I. PURPOSE:
To establish procedures under the Hawaii Health Systems Corporation (HHSC) regarding the determination of compensation for Exempt, Excluded Employees.

II. PROCEDURES:

A. HHSC shall periodically procure the services of an independent compensation consultant to review and produce a report to allow HHSC to update the system wide HHSC Compensation Guidance for Exempt, Excluded Employees. The procedure includes but is not limited to the following:

1. The HHSC Corporate office and Regions shall provide as requested by the compensation consultant, any data related to Exempt, Excluded Employee job descriptions to assist with the preparation of the requested compensation study report.
2. Consultant shall issue a final compensation study report with recommendations to present to the HHSC Corporate board, PCEO, and Regional CEOs.
3. The PCEO and Regional CEOs shall collectively review and discuss the report and recommendations, and to the extent they deem necessary, make appropriate salary adjustments based on HHSC’s then current financial situation.

B. HHSC shall periodically update and revise the HHSC Compensation Guidance for Exempt, Excluded Employees with input and recommendations from the Regions.

C. The PCEO or RCEO as appropriate shall approve all salary actions for their respective employees in accordance with the HHSC Compensation Guidance for Exempt, Excluded Employees.

D. All salary actions shall be processed by the Corporate HR or Regional HR Offices as appropriate.

E. The Regional boards have the discretion to develop and issue compensation guidance for their respective Exempt, excluded employees.

III. ATTACHMENT(S):
Attachment 1: HHSC Compensation Guidance for Exempt, Excluded Employees
HAWAII HEALTH SYSTEMS CORPORATION
COMPENSATION GUIDANCE
FOR EXEMPT, EXCLUDED EMPLOYEES

PURPOSE AND OBJECTIVES:

Hawaii Health Systems Corporation’s (HHSC) exempt, excluded salary program is designed to meet the following primary objectives:

- To recruit and retain highly qualified and talented workforce;
- To provide financial rewards to employees who excel in their job performance and are significant contributors;
- To provide financial incentives for employees to improve job performance; pay for performance and;
- To offer competitive salary opportunities.

SALARY ADMINISTRATION:

How Salaries are Determined

In order to recruit and retain quality employees, HHSC must pay competitive salaries that are fair and equitable in relation to other employees in comparable positions and the labor 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;
- Labor market study and salary survey of the position or similar position; the labor market is reviewed both locally and Nationally and considers the industry, profession, labor market competitiveness for recruitment, organization size, and other relative factors;
- Assignment of jobs to salary grades based on level of job and market conditions; best 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 labor market pricing and competitive factors that have been established;

• Individual base salaries are determined by various factors such as the in-hire rate, labor market competition, internal/external equity, and the evaluation of job performance in meeting expectations and objectives.

Salary Surveys

HHSC conducts, obtains or purchases, and participates in industry wide salary surveys to determine what other companies are paying for jobs similar to HHSC. These surveys are performed by professional organizations, and are reviewed to determine the validity and reliability of the data.

The surveys are defined by labor markets and by geographic areas in which HHSC competes for its labor workforce. 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 HHSC’s salary structure and salary ranges. Because these surveys reflect changes that occur in other companies and industries, review of the surveys enables HHSC to retain its competitive position in recruiting, retaining and rewarding its employees.

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 job classified in that salary range.

<table>
<thead>
<tr>
<th>Grade A</th>
<th>Minimum</th>
<th>Market point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$99,000</td>
<td>$130,000</td>
<td>$160,000</td>
</tr>
</tbody>
</table>

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 HHSC’s 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, market point 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 employee who are just learning their jobs.

Each salary range reflects the minimum and maximum dollars HHSC’s regions are willing to pay for the position based on their budget. 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 market point is the salary range for employees at HHSC typically with five or more years of service to reflect the competitive market midpoint.

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 should be compensated according to the salary range for the position in which they are recruited and will be employed. The minimum represents a salary for someone whose qualifications meet the minimum requirements for that position. However, special circumstances such as difficult-to-fill position, advanced certifications and/or extensive/specialized years of experience, job knowledge, skills and that an applicant may possess may be considered to hire above the minimum salary range. Exceptions to the minimum rate may be made at the discretion of the appointing authority.

All current employees and new hires should meet the minimum qualifications listed for their position. If there is difficulty with recruiting or identifying suitable qualified candidates for a position, or if an applicant's or current employee's education, training, and experience are not directly related to the position or do not meet the position’s minimum qualifications, an "acting, temporary, or interim" assignment of the best qualified candidate available may be utilized. At the discretion of the appointing authority, the required minimum qualification requirements may be waived provided the employee meets any federal, state, and regulatory requirements of the position.

