



MC No. 6, s. 2012

### MEMORANDUM CIRCULAR

**TO :** ALL HEADS OF CONSTITUTIONAL BODIES; DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS (GOCCs) WITH ORIGINAL CHARTERS; AND STATE UNIVERSITIES AND COLLEGES

**SUBJECT :** Guidelines in the Establishment and Implementation of Agency Strategic Performance Management System (SPMS)

Item 1 (d) of the Joint Resolution No. 4 (Governing Principles of the Modified Compensation and Position Classification System and Base Pay Schedule of the Government) of the Congress of the Philippines, states that “a performance-based incentive scheme which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well performing institutions”

Moreover, Item 4 of Joint Resolution No. 4 provides that “Step increments – an employee may progress from step 1 to step 8 of the salary grade allocation of his/her position in recognition of meritorious performance based on **performance management system approved by the CSC** and/or through length of service, in accordance with the rules and regulations to be promulgated jointly by the DBM and the CSC.”

Item 17 (c) of Joint Resolution No. 4 likewise states that “the CSC, in developing the Performance Management System, shall ensure that personnel performance shall be linked with organizational performance in order to enhance the performance orientation of the compensation system.”

Section 5 of Administrative Order No. 241 provides that “agencies shall institute a Performance Evaluation System based on objectively measured output and performance of personnel and units, such as the Performance Management System-Office Performance Evaluation System developed by the CSC”;

Further, Administrative Order No. 25 dated December 21, 2011, was issued with the end in view of developing a collaborative mechanism to “establish a unified and integrated Results-Based Performance Management System (RBPMS) across all departments and agencies within the Executive Branch of Government incorporating a common set performance scorecard, and creating an accurate, accessible, and up-to-date government-wide, sectoral and organizational performance information system.”

*In a **Race** to Serve: **R**esponsive, **A**ccessible, **C**ourteous and **E**ffective Public Service*

In view thereof, the Commission has promulgated in CSC Resolution No. 1200481 dated March 16, 2012, the attached Guidelines in the Establishment and Implementation of Agency Strategic Performance Management System (SPMS).

All policies and issuances of the Commission which do not conform to the attached guidelines are superseded, repealed, amended or modified accordingly.

These guidelines shall take effect immediately.

  
FRANCISCO T. DUQUE III, MD, MSc  
Chairman

MAR 19 2012





**Guidelines in the Establishment  
and Implementation of Agency Strategic  
Performance Management System (SPMS)**

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Number: 1200481

Promulgated: 16 MAR 2012

**RESOLUTION**

**WHEREAS**, Section 3, Article IX-B of the 1987 Philippine Constitution mandates the Civil Service Commission, as the central personnel agency of the Government, to *“establish a career service and adopt measures to promote morale, efficiency, integrity, responsiveness, progressiveness, and courtesy in the civil service. It shall strengthen the merit and rewards system, integrate all human resources development programs for all levels and ranks, and institutionalize a management climate conducive to public accountability. x x x”*

**WHEREAS**, the Commission as the central personnel agency of the Government is mandated by law to promulgate policies, standards and guidelines to effectively administer the civil service;

**WHEREAS**, Section 33, Chapter 5, Book V of Executive Order No. 292, provides that *“there shall be established a performance evaluation system, which shall be administered in accordance with rules, regulations and standards promulgated by the Commission for all officers and employees in the career service. Such performance evaluation system shall be administered in such manner as to continually foster the improvement of individual employee efficiency and organizational effectiveness;*

**WHEREAS**, Item 1 (d) of the Joint Resolution No. 4 (Governing Principles of the Modified Compensation and Position Classification System and Base Pay Schedule of the Government) of the Congress of the Philippines, states that *“a performance-based incentive scheme which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well performing institutions”*

**WHEREAS**, Item 4 of Joint Resolution No. 4 provides that *“Step increments – an employee may progress from step 1 to step 8 of the salary grade allocation of his/her position in recognition of meritorious performance based on **performance management system approved by the CSC** and/or through length of service, in accordance with the rules and regulations to be promulgated jointly by the DBM and the CSC”;*

**WHEREAS**, Item 17 (c) of Joint Resolution No. 4 likewise states that *“the CSC, in developing the Performance Management System, shall ensure that personnel performance shall be linked with organizational performance in order to enhance the performance orientation of the compensation system;*

**WHEREAS**, Section 5 of Administrative Order No. 241 provides that *“agencies shall institute a Performance Evaluation System based on objectively measured output and performance of personnel and units, such as the Performance Management System-Office Performance Evaluation System developed by the CSC”;*



**WHEREAS**, Administrative Order No. 25 dated December 21, 2011, was issued with the end in view of developing a collaborative mechanism to *“establish a unified and integrated Results-Based Performance Management System (RBPMS) across all departments and agencies within the Executive Branch of Government incorporating a common set performance scorecard, and creating an accurate, accessible, and up-to-date government-wide, sectoral and organizational performance information system.”*

**WHEREFORE**, the Commission **RESOLVES** to direct agencies to establish and implement a Strategic Performance Management System (SPMS) based on the attached Guidelines.

All policies and issuances of the Commission which do not conform to the attached guidelines are superseded, repealed, amended or modified accordingly.

This Resolution shall take effect immediately.

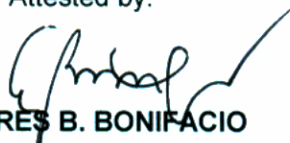
Quezon City.

  
**FRANCISCO T. DUQUE III**  
Chairman

  
**MARYANN Z. FERNANDEZ-MENDOZA**  
Commissioner

On Leave  
**RASOL L. MITMUG**  
Commissioner

Attested by:

  
**DOLORES B. BONIFACIO**  
Director IV  
Commission Secretariat and Liaison Office



# GUIDELINES IN THE ESTABLISHMENT OF AGENCY STRATEGIC PERFORMANCE MANAGEMENT SYSTEM (SPMS)

## Part 1: The SPMS

### I. Background

The Civil Service Commission, as the central human resource management agency of the Philippine bureaucracy is constitutionally mandated to adopt measures to promote morale, efficiency, integrity, responsiveness and courtesy in the civil service. It is likewise tasked to institutionalize a management climate conducive to public accountability.

