



# Performance Management System (PMS) PY2024

*KRA Setting toolkit*

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# From Goals to KPIs the #AC Way



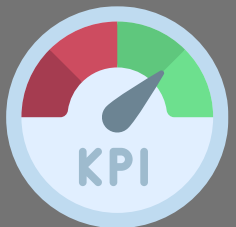
## WHAT IS A GOAL?

A broad, overarching outcome that an individual or organization aims to achieve.  
Example: Enhance overall workforce effectiveness within Ayala Corporation.



## WHAT IS A KEY RESULT AREA (KRA)?

Specific areas or domains critical to the achievement of goals. They represent the main functions or responsibilities of an individual or a department.  
Example: Develop and implement talent acquisition strategies to ensure a continuous pipeline of candidates.



## WHAT IS A KEY PERFORMANCE INDICATOR (KPI)?

Measurable criteria that indicate the level of success in achieving KRAs or goals. KPIs provide quantifiable benchmarks for performance evaluation.  
Example: Increase the percentage of successful hires by 15% within the next quarter.

## What we aim to achieve:



We aim to create a high-performing organization through setting up a customized, goal-driven performance management system to identify and reward our best talent.



- Create transparency and alignment behind company-wide strategy
- Provide a direct link between individual and company goals.
- Reinforce what high performance looks like at AC



## IDENTIFY TEAM INTERDEPENDENCIES

Identify dependencies early on to determine level of accountability and establish healthy partnerships.



### INTRA-TEAM DEPENDENCIES

Internal Dynamics of a Specific Team  
*What do you need from others on the team to succeed?*

### INTER-TEAM DEPENDENCIES

Collaboration & Synergy Required Across Various Teams

*Does the achievement of your goals require collaboration with or contributions from someone else's team?*



### EXTENT OF COMMITMENT

*Is there commitment to the contribution?*

## SET S.M.A.R.T. GOALS

<b>S</b>	<b>SPECIFIC</b> to the responsibilities of the department/team
<b>M</b>	<b>MEASURABLE</b> and objective
<b>A</b>	<b>ACHIEVABLE</b> but stretched
<b>R</b>	<b>RELEVANT</b> to the business directions
<b>T</b>	<b>TIME-BOUND</b> within Q4 of 2023



└─→ **Verb**

└─→ **Definite targets**

**Exponentially increase revenue by X%  
within the next Y years through diversifying  
customer base and developing new  
revenue streams.**

└─→ **Approach**



**Design and implement a digital communication program to communicate organizational strategies, engage team members, and achieve a target average evaluation score of 3/4 or above by 2024.**