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; refer to page 11 for authority approvals.

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 types of salary adjustment, which may occur as a result of a lateral move, are dependent upon the scope of responsibilities and accountabilities of the new position. This is not an automatic salary adjustment. Any salary adjustment is subject to evaluation and review based upon the facts and circumstances of the case under consideration; refer to page 11 for authority approvals.

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 designated to promote movement within a range and movement from one range to another

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.

**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.

**Voluntary Reassignment**

A voluntary reassignment is the reassignment of an employee to a job at the same salary range in either the same or another department. Employees voluntarily reassigned to a job in the same salary range or to a different job in the same salary range should have their salaries maintained at the current level with no increase or decrease. If the employee’s present salary is above the maximum salary level for the range, it may be adjusted accordingly.

An employee may submit a written request for consideration for a voluntary reassignment to another department or job in the organization for which they are qualified if a job is vacant or there is a need. Final approval should be obtained according to established policies and procedures.
Involuntary Reassignment

An involuntarily reassignment is the reassignment of an employee initiated by a facility against an employee’s will and without the employee’s consent for reasons other than for causes of misconduct, delinquency, or inefficiency. There are a variety of reasons for involuntary reassignments that include, but are not limited to, the good of the employee, the best interests of the organization, and/or other defensible actions based on the judgment of the CEO of HHSC or RCEOs.

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 evaluation 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.

MERIT INCREASES:

Merit Increase 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.

<table>
<thead>
<tr>
<th>Performance Level</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional Performer</td>
<td>Significantly exceeds the qualitative and quantitative standards</td>
</tr>
<tr>
<td>Consistent Performer</td>
<td>Proficient at the majority of skills required performing their jobs</td>
</tr>
<tr>
<td>Developing Performer/Needs Improvement</td>
<td>Performance is somewhat below expectations for quality &amp; quantity work performed</td>
</tr>
<tr>
<td>Unsatisfactory Performer</td>
<td>Performance is noticeably below job requirements, even under close supervision</td>
</tr>
</tbody>
</table>
Example of Merit Increase Matrix

<table>
<thead>
<tr>
<th>Performance Rating</th>
<th>Percentage of Increase Eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional Performer</td>
<td>3 – 5% of base salary</td>
</tr>
<tr>
<td>Consistent Performer</td>
<td>2 – 3% of base salary</td>
</tr>
<tr>
<td>Developing Performer</td>
<td>0 – 1% of base salary</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>0%</td>
</tr>
</tbody>
</table>

Eligible employees may receive merit increases based on their individual performance rating as measured in their performance evaluation. The chart on the previous page shows an example of the merit increase matrix and is subject to amendment. The respective Corporate and Regional System Boards may also take into consideration the across-the-board increase percentages provided to union employees when determining the annual percentage of merit increases based on performance.

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

Exceptions 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 with appropriate documentation. Proposed exception increases should be reasonable and, if the amount needed to create equity is large, the increase may be given in multiple 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 the example of 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.

**PERFORMANCE EVALUATION:**

**Importance of Evaluation**

Performance evaluations enhance communication between the manager/supervisor and employee, encourages coaching and monitoring performance to provide ongoing constructive feedback to employees throughout the rating period, and recognizes and emphasizes positive performance. This process allows the manager/supervisor to set objectives and goals and encourages a one-to-one meeting with employees to discuss progress with existing objectives, personal development, priorities, issues or concerns, any objective to be modified or added, plan of action points. Evaluations provide a means of measuring performance against previously established standards, goals and objectives, develop future goals and objectives and communicate expectations. This is an important tool to support the professional development of HHSC employees and to provide opportunity to encourage collaboration between supervisors/managers and employees in aligning goals and performance with the mission and values of HHSC. Through regular evaluation and feedback, employees would have an opportunity to enhance their strengths and correct any gaps in performance.

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 the positive development of an employee or for purposes of salary adjustments, but in the event of discipline, discharge, or EEOC complaint; documentation is critical and important. Merit increases will be based on how well the employee performed responsibilities and accountabilities, and how the employee met specific goals and objectives as rated by their respective manager/supervisor. Merit increases are not automatic and may be determine by the availability of funds and financial condition of the facility, region and system.

In order to record the employee’s progress and document performance review, there are three (3) types of performance evaluation forms that are currently being used for exempt excluded employees as listed below. The Board of Directors, CEO and RCEOs have the option to use whichever evaluation form that meets their needs.