Among the mandatory human resource systems under the Revised Administrative Code of 1987 is the Performance Evaluation System which shall be administered in accordance with rules and regulations and standards promulgated by the Commission. Such performance evaluation system shall be administered to continually foster the improvement of individual employee efficiency and organizational effectiveness.

Through the years, the CSC has implemented several performance evaluation/appraisal systems. These systems, however, focus only on individual appraisals which are pre-requisites for promotion and other personnel actions including separation and performance based incentives. The link between appraisals and personnel action and incentives and the lack of a parallel system to enable validation/comparison between organizational effectiveness and employee performance resulted to low system integrity due to its unreliability and subjectivity.

To address the gaps and weaknesses found in previous performance evaluation systems, the CSC pilot tested the Strategic Performance Management System or the SPMS. The SPMS gives emphasis to the strategic alignment of the CSC's thrusts with the day-to-day operations of the CSC units. The SPMS focuses on measures of performance results that are reviewable over the period of the implementation of the CSC Road Map vis-à-vis targeted milestones and provides a scientific and verifiable basis in assessing organizational performance and the collective performance of individuals within the organization.

The Strategic Performance Management System (SPMS) strengthened the culture of performance and accountability in the CSC.

### II. The SPMS Concept

The SPMS is focused on linking individual performance vis-à-vis the agency's organizational vision, mission and strategic goals. It is envisioned as a technology composed of strategies, methods and tools for ensuring fulfilment of the functions of the offices and its personnel as well as for assessing the accomplishments.<sup>1</sup>

It is a mechanism that ensures that the employee achieves the objectives set by the organization and the organization, on the other hand, achieves the objectives that it has set itself in its strategic plan.

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<sup>1</sup> *"The PMS-OPES: Re-inventing the performance management system of the bureaucracy"*, Annex A of CSC Resolution No. 1100224





Performance management system is the heart of the human resource system because information produced from it is useful in human resource planning, management and decision making processes.

The SPMS follows the four-stage PMS cycle: **performance planning and commitment, performance monitoring and coaching, performance review and evaluation, performance rewarding and development planning.**

To complement and support the SPMS, the following enabling mechanisms must be present, operational and maintained:

- A Recruitment System that identifies competencies and other attributes required for particular jobs or functional groups;
- An adequate Rewards and Incentives System;
- Mentoring and coaching program;
- An Information Communication Technology (ICT) that supports project documentation, knowledge management, monitoring and evaluation;
- Change management program; and
- Policy review and formulation.

### III. General Objectives

The SPMS shall be prepared and administered to:

- a. Concretize the linkage of organizational performance with the Philippine Development Plan, the Agency Strategic Plan, and the Organizational Performance Indicator Framework;
- b. Ensure organizational effectiveness and improvement of individual employee efficiency by cascading institutional accountabilities to the various levels of the organization anchored on the establishment of rational and factual basis for performance targets and measures; and
- c. Link performance management with other HR systems and ensure adherence to the principle of performance-based tenure and incentive system.

### IV. BASIC ELEMENTS

The SPMS shall include the following basic elements:

- a. **Goal Aligned to Agency Mandate and Organizational Priorities.** Performance goals and measurement are aligned to the national development plans, agency mandate/vision/mission and strategic priorities and/or organizational performance indicator framework. Standards are pre-determined to ensure efficient use and management of inputs and work processes. These standards are integrated into the success indicators as organizational objectives are cascaded down to operational level.
- b. **Outputs/Outcomes-based.** The system puts premium on major final outputs that contributes to the realization of organizational mandate, mission/vision, strategic priorities, outputs and outcomes.
- c. **Team-approach to performance management.** Accountabilities and individual roles in the achievement of organizational goals are clearly defined to give way to collective goal setting and performance rating. Individual's work plan or commitment and rating form is linked to the division/unit/office



work plan or commitment and rating form to establish clear linkage between organizational performance and personnel performance.

- d. **User-friendly.** The forms used for both the organizational and individual performance are similar and easy to accomplish. The organizational and individual major final outputs and success indicators are aligned to facilitate cascading of organizational goals to the individual staff members and the harmonization of organizational and individual performance ratings.
- e. **Information System that supports Monitoring and Evaluation.** Monitoring and Evaluation mechanisms and Information System are vital component of the SPMS in order to facilitate linkage between organizational and employee performance. The M&E and Information System will ensure generation of timely, accurate, and reliable information for both performance monitoring/tracking, accomplishment reporting, program improvement and policy decision-making.
- f. **Communication Plan.** A program to orient agency officials and employees on the new and revised policies on SPMS shall be implemented. This is to promote awareness and interest on the system, generate employees' appreciation for the agency SPMS as a management tool for performance planning, control and improvement, and guarantee employees' internalization of their role as partners of management and co-employees in meeting organizational performance goals.

## V. KEY PLAYERS AND RESPONSIBILITIES

- a) **SPMS Champion (Agency Head)**
  - Primarily responsible and accountable for the establishment and implementation of the SPMS.
  - Sets agency performance goals/objectives and performance measures.
  - Determines agency target setting period.
  - Approves office performance commitment and rating.
  - Assesses performance of Offices.
- b) **Performance Management Team (PMT).** A PMT shall be established in every agency preferably with the following composition:
  - 1) Executive official designated by the Head of Agency as Chairperson
  - 2) Highest Human Resource Management Officer or the career service employee directly responsible for human resource management
  - 3) Highest Human Resource Development Officer or the career service employee directly responsible for personnel training and development
  - 4) Highest Planning Officer or the career service employee directly responsible for organizational planning
  - 5) Highest Finance Officer or the career service employee directly responsible for financial management
  - 6) President of the accredited employee association in the agency or the authorized alternate representative. In offices where there are no accredited or recognized employee associations/unions, the rank and file representative shall be chosen through a general election or assembly





At the regional level, the PMT shall, whenever applicable, be composed of the following:

- 1) Executive official designated by the Regional Head as Chairperson
- 2) Highest officer in charge of human resource management
- 3) Highest officer in charge of financial management
- 4) Highest officer in charge of organizational planning
- 5) Representative of the rank and file employee

The PMT shall have the following functions and responsibilities:

- Sets consultation meeting of all Heads of Offices for the purpose of discussing the targets set in the office performance commitment and rating form.
- Ensures that Office performance targets and measures, as well as the budget are aligned with those of the agency and that work distribution of Offices/units is rationalized.
- Recommends approval of the office performance commitment and rating to the Head of Agency.
- Acts as appeals body and final arbiter for performance management issues of the agency.
- Identifies potential top performers and provide inputs to the PRAISE Committee for grant of awards and incentives.
- Adopts its own internal rules, procedures and strategies in carrying out the above responsibilities including schedule of meetings and deliberations, and delegation of authority to representatives in case of absence of its members.

