perform their job responsibilities and/or
- performance is somewhat below performance expectations for quality and quantity of work
- contribution and achievement inconsistent with requirements
- performance has room for improvement, or has not yet established a track record as consistent performers
- managerial/technical/professional skills are of some detriment to performance; requires more than normal coaching, guidance and direction
- Needs to work harder at being a team player

0

UNSATISFACTORY PERFORMER:

- performance is noticeably below job requirements, even under close supervision; inconsistent in completing many assignments
- performance level is clearly less than acceptable as well below the minimum position requirements
- significant and immediate performance improvement must be accomplished
- managerial/technical/professional skills are at a level detrimental to performance
- Not a team player

HAWAII HEALTH SYSTEMS CORPORATION

PERFORMANCE EVALUATION EXEMPT/EXCLUDED MANAGEMENT & STAFF EMPLOYEES

EMPLOYEE:

POSITION TITLE:

DATE IN POSITION:

DEPARTMENT:

FACILITY:

- RATING PERIOD:

RATED BY:

INSTRUCTIONS FOR COMPLETION:

The employee is responsible for completing all applicable sections and conducting a self evaluation rating using the Performance Rating Definition sheet. Upon completion of the above, please submit this Performance Evaluation form to your reporting supervisor or manager.

This form is to be used to evaluate "exempt" and/or "excluded" managerial or "exempt" and/or "excluded" staff (non-supervisory) employees.

SECTION I. EVALUATION OF SKILLS & ABILITIES

A. TEAM DEVELOPMENT/COOPERATION

WEIGHT:

SELF

MGR

RATING: RATING:

- * Able to get along with co-workers; puts forth and contributes to the team effort
- * Dependable and willing to be flexible when necessary
- * Provides and maintains focus on quality customer service and performance improvement in all activities
- * Acts in the best interest of the company when dealing with customers and/or outside organizations
- * Networking - cultivating useful contacts with a broad range of people in a variety of strategic positions (rate as applicable)
- * Understands, cooperates, and supports adjustments and changes in circumstances and new policies

TO BE COMPLETED FOR THOSE EMPLOYEES WITH SUPERVISORY/MANAGEMENT RESPONSIBILITIES:

- * Provides people with motivation & supportive work climate required for long-term high levels of performance & satisfaction
- * Establishes clear vision and direction for the team; always maintaining focus on quality, comprehensive, accessible patient care
- * Staff Development – training team members, improving their skills & addressing career development needs
- * Integrates the concept of quality patient care and quality performance improvement in all activities

B. ORGANIZATIONAL IMPACT

- * Contributes to and demonstrates commitment to our culture and corporate environment; inspires others to actively support the philosophy and vision
- * Recognizes key problems, analyzes problems, determines alternatives and implements practical and timely solutions with a goal of quality improvement; problem solving
- * Considers environmental and system-wide impact of decisions and actions; consideration for the "good of the system/corporate-wide"
- * Contributes original ideas and seeks new and innovative ways to continuously improve work processes; builds and fosters commitment to change; open to change and new ideas
- * Able to act independently, anticipates future needs; is a self starter
- * Is adaptable to changing situation and facilitates change when it will

benefit the organization

C. COMMUNICATION/INTERPERSONAL SKILLS
WEIGHT:

SELF

MGR

RATING: RATING:

- * Communicates effectively using oral, written and/or presentation skills
- * Listens effectively to others; values and respects differences; uses tact and diplomacy to resolve conflicts
- * Contributes to an open, productive atmosphere which promotes harmony & teamwork; represents company in a professional manner at all times

TO BE COMPLETED FOR THOSE EMPLOYEES WITH SUPERVISORY/MANAGEMENT RESPONSIBILITIES:

- * Uses power and influence appropriately; contributes to an open, productive atmosphere which promotes harmony & teamwork; represents corporation in a professional manner at all times

D. JOB KNOWLEDGE/SKILLS APPLICATION

- * Effective and thorough knowledge of all phases of job function and its relation to other jobs
- * Possesses and uses knowledge to do the job and applies necessary skills and abilities to perform required assignments; uses knowledge and skills to improve productivity
- * Accountability – personally exemplifying responsible and honest behavior; accepts responsibility for work performance; takes ownership

TO BE COMPLETED FOR THOSE EMPLOYEES WITH SUPERVISORY/MANAGEMENT RESPONSIBILITIES:

- * Demonstrates knowledge of management and of the appropriate professional field
- * Displays sound judgment on critical actions

E. QUALITY OF WORK/PRODUCTIVITY

- * Accomplishes work that is accurate, neat, thorough, complete and meets quality standards
- * Productive in organizing own responsibilities to meet deadlines to make maximum use of time available in accomplishing assignments
- * Considers punctuality and absence as an important component of his/her position; provides proper notification when absent or tardy
- * Volume of satisfactory work produced

F. LEADERSHIP (APPLICABLE TO MANAGEMENT STAFF ONLY)

- * Demonstrates the personal skills which enhance a manager's ability to motivate, guide and direct the action of others
- * Accountability – personally exemplifying responsible and honest behavior; practicing what is preached
- * Influence – persuading others; expressing ideas in ways which lead others to share your perspective and agree
- * Networking – cultivating useful contacts with a broad range of people in a variety of strategic positions
- * Empowerment – pushing decision-making authority & responsibility downward; giving team members "ownership" of their work
- * Develops realistic strategic and operational goals which enable clear and focused efforts
- * Performs under physical and mental stress