- **Exhibit A** - The Performance Evaluation for the Chief Executive Officer has been available since July 2005 and is the traditional performance appraisal form where only the employee’s supervisor provides feedback. This form reflects HHSC’s set of core competencies for evaluation which
include Team Development, Leadership, Organizational Impact, Communication/ Interpersonal Skills, Management of Human Resources, Job Knowledge and Application, and Board Relations. These identified competencies are aligned with HHSC’s mission, values and strategies and are needed for the employee to succeed on the job. To rate the performance of the CEO, the HHSC System Board of Directors uses a point system as defined in the Performance Rating Definition Sheet.

- **Exhibit B** - The Executive 360 Performance Evaluation form is a newly added form to evaluate performance for the Chief Executive Officer. The 360 performance evaluation allows flexibility with various core competencies for evaluation which are developed by the HHSC System Board of Directors and the employee. This evaluation form identified HHSC core leadership competencies such as General Industry Knowledge Pertaining to Hospital Operations, Knowledge of HHSC & Electronic Health Records Management, Strategic Leadership & Planning, Collaboration & Teaming Skills, Communication Skills & Protocols, and Healthcare System Technologies. The rating is a range scale of strongly agree – strongly disagree and a no rating of the evaluator when they do not have sufficient information to evaluate. The HHSC System Board of Directors has the flexibility in identifying other core competencies for evaluation depending on its objectives and strategies for that evaluation period. The 360 performance evaluation method allows the HHSC System Board of Directors, direct reports and external stakeholders to provide feedback.

- **Exhibit C** - The Exempt, Excluded Management and Staff Employees has been available since July 2005 and is a 180 degree performance evaluation form where the employee completes a self-evaluation prior to the supervisor providing feedback. This evaluation form is comprised of three (3) sections:
  - **Section 1**: Includes core competencies: Team Development/ Cooperation, Organizational Impact, Communication/ Interpersonal Skills, Job Knowledge/Skills Application, Quality of Work/ Productivity, Leadership, and Management of Human Resources; and weighted percentages that can be added to each competency;
  - **Section 2**: Includes an area to add specific objectives or goals from the HHSC System Board of Directors or the supervisor; and
  - **Section 3**: Provides an opportunity for feedback and comments for the HHSC System Board of Directors and Employee to use. The employee completes a self-evaluation using the Performance Rating Definition Sheet which is based a point system, then submits it to the HHSC System Board of Directors or supervisor to complete their evaluation. This evaluation form includes Career Development Planning to assist employees to achieve their increased satisfaction from their work.
The performance evaluation forms for the CEO of HHSC and Regional CEOs (either Exhibit A or Exhibit B) are subject to discussion and modification by their respective Boards for each evaluation rating period.

The CEO of HHSC, Regional CEO or designees determine individual performance objectives and goals for exempt, excluded employees under their respective supervision. The CEO of HHSC and Regional CEOs should provide recommendations on objectives and goals to their respective Boards for approval and adoption.

**Performance Evaluation Process**

1. Employees are reviewed after the completion of six (6) months service and in July of each year, thereafter. When an employee changes department or is promoted, the manager/supervisor 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.

2. 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. The employee’s job description should be reviewed to ensure accuracy and completeness. New objectives, goals and career plans should be discussed, as well as corporate direction and priorities.

3. Supervisor/manager shall submit the completed performance evaluation to their respective human resources office for review and if appropriate and approved, for salary adjustment processing.
AUTHORITY FOR APPROVAL OF INCREASES

- All salary actions impacting the Chief Executive Officer of HHSC require the approval of the HHSC System Board of Directors.

- All salary actions impacting the Corporate Executive Staff require the approval of the Chief Executive Officer of HHSC.

- All salary actions impacting a Regional Chief Executive Officer require the approval of the respective Regional System Board, and all salary actions impacting exempt excluded employees require the approval of the respective Regional Chief Executive Officer, unless otherwise determined by the respective Regional System Board Bylaws.

- Hiring above the market point or below the minimum of the salary range requires the approval of the Chief Executive Officer of HHSC for Corporate office employees or the respective Regional Chief Executive Officer for regional employees.

- Salary adjustments for lateral moves require the approval of the Chief Executive Officer of HHSC for Corporate office employees or the respective Regional Chief Executive Officer for regional employees.

- Exceptions, adjustments or equity increase require the approval of the Chief Executive Officer of HHSC for Corporate office employees or the respective Regional Chief Executive Officer for regional employees.

- All salary adjustments are based on appropriate salary as determined by a salary study.