The Planning Office shall serve as the PMT Secretariat.

**c) Planning Office**

- Monitors submission of Office Performance Commitment and Review Form and schedule the review/evaluation of Office Commitments by the PMT before the start of a performance period.
- Consolidates, reviews, validates and evaluates the initial performance assessment of the Heads of Offices based on reported Office accomplishments against the success indicators, and the allotted budget against the actual expenses. The result of the assessment shall be the basis of PMT's recommendation to the Head of Agency who shall determine the final Office rating.
- Conducts an agency performance planning and review conference annually for the purpose of discussing the Office assessment for the preceding performance period and plans for the succeeding rating period with concerned Heads of Offices. This shall include participation of the Financial Office as regards budget utilization.
- Provides each Office with the final Office Assessment to serve as basis of offices in the assessment of individual staff members.

**d) Human Resource Management Office**

- Monitors submission of Individual Performance Commitment and Review Form by heads of offices.
- Reviews the Summary List of Individual Performance Rating to ensure that the average performance rating of employees is equivalent to or not



higher than the Office Performance Rating as recommended by the PMT and approved by the Head of Agency.

- Provides analytical data on retention, skill/competency gaps, and talent development plans that align with strategic plans.
- Coordinates developmental interventions that will form part of the HR Plan.

**e) Head of Office (Director IV or equivalent)**

- Assumes primary responsibility for performance management in his/her Office.
- Conducts strategic planning session with the supervisors and staff and agree on the outputs that should be accomplished based on the goals/objectives of the organization and submits the Office Performance Commitment and Review Form to the Planning Office.
- Reviews and approves individual employee's Performance Commitment and Review form for submission to the HRM Office/Personnel Office before the start of the performance period.
- Submits a quarterly accomplishment report to the Planning Office based on the PMS calendar<sup>2</sup> (Annex D).
- Does initial assessment of office's performance using the approved Office Performance Commitment and Review form.
- Determines final assessment of performance level of the individual employees in his/her office based on proof of performance.
- Informs employees of the final rating and identifies necessary interventions to employees based on the assessment of developmental needs.
  - Recommends and discuss a development plan with the subordinates who obtain **Unsatisfactory** performance during the rating period not later than one (1) month after the end of the said period and prepares written notice/advice to subordinates that a succeeding Unsatisfactory performance shall warrant their separation from the service.
  - Provides preliminary rating to subordinates showing **Poor** performance not earlier than the third (3rd) month of the rating period. A development plan shall be discussed with the concerned subordinate and issue a written notice that failure to improve their performance shall warrant their separation from the service.

**f) Division Chief or equivalent**

- Assumes joint responsibility with the Head of Office in ensuring attainment of performance objectives and targets
- Rationalizes distribution of targets/tasks
- Monitors closely the status of the performance of their subordinates and provide support and assistance through the conduct of coaching for the attainment of targets set by the Division/Unit and individual employee.
- Assesses individual employees' performance
- Recommends developmental intervention

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<sup>2</sup> The timetable for the preparation, review and approval of performance targets, standards, and ratings.



**g) Individual Employees**

- Act as partners of management and their co-employees in meeting organizational performance goals

## **Part 2 : The SPMS Process**

### **I. The SPMS Cycle**

The SPMS shall follow the same **four-stage PMS cycle** that underscores the importance of performance management.

#### **Stage 1: Performance Planning and Commitment**

This is done at the start of the performance period where Heads of Offices meet with the supervisors and staff and agree on the outputs that should be accomplished based on the goals/objectives of the organization.

During this stage, **success indicators** are determined. Success indicators are performance level yardsticks consisting of **performance measures and performance targets**. This shall serve as bases in the office and individual employee's preparation of their performance contract and rating form.

**Performance measures (Annex C)** need not be many. Only those that contribute to or support the outcomes that the Agency aims to achieve shall be included in the office performance contract, i.e., measures that are relevant to Agency's core functions and strategic priorities. The performance measures must be continuously refined and reviewed.

Performance measures shall include any one, combination of, or all of the following general categories, whichever is applicable:

<b>Category</b>	<b>Definition</b>
Effectiveness/Quality	The extent to which actual performance compares with targeted performance. The degree to which objectives are achieved and the extent to which targeted problems are solved. In management, effectiveness relates to <i>getting the right things done</i> .
Efficiency	The extent to which time or resources is used for the intended task or purpose. Measures whether targets are accomplished with a minimum amount or quantity of waste, expense, or unnecessary effort.
Timeliness	Measures whether the deliverable was done on time based on the requirements of the law and/or clients/stakeholders. Time-related performance indicators evaluate such things as project completion deadlines, time management skills and other time-sensitive expectations.





Heads of agencies shall cause the determination of their "agency target setting period",<sup>3</sup> a period within which the office and employees' targets are set and discussed by the raters and the ratees, reviewed and concurred by the head of the department or office and submitted to the PMT.

The Agency Road Map, Agency Strategic Plan, Annual Investment Plan, etc. shall be the basis of the targets of Offices. Aside from the Office commitments explicitly identified under each Strategic Priority in the Road Map, **major final outputs**<sup>4</sup> that contribute to the attainment of organizational mission/vision which form part of the **core functions**<sup>5</sup> of the Office shall be indicated as performance targets.

