



I. INTRODUCTION

The AFPMBAI Human Resource Philosophy declares that the human resource is one of the most essential assets of the Association. As such, the best qualified persons who possess the ability, competence and the right attitude to successfully perform the job of the key positions in the Association and those with high potential to grow as a professional and a leader shall be employed.

The Association shall provide them with a competitive compensation package, balanced and well-integrated work and life, and opportunities for career and personal advancement.

II. POLICY STATEMENT

It shall be the policy of the Association to ensure Business Continuity and implement a Corporate Governance best practice of readying its high-potential employees through structured developmental interventions like training, coaching, and mentoring to be ready to succeed the key positions in the Association. It shall provide guidelines and step by step procedures – from nomination to development to evaluation and selection of the best candidate for a certain target key position.

III. PURPOSE

This Memorandum Circular prescribes and standardizes the policy, guidelines and procedures in the Succession Planning Program. The Program aims to:

- A. Identify and prepare high-potential employees to occupy, fill up and/or perform key positions (ex: Division Head, Department Head, Section Head) left vacant or not functioning as a result of voluntary (resignation and early retirement), involuntary (normal retirement, death or termination) separation of the incumbent, personnel movement (transfer and promotion), or long/indefinite leave of absence.
- B. Manage and mitigate the risks involved in business discontinuity in the event of sudden vacancy of the key position.
- C. Engage, retain, and develop high-potential employees by providing career paths and opportunities for career advancements.
- D. ensure that corporate strategies and departmental plans and programs are carried out despite changes in the different levels of AFPMBAI leadership hierarchy.

IV. SCOPE

This Policy covers the end-to-end process of establishing a pool of successors to be ready to assume critical key positions as shown in the diagram. The concept involves identification of critical positions, identification of candidates as well as assessment of competency gaps. The identified gaps will be used as a basis for creating individual development plans and/ or non-training interventions up to the evaluation of the readiness of the candidate through a 3-pronged validation program.



19. Succession Planning Policy (SPPo) – is a set of concepts, ideas, guidelines and procedures that leads AFPMBAI in implementing its Succession Planning Program.
20. Succession Planning Program (SPPr) – is a process of identifying key positions and high-potential employees across all levels who will undergo a structured development program designed to prepare them to be ready to assume the role of the target key position.
21. Succession Plan Milestones Ledger (SPML) - is a set of target competencies, essential skills, and their respective target proficiency levels. SPML also reflects the required training and non-training interventions, needed certifications, and required performance rating to ensure readiness of the candidate to assume the target key position. ***Please see SPML Template in Annex F.***
22. Succession Plan Update (SPU) - is a form to be submitted together with the accomplished IDP that covers the summary of achievements of the candidate based on the IDP and SPML. ***Please see SPU Template in Annex G.***
23. Vertical (Upward) Movement - means being promoted to the next level position.
24. 360-Degree Candidate Readiness Survey (360 CRS) - is the second (2nd) phase of the three-pronged validation process. This tool will gather information on the candidate's readiness from his/ her IS, colleagues, current and future direct reports, peers from other departments, and customers that he/ she deals with on a regular basis.

VI. GENERAL GUIDELINES

1. Succession planning is a process to ensure that the right candidate is chosen, trained, and mentored to occupy the target key position and be ready to perform its functions.
2. Succession planning policy shall give an equal opportunity for potential candidate/s. The assigned Coach-Mentor should have a clear, logical and reasonable basis for nominating a potential candidate for a certain key position. It should be coordinated, discussed, and approved by HRD before the candidate will be allowed to go through SPPr.
3. Succession Plan Milestones vary depending on the need and requirement of the target key position. It should have the combination of functional competencies and essential skills reflected on the job description of the target key position but shall not be limited by the said JD. SPML should also reflect the required training and non-training interventions and required performance rating covering a certain period.
4. The process of selection and identification of Hi-Pos and candidates shall be known to all the members of the Division. This is to maintain transparency and to encourage other employees to work on their professional development, acquire the necessary competencies, and perform better to be considered in the future pool of candidates.
5. The Division Head and/or Department Head can nominate up to a maximum of three candidates per target key position.