G. MANAGEMENT OF HUMAN RESOURCES (APPLICABLE TO MANAGEMENT STAFF ONLY)

- * Recruits and selects well-qualified applicants
- * Promotes EEO and Affirmative Action
- * Provides coaching and development; training and promotional opportunities
- * Addresses discipline problems in a timely and effective manner
- * Provides a positive working environment (addresses ADA, sexual harassment issues in accordance with established standard)
- * Demonstrates balance and objectivity in personnel-related decisions
- * Enhanced workplace safety and decreased cost for the HHSC workers' compensation improvement program
- * Actively supports and participates in the HHSC Compliance Program

AVERAGE SUBTOTAL:
 (Add total points in A to G divide by # items rated)

SECTION II. SPECIFIC OBJECTIVES

Objective:

Results:

SELF MGR

Objective:

Results

SELF MGR

Objective:

Results:

SELF MGR

Objective:

Results:

SELF MGR

AVERAGE SUBTOTAL:

(Add total points divide by # objectives rated)

SELF MGR

OVERALL RATING:

SELF

MGR.

SECTION I. SUBTOTAL: (subtotal x 50%) =

SECTION II. SUBTOTAL: (subtotal x 50%) =

OVERALL EVALUATION TOTAL: (add above)=

SECTION III. OTHER

A. COMMENTS

Employee:

Manager:

SIGNATURES:

Employee: _____ Date: _____

Manager: _____ Date: _____

CAREER DEVELOPMENT PLANNING

The company would like to assist our team members develop their abilities and plan for career opportunities to enable them to achieve increased satisfaction from their work. Getting your input is important to us so that we will better understand your expectations. Also, the growth and development of our team members are essential to achieving the company's future success. This form is meant to be used to begin a beneficial dialogue between you and your supervisor so that, together, we can all make progress toward our goals.

1. What aspects of your work offer you the greatest sense of accomplishment and satisfaction?

2. Is there anything, which, if changed, would allow you to function more effectively and/or increase your job satisfaction?

3. Do you feel you are properly placed in your present job? (consider job interests, training, experience, career plans)

4. What are your career goals and ambitions?

5. What actions are you currently taking to acquire the skills and knowledge necessary to achieve your career objectives?

6. Based on your career goals and feedback received so far, what do you see as the logical next step for you?

7. What knowledge, skills, and experience will you need to acquire or strengthen in order to achieve the next step in your development?

8. Is there anything the company or your supervisor could be doing which would help you develop (training, special projects, more job responsibility, and exposure to other areas)?

Employee: _____ Date: _____

PERFORMANCE RATING DEFINITIONS

RATING

DEFINITION OF RATING

10 – 8

EXCEPTIONAL PERFORMER:

- significantly exceeds the qualitative and quantitative standards
- exceptional and extraordinary attainment that far exceeds the highest standard of performance in all key result areas
- contribution and achievement consistently and significantly exceeds the requirement
- demonstrates exceptional managerial/technical/professional skills required to perform the job
- Team player

7 – 4

CONSISTENT PERFORMER:

- are proficient at the majority of skills required to perform their jobs and consistently meet performance expectations
- perform in a reliable and professional manner
- consistently demonstrates significant and lasting achievements which meaningfully impact the business
- contribution and achievement consistently meets requirements
- has the mastery of the managerial/technical/professional skills required to perform the job

3 – 1

DEVELOPING PERFORMER/NEEDS IMPROVEMENT:

- those who are still developing the skills required to perform their job responsibilities and/or
- performance is somewhat below performance expectations for quality and quantity of work
- contribution and achievement inconsistent with requirements
- performance has room for improvement, or has not yet established a track record as consistent performers
- managerial/technical/professional skills are of some detriment to performance; requires more than normal coaching, guidance and direction
- Needs to work harder at being a team player

0

UNSATISFACTORY PERFORMER:

- performance is noticeably below job requirements, even under close supervision; inconsistent in completing many assignments
- performance level is clearly less than acceptable as well below the minimum position requirements
- significant and immediate performance improvement must be accomplished
- managerial/technical/professional skills are at a level detrimental to performance
- Not a team player

DEFINITIONS

Base Pay – the regular amount you receive based on your job level and salary range.

Job – the tasks, duties and responsibilities you perform

Job Description/Position Description – a summary of the most important features of a job, including the general nature of the work (duties and responsibilities) and level (skill, effort, responsibility, working conditions) or work performed. It usually includes job specifications that include employee characteristics required for a competent performance of the job.

Job/Performance Evaluation – a formal process that determines how well an employee has performed during a period of time, used as a basis for determining merit increases.

Job Grade – one of the levels into which jobs that are of similar value are grouped for pay purposes. Usually, all jobs in a grade have the same pay range: minimum, midpoint and maximum. However, sometimes different jobs in the same pay grade have different pay ranges, because of market conditions for some jobs.

Market – group of people or information within a geographic region, industry or profession.

Market Pricing – the technique of creating a salary structure based on the “going rate” for benchmark jobs in the labor market.

Market Survey – salary survey of positions in the same or similar industries or markets; the market survey average tells us what range would best represent competitive pay for a job.

Merit Increase – an increase to an employee’s base pay rate based on performance.

Pay range – the range of pay rates, from minimum to maximum, established for a pay grade.

Performance Level – the classification of performance used to help determine merit increases.

Performance Management – a managerial process that consist of planning employee performance, managing that performance through observation and feedback, improving performance through development, and appraising and rewarding that performance.

Salary Structure – the structure of job grades and pay ranges used to determine salaries and manage pay decisions.

Variable Pay – special one-time payments to you. These may vary in amount, depending on company performance and recognition of certain types of performance; examples of variable pay programs are incentive compensation and bonus plans which are separate from your base pay.