The targets shall take into account any combination of, or all of the following:

- **Historical data.** The data shall consider past performance.
- **Benchmarking.** This involves identifying and comparing the best agencies or institutions or units within the agency with similar functions or processes. Benchmarking may also involve recognizing existing standards based on provisions or requirements of the law.
- **Client demand.** This involves a bottom-up approach where the Office sets targets based on the needs of its clients. The Office may consult with stakeholders and review the feedback on its services.
- **OPES Reference Table** - list of major final outputs with definition and corresponding OPES points<sup>6</sup>
- **Top Management instruction.** The Head of Agency may set targets and give special assignments.
- **Future trend.** Targets may be based from the results of the comparative analysis of the actual performance of the Office with its potential performance.

In setting work targets, the Office shall likewise indicate the detailed budget requirements per expense account to help the agency head in ensuring a strategy driven budget allocation and in measuring cost efficiency. The Office shall also identify specific division/unit/group/individuals as primarily accountable for producing a particular target output per program/project/activity. These targets, performance measures, budget and responsibility centers are summarized in the Office Performance Commitment and Review Form (OPCR) (**Annex A**).

The approved Office Performance Commitment and Review Form shall serve as basis for individual performance targets and measures to be prepared in the Individual Employee's Performance Commitment and Review Form (IPCR) (**Annex B**).

Unless the work output of a particular duty has been assigned pre-set standards by management, its standards shall be agreed upon by the supervisors and the ratees.

<sup>3</sup> Before the start of the performance period.

<sup>4</sup> MFOs are goods and services that a department/agency is mandated to deliver to external clients through the implementation of programs, activities and projects (per DBM published *Organizational Indicator Framework (OPIF) Book of Outputs for 2011*).

<sup>5</sup> Core functions are those performed by the Office which are inherent in its mandates.

<sup>6</sup> OPES points refers to the time within which an output will be produced by an average performer.



Individual employees' performance standards shall not be lower than the agency's standards in its approved Office Performance Commitment and Review form.

### **Stage 2: Performance Monitoring and Coaching**

During the performance monitoring and coaching phase, the performance of the Offices and every individual shall be regularly monitored at various levels: i.e., the Head of Agency, Planning Office, Head of Office, Division Head and individual, on a regular basis.

Monitoring and evaluation mechanisms should be in place to ensure that timely and appropriate steps can be taken to keep a program on track and to ensure that its objectives or goals are met in the most effective manner (**Annex H, I and J**). Also a very vital tool of management at this stage is an information system that will support data management to produce timely, accurate and reliable information for program tracking and performance monitoring/reporting.

Supervisors and coaches play a critical role at this stage. Their focus is on the critical function of managers and supervisors as coaches and mentors in order to provide an enabling environment/intervention to improve team performance; and manage and develop individual potentials.

### **Stage 3: Performance Review and Evaluation (Office Performance and Individual Employee's Performance)**

This phase aims to assess both Office and individual employee's performance level based on performance targets and measures as approved in the office and individual performance commitment contracts.

The results of assessment of Office and individual performance shall be impartial owing to scientific and verifiable basis for target setting and evaluation.

- **Office Performance Assessment**

The Planning Office or any responsible unit in the agency shall consolidate, review, validate and evaluate the initial performance assessment of the Heads of Offices based on reported Office accomplishments against the success indicators, and the allotted budget against the actual expenses. The result of the assessment shall be submitted to the PMT for calibration and recommendation to the Head of Agency. The Head of Agency shall determine the final rating of offices/units.

An agency performance review conference shall be conducted annually by the Planning Office for the purpose of discussing the Office assessment with concerned Heads of Offices. This shall include participation of the Financial Office as regards budget utilization. To ensure complete and comprehensive performance review, all Offices shall submit a quarterly accomplishment report to the Planning Office based on the SPMS calendar<sup>7</sup> (**Annex D**).

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<sup>7</sup> The timetable for the preparation, review and approval of performance targets, standards, and ratings.



Any issue/ appeal/protest on the Office assessment shall be articulated by the concerned head of office and decided by the agency head during this conference, hence the final rating shall no longer be appealable/contestable after the conference.

The Planning Office shall provide each Office with the final Office Assessment to serve as basis of offices in the assessment of individual staff members.

- **Performance Assessment for Individual Employees**

The immediate supervisor shall assess individual employee performance based on the commitments made at the beginning of the rating period. The performance rating shall be based solely on records of accomplishment; hence, there is no need for self rating.

The SPMS puts premium on **major final outputs** towards realization of organizational mission/vision. Hence, rating for planned and/or intervening tasks shall always be supported by reports, documents or any outputs as proofs of actual performance. In the absence of said bases or proofs, a particular task shall not be rated and shall be disregarded.

The supervisor shall indicate qualitative comments, observations and recommendations in the individual employee's performance commitment and review form to include competency assessment<sup>8</sup> and critical incidents<sup>9</sup> which shall be used for human resource development purposes such as promotion and other interventions.

Employee's assessment shall be discussed by the supervisor with the concerned ratee prior to the submission of the individual employee's performance commitment and review form to the Head of Office.

The Head of Office shall determine the final assessment of performance level of the individual employees in his/her Office based on proof of performance. The final assessment shall correspond to the adjectival description of Outstanding, Very Satisfactory, Satisfactory, Unsatisfactory or Poor.

The Head of Office may adopt appropriate mechanism to assist him/her distinguish performance level of individuals, such as but not limited to peer ranking and client feedback.

The **average** of all individual performance assessments shall **not** go higher than the collective performance assessment of the Office.

The Head of Office shall ensure that the employee is notified of his/her final performance assessment and the Summary List of Individual Ratings (**Annex E**) with

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<sup>8</sup> Competencies are observable, measurable and vital behavioral skills, knowledge and personal attributes that are translations or organizational capabilities deemed essential for success. Competencies shall be identified for a particular position or job family.

<sup>9</sup> Record of events, happenings or actual information affecting the overall accomplishments of the employee during the particular rating period.

the attached IPCRs are submitted to the HRM Office/Personnel Office within the prescribed period.