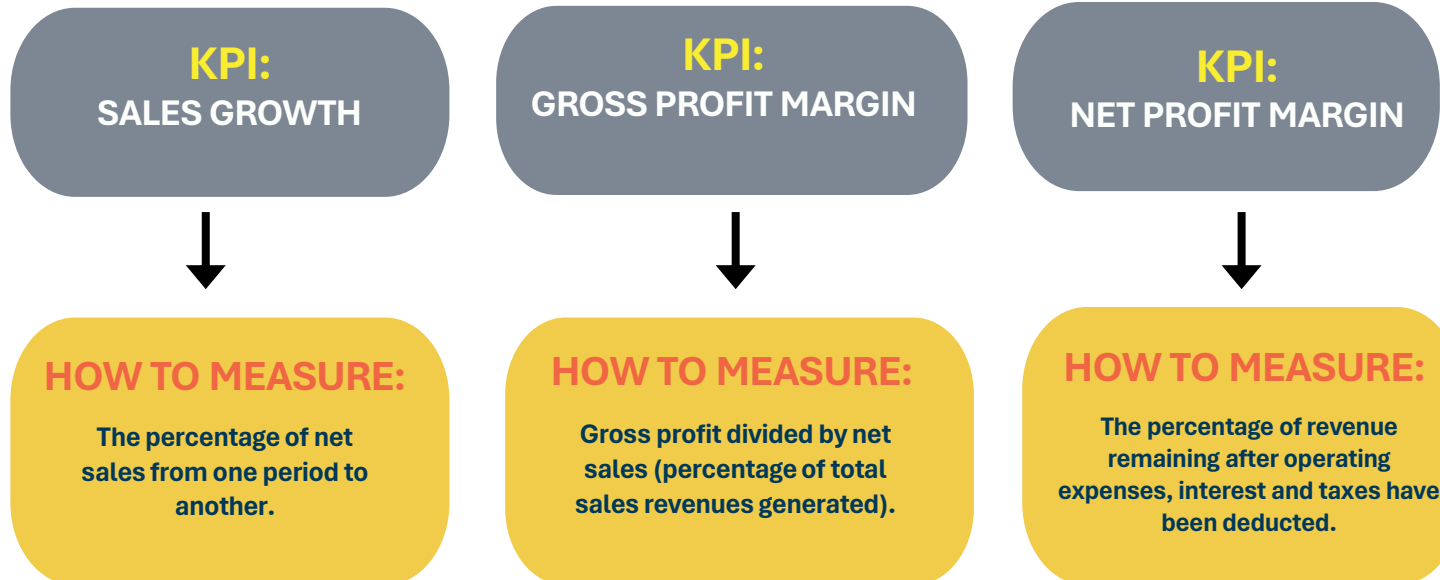
# Sample Goal Statements



## BD / SALES

Strong verb  
**Exponentially increase** revenue by X% within the next Y years **through**  
**diversifying customer base and developing new revenue streams.**

Approach







IT

Efficiently reduce incidents by X%      mean time to resolve high-severity information  
by streamlining escalation procedures.

Strong verb      Definite targets

Approach

**KPI:**  
MEAN TIME TO RECOVERY



**HOW TO MEASURE:**

The percentage of net sales from one period to another

**KPI:**  
MEAN TIME TO REPAIR



**HOW TO MEASURE:**

The average time it takes to repair and test a system.

**KPI:**  
MEAN TIME BETWEEN FAILURES



**HOW TO MEASURE:**

The average time between repairable failures



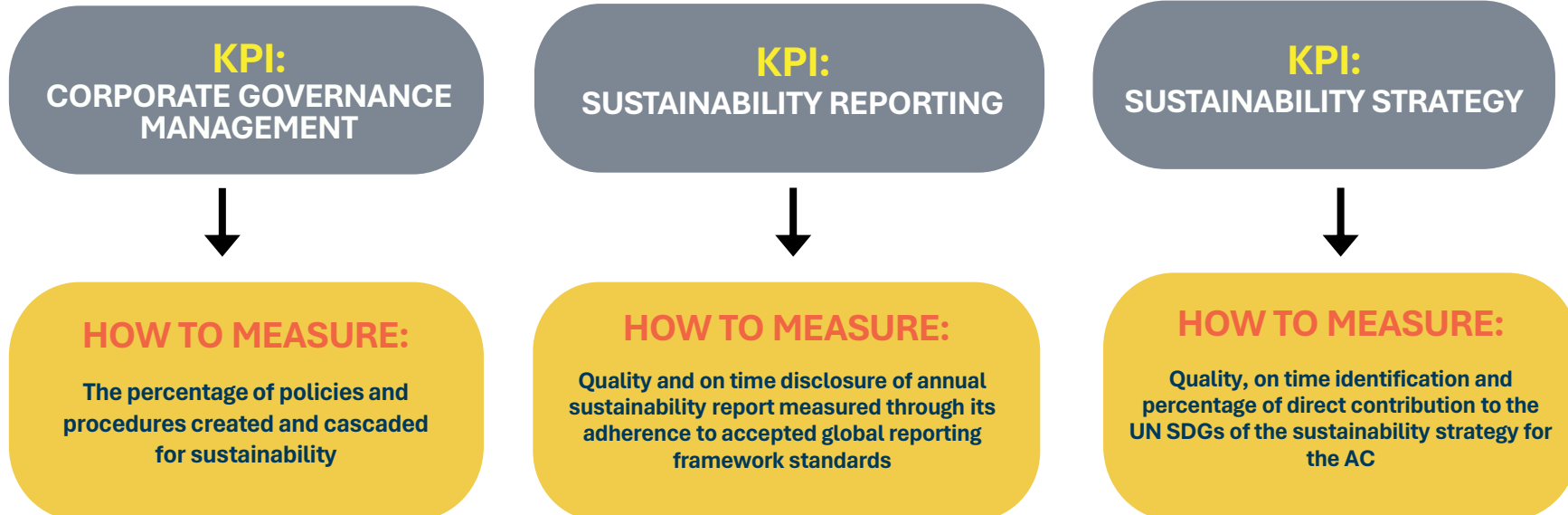
# Sustainability

Identify and implement 9-10 out of 17 UN SDGs **a sustainability strategy directly contributing to by aligning initiatives to overall business direction.**