- 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.
HAWAII HEALTH SYSTEMS CORPORATION

PERFORMANCE EVALUATION
CHIEF EXECUTIVE OFFICER

EMPLOYEE

DATE IN POSITION:

RATING PERIOD:

RATED BY:
A. **TEAM DEVELOPMENT:**

* 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

* Integrate the concept of quality patient care and quality performance improvement in all activities

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B. **LEADERSHIP**

* Demonstrates the personal skills which enhance a manager’s ability to motivate, guide and direct the actions 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**

* 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 tact 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**

* Recruit 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 judgment 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
   ____________________________ Date: ____________
   Vice Chair
   ____________________________ Date: ____________
   Chair, Personnel & Compensation Committee
   ____________________________ Date: ____________
   Chair, Finance & Information Systems Committee

16
## PERFORMANCE RATING DEFINITIONS

<table>
<thead>
<tr>
<th>RATING</th>
<th>DEFINITION OF RATING</th>
</tr>
</thead>
</table>
| 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 |
EXHIBIT B
In keeping with Hawaii Health System Corporation’s (HHSC) goal to continuously develop and grow its leadership, we are asking for your candid feedback on the performance of our Regional Chief Executive Officer (RCEO) this past year. A summary of all feedback received will be prepared so that the RCEO and fellow Board members may use the feedback to continue to strengthen HHSC’s executive leadership approach across each of the following areas of HHSC Core Leadership Competencies:

- General Industry Knowledge Pertaining to Hospital Operations
- Knowledge of HHSC & Electronic Health Records Management
- Strategic Leadership & Planning
- Collaboration & Teaming Skills
- Communication Skills & Protocols
- Healthcare System Technologies

This evaluation is being administered by Corporate Human Resources Office. Your individual feedback will be averaged into all the responses received in order to protect your anonymity and ensure that the results are completely confidential. The Corporate Human Resources Office will also prepare an overall summary to assess areas for additional leadership and Board development planning.

Thank you for your contribution to this very important process and commitment to HHSC.
SECTION 1: General Industry Knowledge Pertaining to Hospital Operations

1. The Executive demonstrates a clear understanding of the Affordable Care Act.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

2. The Executive demonstrates a clear understanding of “safety net hospitals” and its implications.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

3. The Executive clearly demonstrates an applied, hands-on understanding of best practices in hospital operations.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

Can you provide any examples of this person’s performance that would help them to understand their feedback in this area?

___________________________________________________________________________
___________________________________________________________________________

SECTION 2: Knowledge of HHSC & Electronic Medical Records (EMR) Management

1. The Executive demonstrates a clear understanding of the history and organization of HHSC.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

2. The Executive proactively identifies critical issues facing HHSC.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.
3. The Executive identifies effective solutions to address critical challenges facing HHSC.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

4. The Executive demonstrates a clear understanding of EMR management, including any challenges and issues in EMR facing HHSC.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

5. The Executive identifies effective solutions to address critical challenges in EMR facing HHSC.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

Can you provide any examples of this person’s performance that would help them to understand their feedback in this area?

____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

SECTION 3: Strategic Leadership & Planning

1. The Executive demonstrates and communicates a clear vision for HHSC operations.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

2. The Executive demonstrates and communicates a clear vision the role of HHSC in local community health care.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.
3. The Executive places a high priority on HHSC’s role in community health.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

4. The Executive effectively communicates and sets priorities in accordance with the strategic goals of HHSC on a regular basis.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

Can you provide any examples of this person’s performance that would help them to understand their feedback in this area?

____________________________________________________________________________

____________________________________________________________________________

SECTION 4: Collaboration & Teaming Skills

1. The Executive demonstrates effective collaboration and relationship-building skills on a regular basis.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

2. The Executive demonstrates a keen understanding of local culture and the role of HHSC in community collaboration.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

3. The Executive establishes standards for community collaboration and relationship-building on a regular basis.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.
4. The Executive effectively emphasizes and demonstrates specific, best practice skills in teamwork, relationship-building, and stakeholder engagement.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

5. The Executive practices effective skills in conflict resolution and problem-solving on a regular basis.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency.

Can you provide any examples of this person's performance that would help them to understand their feedback in this area?

__________________________________________________________

__________________________________________________________

SECTION 5: Communication Skills & Protocols

1. The Executive demonstrates effective organizational communication skills on a regular basis.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency

2. The Executive demonstrates effective interpersonal communication skills on a regular basis.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency

3. The Executive establishes clear standards and expectations pertaining to verbal and written communications.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency
Can you provide any examples of this person’s performance that would help them to understand their feedback in this area?