#### **Stage 4: Performance Rewarding and Development Planning**

Part of the individual employee's evaluation is the competency assessment vis-à-vis the competency requirements of the job. The result of the assessment shall be discussed by the Heads of Office and supervisors with the individual employee at the end of each rating period. The discussion shall focus on the strengths, competency-related performance gaps and the opportunities to address these gaps, career paths and alternatives.

The result of the competency assessment shall be treated independently of the performance rating of the employee.

Appropriate developmental interventions shall be made available by the Head of Office and supervisors in coordination with the HRM Office/Personnel Office.

A professional development plan (**Annex K**) to improve or correct performance of employees with Unsatisfactory and Poor performance ratings must be outlined, including timelines, and monitored to measure progress.

The results of the performance evaluation/assessment shall serve as inputs to the:

- a. Heads of Offices in identifying and providing the kinds of interventions needed, based on the developmental needs identified;
- b. Agency HRM Office/Personnel Office in consolidating and coordinating developmental interventions that will form part of the HR Plan and the basis for rewards and incentives;
- c. PMT in identifying potential PRAISE Awards nominees for various awards categories; and,
- d. PRAISE Committee in determining top performers of the Agency who qualify for awards and incentives.

## **II. Rating Period**

Performance evaluation shall be done semi-annually. However, if there is a need for a shorter or longer period, the minimum appraisal period is at least ninety (90) calendar days or three (3) months while the maximum is not longer than one (1) calendar year.

Various rating scales may be used for specific sets of measures. However, in general, there shall be five-point rating scale (1 to 5), 5 being the highest and 1, the lowest.





## SPMS RATING SCALE

Rating		Description
Numerical	Adjectival	
5	Outstanding	Performance represents an extraordinary level of achievement and commitment in terms of quality and time, technical skills and knowledge, ingenuity, creativity and initiative. Employees at this performance level should have demonstrated exceptional job mastery in all major areas of responsibility. Employee achievement and contributions to the organization are of marked excellence.
4	Very Satisfactory	Performance exceeded expectations. All goals, objectives and targets were achieved above the established standards.
3	Satisfactory	Performance met expectations in terms of quality of work, efficiency and timeliness. The most critical annual goals were met.
2	Unsatisfactory	Performance failed to meet expectations, and/or one or more of the most critical goals were not met.
1	Poor	Performance was consistently below expectations, and/or reasonable progress toward critical goals was not made. Significant improvement is needed in one or more important areas.

### III. Submission of Agency SPMS to CSC

The Agency SPMS could be any of the following:

- a. A system currently used by the agency which conforms to the basic features of the SPMS;
- b. A revised/enhanced Agency Performance Evaluation System (PES) based on the SPMS guidelines; or
- c. A new Agency PMS crafted based on the SPMS guidelines.

Agencies shall be required to submit their Agency SPMS to the concerned Civil Service Commission Regional Office for approval starting June 2012.

All agencies should have a CSC-approved SPMS by January 2014. Accordingly, by January 2015, all performance based human resource movements and/or developments/interventions such as promotion, scholarship, training, rewards and incentives shall **only** be based on a CSC-approved SPMS under these guidelines.



Any enhancement and/or amendment of the CSC-approved SPMS shall be submitted to the CSCRO concerned for approval and/or information/reference in the case of Deregulated Agencies.

#### IV. SPMS Initiation/ Implementation

Agency heads shall:

- a. Constitute a Performance Management Team (PMT).
- b. Review existing Performance Evaluation System and decide on whether the same conforms with the features of the Strategic Performance Management System.
- c. Amend, enhance or develop Agency Performance Management System and submit the same to CSC for review/approval.
- d. Conduct orientation and reorientation on the new and revised policies on SPMS for all employees. This is to promote awareness and interest on the system, generate employees' appreciation for the agency SPMS as a management tool for performance planning, control and improvement, and guarantee employees' internalization of their role as partners of management and co-employees in meeting organizational performance goals.
- e. Administer the approved Agency SPMS in accordance with these guidelines/standards.
- f. Provide the Civil Service Commission Regional/Field Office concerned with a copy of the Consolidated Individual Performance Review Reports indicating alignment of the collective individual performance rating with the Organizational/Office Performance Rating.

#### V. Uses of Performance Ratings

- a. Security of tenure of those holding permanent appointments is not absolute but is based on performance.

Employees who obtained **Unsatisfactory** rating for one rating period or exhibited poor performance shall be provided appropriate developmental intervention by the Head of Office and supervisor (Division/Unit Head), in coordination with the HRM Office/Personnel Office, to address competency-related performance gaps.

If after advice and provision of developmental intervention, the employee still obtains Unsatisfactory ratings in the immediately succeeding rating period or Poor rating for the immediately succeeding rating period, he/she may be dropped from the rolls. A written notice/advice from the head of office at least 3 months before the end of the rating period is required.

- b. The PMT shall validate the Outstanding performance ratings and may recommend concerned employees for performance-based awards. Grant of performance-based incentives shall be based on the final ratings of employees as approved by the Head of Office.
- c. Performance ratings shall be used as basis for promotion, training and scholarship grants and other personnel actions.





Employees with Outstanding and Very Satisfactory performance ratings shall be considered for the above mentioned personnel actions and other related matters.

- d. Officials and employees who shall be on official travel, approved leave of absence or training or scholarship programs and who have already met the required minimum rating period of 90 days shall submit the performance commitment and rating report before they leave the office.

For purposes of performance-based benefits, employees who are on official travel, scholarship or training within a rating period shall use their performance ratings obtained in the immediately preceding rating period.

- e. Employees who are on detail or secondment to another office shall be rated in their present or actual office, copy furnished their mother office. The ratings of those who were detailed or seconded to another office during the rating period shall be consolidated in the office, either the mother (plantilla) office or present office, where the employees have spent majority of their time during the rating period.

## **Part 3 : Miscellaneous Provisions**

### **I. Technical Assistance to Agencies**

Heads of agencies may request technical assistance from the CSC Regional/Field Office concerned on the development, implementation, or refinement of their Agency SPMS.