6. A Candidate can be nominated and be confirmed to several key positions. Once the candidate is confirmed, he/ she needs to choose one key position that he/ she will pursue. Once the candidate has chosen, his/ her development will be focused on achieving the milestones to be ready to assume the responsibilities of the chosen key position.
7. Training, Coaching, and Mentoring are integral parts of the Succession Planning Policy in order to enhance competencies of the candidates while preparing for the position.
8. The Coach-Mentor cannot refuse nor ignore his/ her role as a coach-mentor. This is his/ her obligation to the worthy candidate/s, his/ her Division/ Department, and the whole AFPMBAI. Similarly, the Coach-Mentor cannot be biased in favor of his/ her candidate/s over the candidate/s from another Division/ Department. The Coach-Mentor shall make sure that he/ she pays the same level of attention to the development of all his/ her candidates.
9. Candidates shall be evaluated within 24 months starting on the first 6 months into the program.
10. Any key position, before being vacated, should have a ready, certified replacement at least 3 months prior to leaving the position (retiring, vertical or lateral movement).
11. In case there is a lack of or no immediate logical successor/s for the key position, the Division and/ or Department Head together with HRD will endorse the activation of the Recruitment Process (internal and/or external). The newly-hired potential candidate will go through a Special Onboarding Program that will follow the same developmental program as stated in the Succession Planning Policy.
12. In case the **Candidate** resigns in the middle of the program, the concerned Division Head and/or Department Head will have to nominate another candidate and have him/ her undergo SPPr.
13. In case the **Coach-Mentor** resigns in the middle of the program, HRD will assume the role of the Coach-Mentor until HRD finds the next suitable Coach-Mentor for the concerned candidate.
14. Once the candidate passed the three-pronged validation process and is certified, he/ she must maintain the following criteria:
 - 14.1. Performance Appraisal Rating of at least "Meets Expectations".
 - 14.2. No Serious Offense (Level 3 or "Less Grave" to Level 4 or "Grave Offenses") and no penalty of at least one (1) day suspension.
 - 14.3. Updated in the payments of loan obligations. (no delinquency in in-house loans, except those collateralized, and loans with other AFP FIs where premium payment is through salary deduction).
15. A Candidate who has been certified as a successor is expected to maintain his quality performance and demeanor at all times. Otherwise, for violation of any of the above-mentioned parameters, his/her chance to occupy the target key position may be deferred or "suspended" for one (1) whole year.
16. In the event that the Certified Successor is unable to meet the criteria enumerated in para 14, the candidate with the next highest score from the SPPr will now be the



“interim” successor provided that he/ she did not also violate the same criteria. After one (1) year as “suspended” successor, he/ she will undergo a re-certification program together with the “interim” successor. The re-certification program will decide who will now be the certified successor. It basically follows the phases of the three-pronged validation process.

- 16.1. Phase 1 – Getting a performance appraisal score of not lower than “Meets Expectations” from two recent performance appraisals and not incurring Level 3 or Level 4 Disciplinary Action with penalty of one day suspension or more.
- 16.2. Phase 2 – Another round of 360-degree Candidate Readiness Survey
- 16.3. Phase 3 – Another round of Oral Revalida with the SPB

17. In case there is no “interim” successor, the “suspended” successor will be able to redeem his/ her status as “certified” successor once he/ she gets performance appraisal scores of not lower than “Meets Expectations” from two recent performance appraisals, does not incur Level 3 or Level 4 Disciplinary Action with penalty of one day suspension or more, and is updated in the payments of loan obligations.

18. In case the target key position is vacated while the first candidate is “suspended” and the second candidate is named “interim” successor, the second candidate who is the “interim” successor will be certified and promoted to the position.

VII. PROCEDURE