____________________________________________________________________________

____________________________________________________________________________

SECTION 6: Healthcare System Technologies

1. The Executive effectively demonstrates an understanding of the role and impact of technology and information systems on improving health care services.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency

2. The Executive demonstrates a clear vision for the healthcare technology and information systems at HHSC.
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree
   - I do not have sufficient information to evaluate the Executive regarding this competency

Can you provide any examples of this person’s performance that would help them to understand their feedback in this area?

____________________________________________________________________________

____________________________________________________________________________

SECTION 7: Additional Feedback

1. Please provide any additional information that will help with this evaluation.

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

Thank you for your participation in this important process!
ADDITIONAL POTENTIAL 360 PERFORMANCE EVALUATION QUESTIONS BY COMPETENCY & REVIEWER GROUP

EFFECTIVE MANAGEMENT STYLE

 violet Questions for Direct Reports:

 o The Executive demonstrates understanding of all HHSC policies/procedures
 o The Executive Demonstrates understanding of stakeholders and local culture. \( \text{(Also for Board Members & External Stakeholders)} \)
 o The Executive makes appropriate hiring decisions that enable the HHSC to maintain high-quality staff. \( \text{(Also for Board Members)} \)
 o The Executive is effective at training and mentoring emerging HHSC leaders.
 o The Executive initiates and maintains policies and standards to support HHSC in its mission and goals. \( \text{(Also for Board Members and External Stakeholders)} \)
 o The Executive conducts duties in an ethical and professional manner. \( \text{(Also for Board Members and External Stakeholders)} \)

 violet Questions for Board Members:

 o The Executive tracks and stays abreast of legislation, community needs, industry trends, and best practices as it relates to or impacts HHSC.
 o The Executive ensures that HHSC operates within budget.

NEGOTIATING SKILLS

 violet Questions for Direct Reports:

 o The Executive incorporates control systems that monitor HHSC operations and ensure the completion of HHSC’s strategic goals. \( \text{(Also for Board Members)} \)
 o The Executive establishes and nurtures a culture built on continuous improvement
 o The Executive exhibits effective negotiating skills; has ability to effectively persuade others. \( \text{(Also for Board Members and External Stakeholders)} \)
 o The Executive considers the impact of actions and decisions before acting or implementing policy. \( \text{(Also for Board Members and External Stakeholders)} \)
Questions for Board Members:

- The Executive supports and implements patient grievance procedure(s).

Questions for External Stakeholders:

- See above.

Questions for Direct Reports:

- The Executive advances the organization’s culture to ensure that patient care and experience is exemplary. (Also for Board Members)
- The Executive demonstrates effective change management skills.

Questions for Board Members:

- See above.

Questions for External Stakeholders:

- The Executive develops and drives goals for health care outcomes to meet the needs of the community served by HHSC.

Questions for Direct Reports:

- The Executive contracts for health services that cannot be effectively offered by HHSC to meet community needs relative to availability, accessibility, and quality. (Also for Board Members and External Stakeholders)

Questions for Board Members:

- See above.

Questions for External Stakeholders:

- See above.
TIME MANAGEMENT

Questions for Direct Reports:

- The Executive positively represents HHSC across external local, state and national associations, community health organizations/groups, and other external agencies. (*Also for Board Members and External Stakeholders*)
- The Executive accepts responsibility for achievement of HHSC’s strategic goals. (*Also for Board Members and External Stakeholders*)
- The Executive develops plans that balance long-term goals with immediate needs. (*Also for Board Members*)

Questions for Board Members:

- The Executive makes recommendations to the Board that are based on sound financial projections.

Questions for External Stakeholders:

- See above.

VERBAL & WRITTEN COMMUNICATION SKILLS

Questions for Direct Reports:

- The Executive encourages and embraces innovation and positive change. (*Also for Board Members and External Stakeholders*)
- The Executive nurtures an environment that is diverse and inclusive. (*Also for Board Members and External Stakeholders*)
- The Executive exhibits effective conflict resolution and mediation techniques. (*Also for Board Members and External Stakeholders*)

Questions for Board Members:

- See above.

Questions for External Stakeholders:

- See above.
EXHIBIT C
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

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**WEIGHT:**

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- * 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:**

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- * 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

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- * 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:

AVERAGE SUBTOTAL:                     SELF MGR
(Add total points divide by # objectives rated)

OVERALL RATING:                                                         SELF MGR.

SECTION I. SUBTOTAL: (subtotal x 50%) =                                SELF MGR
SECTION II. SUBTOTAL: (subtotal x 50%) =                                SELF MGR
OVERALL EVALUATION TOTAL: (add above) =                                 SELF MGR

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.