### **II. Sanctions**

Unless justified and accepted by the PMT, non-submission of the Office Performance Commitment and Review form to the PMT, and the Individual employee's Performance Commitment and Review forms to the HRM Office/Personnel Office within the specified dates shall be a ground for:

- a. Employees' disqualification for performance-based personnel actions which would require the rating for the given period such as promotion, training or scholarship grants and performance enhancement bonus, if the failure of the submission of the report form is the fault of the employees.
- b. An administrative sanction for violation of reasonable office rules and regulations and simple neglect of duty for the supervisors or employees responsible for the delay or non-submission of the office and individual performance commitment and review report.
- c. Failure on the part of the Head of Office to comply with the required notices to their subordinates for their unsatisfactory or poor performance during a rating period shall be a ground for an administrative offense for neglect of duty.





- d. Non-submission of agency SPMS to the Civil Service Commission for review/approval shall be a ground for disapproval of promotional appointments issued by concerned agency heads.

### III. Appeals

- a. Office performance assessment as discussed in the performance review conference shall be final and not appealable. Any issue/appeal on the initial performance assessment of an Office shall be discussed and decided during the performance review conference.
- b. Individual employees who feel aggrieved or dissatisfied with their final performance ratings can file an appeal with the PMT within ten (10) days from the date of receipt of notice of their final performance evaluation rating from the Head of Office. An office/unit or individual employee, however, shall not be allowed to protest the performance ratings of other office/unit or co-employees. Ratings obtained by other office/unit or employees can only be used as basis or reference for comparison in appealing one's office or individual performance rating.
- c. The PMT shall decide on the appeals within one month from receipt.

Appeals lodged at any PMT shall follow the hierarchical jurisdiction of various PMTs in an agency. For example, the decision of the Provincial PMT is appealable to the Regional PMT which decision is in turn appealable to the National/Central Office PMT.

The decision of the PMT in the central office or departments may be appealed to the head of office.

- d. Officials or employees who are separated from the service on the basis of Unsatisfactory or Poor performance rating can appeal their separation to the CSC or its regional office within 15 days from receipt of the order or notice of separation.





## Part 4 : ANNEXES

### A. Office Performance Commitment and Review Form

OFFICE PERFORMANCE COMMITMENT AND REVIEW (OPCR)									
I, _____, Head of the _____, commit to deliver and agree to be rated on the attainment of the following targets in accordance with the indicated measures for the period _____ to _____, 20__.									
Director IV									
Date: _____									
Approved by*						Date			
<Name of Agency Head> Head of Agency									
<div style="border: 1px solid black; padding: 2px; display: inline-block;">                     5 - Outstanding                      4 - Very Satisfactory                      3 - Satisfactory                      2 - Unsatisfactory                 </div>									
MFO/PAP	SUCCESS INDICATORS (TARGETS + MEASURES)	Allotted Budget	Division/ individuals Accountable	Actual Accomplishments	Rating				Remarks
					Q <sup>2</sup>	E <sup>2</sup>	T <sup>2</sup>	A <sup>4</sup>	
STRATEGIC PRIORITY									
SUPPORT FUNCTIONS									
Average Rating									
Category		MFO		Rating					
Strategic Priority									
Core Functions									
Support Functions									
Total Overall Rating									
Final Average Rating									
Adjectival Rating									
Assessed by:				Final Rating by:				Date	
	Date		Date						
Planning Office		PMT		Head of Agency					
<i>Legend: 1- Quantity    2- Efficiency    3- Timeliness    4- Average</i>									



## B. Individual Performance Commitment and Review Form

### INDIVIDUAL PERFORMANCE COMMITMENT AND REVIEW (IPCR)

I, \_\_\_\_\_ of the \_\_\_\_\_ Division of \_\_\_\_\_  
 commit to deliver and agree to be rated on the attainment of the following targets in accordance with the indicated measures for the period  
 \_\_\_\_\_ to \_\_\_\_\_, 20\_\_\_\_\_.

Date: \_\_\_\_\_ Ratee

Reviewed by	Date	Approved by	Date
Immediate Supervisor		Head of Office	

Output	Success Indicator (Target + Measure)	Actual Accomplishments	Rating				Remarks
			Q <sup>1</sup>	E <sup>2</sup>	T <sup>3</sup>	A <sup>4</sup>	
<b>Strategic Priority No:</b>							
Output 1							
Output 2							
<b>Core Function:</b>							
Output 1							
Output 2							
Final Average Rating							

Comments and Recommendations for Development Purposes					
Discussed with	Date	Assessed by	Date	Final Rating by	Date
Employee		Supervisor		Head of Office	

Legend : 1 - Quantity    2 - Efficiency    3 - Timeliness    4 - Average





## C. SUCCESS INDICATORS

Hereunder are some samples of success indicators of the different sectors of government

<b>Major Final Outputs</b>	<b>PERFORMANCE MEASURES <sup>10</sup></b>	<b>PERFORMANCE TARGETS<sup>11</sup></b>	<b>SUCCESS INDICATOR<sup>12</sup> Measures + Targets</b>	<b>Organizational Outcome/ Sectoral Goals</b>
Cases Adjudicated	Response time	Within 40 days from the time the case is ripe for decision	Percentage of cases adjudicated within 40 days from the time the case is ripe for decision	Accountability of Civil Servants Promoted
Policies/Guidelines Formulated	Acceptability	Management approval upon first presentation within set deadline	Polices approved upon first presentation within set timeframe	Merit & Reward System in the Civil Service Strengthened
Opinions & Rulings Rendered	Response time as provided under RA 6713  Efficiency Rating (no. of requests acted upon/requests received)	Within 15 days from receipt of request  All requests for opinions and rulings acted upon within 15 days from receipt	100% of requests for opinions and rulings acted upon within 15 days from receipt of request  100% of requests for opinions and rulings acted upon within 15 days from receipt of request	Improved Public Service Delivery
Regulatory Services for Health Products	Price list of essential drugs	Reduction in prices of essential drugs	Reduce prices of essential drugs by 50%	Access to quality & affordable health products & services assured
Tertiary & Other Specialized Health Care Provided	Death rates	Death rate percentage reduced	Net death rate reduced to 2.5% and below	Improved health status of the population
Job Search-Assistance Services For Wage Employment	Effectiveness	Decrease unemployment rate by 20%	20% decrease in unemployment rate	A gainfully employed workforce
Public Elementary Education Services	Number of students from Grade I-VI Number of underweight students from Grade I-VI	Decrease percentage of underweight children from Grade I to Grade VI	Decrease percentage of underweight children to 16% of the total Grade I-VI population	Functionally, literate Filipino children, youth and adult learners

<sup>10</sup> Performance measures are always tied to a goal or an objective (the target). Performance measures can be represented by single dimensional units like hours, meters, nanoseconds, dollars, number of reports, number of errors, number of CPR-certified employees, length of time to design hardware, etc

<sup>11</sup> The goal intended to be attained (and which is believed to be attainable)

<sup>12</sup> Success Indicators are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization. They will differ depending on the organization.