Strong verb

Definite targets

Approach



## Considerations in Determining Weights: (Minimum 10% per KPI)

1. Impact to the set business goals
2. Financial effect to the org or department
3. Relevance to the nature of business or actual work
4. Complexity of task (highly technical tasks, effort given, time allocated)



**"Weigh What Matters"**



WEIGHTS		METRICS	2024 Target
Focused Execution	80%	20% Achieve reported net income target of P40.1bn	P40.1 to P42.1bn
		10% Outperform Philippine conglomerates' average 3YR TSR	Outperform one of SM and JGS, but underperform the market
		20% Ensure achievement of priority BU targets	Average score of 3
		30% Execution of key portfolio moves and value realization initiatives	100% completed
Leadership in Sustainability	10%	10% Create and implement the Sustainable Investing Framework that will be used to evaluate and manage existing and new investments	IC and Board Approval + Implementation for new investments and Annual Portfolio Review
Transformation	10%	10% Drive and support the senior leadership team transitions across the Ayala Group, strengthen the talent pipeline, and deliver on critical transformation initiatives of our business units, through our various centers of excellence	Average score of 3

### STRUCTURE OF 2023 KRAs

- 1 All **Holdings ManCom members** will be scored based on the AC score.
- 2 Weighting of talent's Final Score will vary per rank which will have a combination of **(A) AC KRA Score & (B) Individual Rating** (individual KRA + competency) – *COMPETENCY to be explained by Human Resources*

### Basis of Total Computation

RANK (Career Bands)	AC	INDIVIDUAL	TOTAL
Execs: Group Heads (E)	100%	-	100%
Execs: Non-Group Heads (E), Directors (D), and Unit Head Managers (C)	75%	25%	100%
Non-Unit Head Managers (C)	50%	50%	100%
Associates/Specialists (B)	30%	70%	100%
Staff (A)	20%	80%	100%

	KRA SCORE	COMPETENCY	TOTAL
Individual KRA	70%	30%	100%





- **Distinguish above average performance from truly exceptional accomplishment;**  
3 = a good score
- A **more “subjective” approach can be used** for certain quantitative metrics, and for the qualitative benchmarks
- **Managers will still determine and weight their own KRAs;** standardization only applies to how we measure



# KRA TEMPLATE GUIDE

EMPLOYEE INFORMATION

Employee Name: Juan Dela Cruz  
Position: Staff  
Department: Strategic Human Resources  
Immediate Supervisor: John Doe  
Performance Year: 2024  
Month/s Covered: January to December

EMPLOYEE INFORMATION  
Will automatically be updated once you fill out your Job Charter worksheet.

AC Goals Theme  
Aligned to AC's 2024 KRAs (e.g.: Focused Execution, Leadership in Sustainability & Transformation).

Team Goals and Targets  
should explicitly contain S.M.A.R.T goal statements with measurable targets set by your team

Individual Goals and Targets  
should explicitly contain S.M.A.R.T goal statements with measurable targets set by both yourself and your IS

Total Weight  
Refers to your individual KRA weight distribution

Timeline  
captures the amount of time needed to measure and evaluate these KRAs. Can be in month or quarter

Performance Scale sets our performance measures through a 3-point scale.

				Total Weight		Timeline	PERFORMANCE SCALE		
AC Goals Theme	AC Metrics	Team Goals and Targets	Individual Goals and Targets	KRA and Definition	Weight Distribution		1	2	3
							UNDERPERFORMER (0-70%)	SOME DEFICIENCIES (71-89% generally)	FULLY MEETS STANDARDS (90-105% generally)
Transformation	Drive and support the senior leadership team transitions across the Ayala Group, strengthen the talent pipeline, and deliver on critical transformation initiatives of our business units, through our various centers of excellence	Career Management - Facilitation of meaningful conversations with employees to understand their IDP, career aspirations and plans in the company to promote talent mobility and career development.	Articulating growth mindset within the organization through conduct of career management pocket learning sessions with employees	100% conduct of planned career management workshops for 2024	20%	Q4	0-70% conduct of planned career management workshops for 2024	71-89% conduct of planned career management workshops for 2024	90-105% conduct of planned career management workshops for 2024

AC Metrics  
Aligned to AC's 2024 KRAs (e.g.: Focused Execution, Leadership in Sustainability & Transformation).

KRA & Definition  
features a short description on how you can reach and realize the outcomes defined by the KPI Metric.

Recommended Weight Distribution  
will be agreed on by you and your IS and should equal to 70%.