## D. Sample SPMS Calendar

Activity	Submit to	Schedule											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1. Performance Planning and Commitment</b>													
OPCR for review	PMT											5 <sup>th</sup>	
PMT review report	Commission											5 <sup>th</sup>	
Commission approval of OPCR													5 <sup>th</sup>
IPCR	Head of Office	5 <sup>th</sup>						5 <sup>th</sup>					
	OPMD	10 <sup>th</sup>						10 <sup>th</sup>					
<b>2. Performance Monitoring and Coaching</b>													
Monitoring by													
▪ Commission		<b>Once a year</b>											
▪ OPMIS		<b>Per semester</b>											
▪ Director IV/III		<b>Regular basis</b>											
▪ Division Chief/Director II		<b>Regular basis</b>											
▪ Individual staff		<b>Regular basis</b>											
Form	OPMIS	<b>After EO Quarter</b>											
<b>3. Performance Review and Feedback</b>													
OPCR	OPMIS	15 <sup>th</sup>						15 <sup>th</sup>					
OPMIS to review, evaluate and validate OPCR against targets and return validated OPCR to COs and ROs													
➤ Luzon		22 <sup>th</sup>						22 <sup>th</sup>					
➤ Visayas		30 <sup>th</sup>						30 <sup>th</sup>					
➤ Mindanao		30 <sup>th</sup>						30 <sup>th</sup>					
➤ Central Offices			8 <sup>th</sup>						8 <sup>th</sup>				
OPMIS to submit Office performance assessment and facilitate performance review by the Commission	Commission		25 <sup>th</sup>						25 <sup>th</sup>				
Annual Performance Review	Commission												15 <sup>th</sup>
IPCR	Head of Office		25 <sup>th</sup>						25 <sup>th</sup>				
Heads of Office submit IPCR	OPMD		EO mo						EO mo				
<b>4. Performance Rewarding and Development Planning</b>													
PMT to submit Top performers list	Commission			15 <sup>th</sup>									
OPMD's Office Performance Assessment	OFAM			15 <sup>th</sup>									

**Note:** In the event that the deadline falls on a non-working holiday, submission will be on the next working day.



## E. Sample Summary List of Individual Performance Ratings

Office A

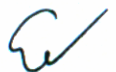
Performance Assessment: **Very Satisfactory**

Division A	Rating	
	Numerical	Adjectival
<i>Division A Rating</i>	4	Very Satisfactory
Employee 1	4	Very Satisfactory
Employee 2	5	Outstanding
Employee 3	3	Satisfactory
Employee 4	4	Very Satisfactory
Employee 5	4	Very Satisfactory
No. of Employees = 5 Average ratings of staff	20/5=4	Very Satisfactory

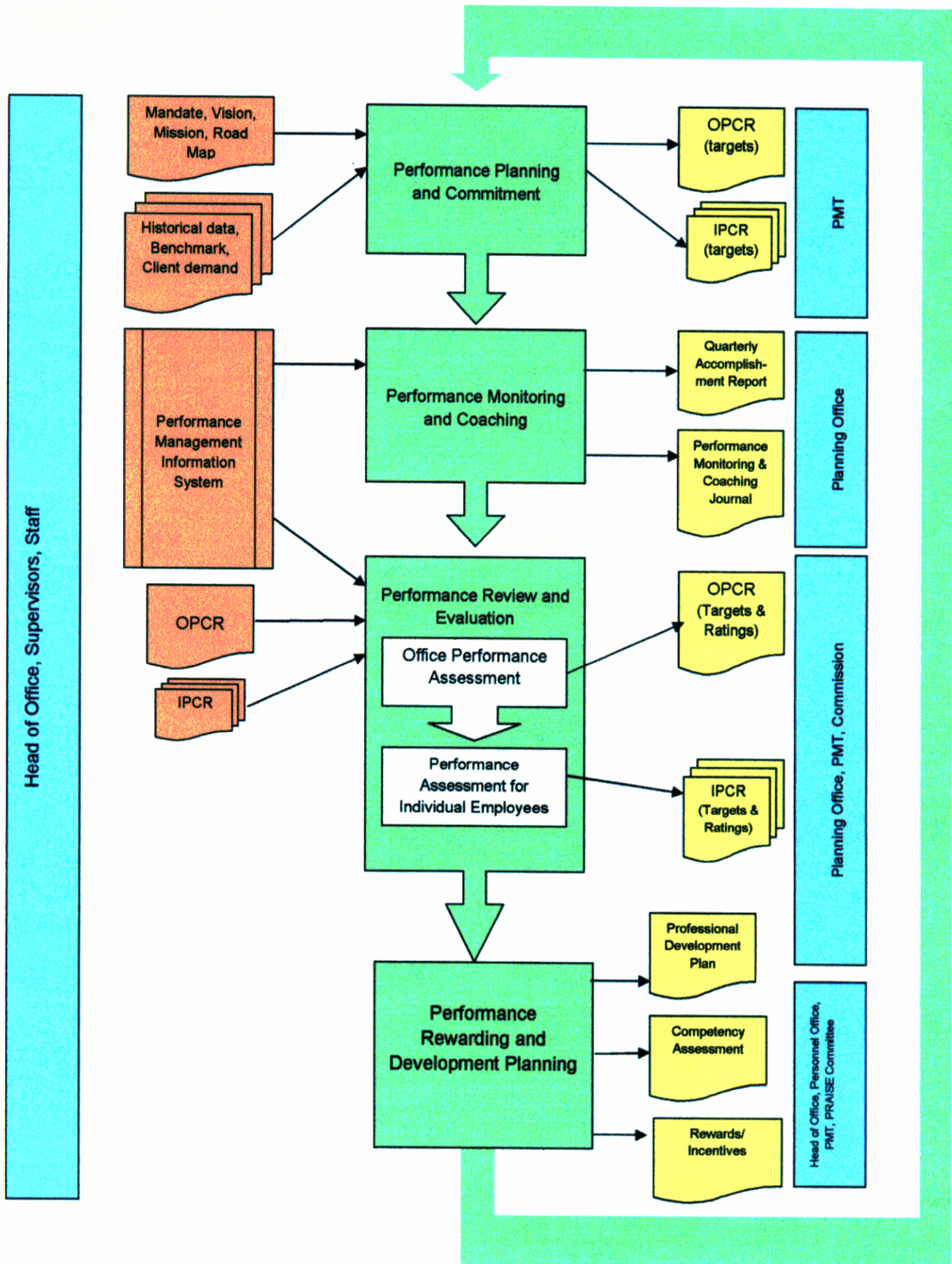
Division B	Rating	
	Numerical	Adjectival
<i>Division B Rating</i>	3	Satisfactory
Employee 1	3	Satisfactory
Employee 2	4	Very Satisfactory
Employee 3	2	Unsatisfactory
Employee 4	3	Satisfactory
No. of Employees (Including DC) = 4 Average ratings of staff	12/4=3	Satisfactory

Division C	Rating	
	Numerical	Adjectival
<i>Division C Rating</i>	5	Outstanding
Employee 1	5	Outstanding
Employee 2	4	Very Satisfactory
Employee 3	5	Outstanding
Employee 4	4	Very Satisfactory
No. of Employees (Including DC) = 4 Average ratings of staff	18/4=4.5	Outstanding

Summary:	Division A	4	Very Satisfactory
	Division B	3	Satisfactory
	Division C	5	Outstanding
	Average	12/3= 4	<b>Very Satisfactory</b>



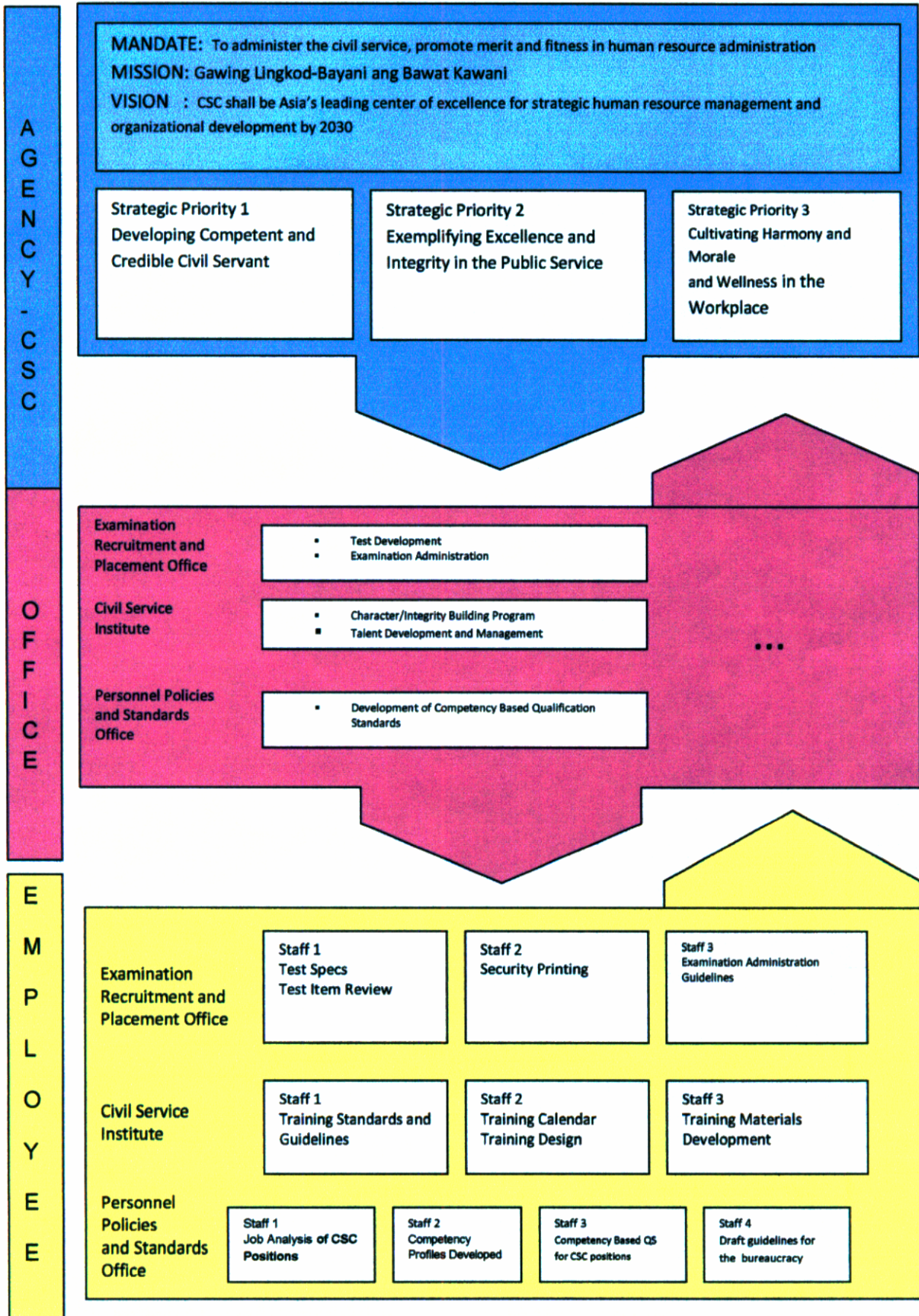
## F. PMS PROCESS FLOWCHART





# G. Performance Planning & Commitment

(Illustration showing Cascading of Agency Mandate/Strategic Priorities/OPIF to Office & Individual Commitments)



## H. Sample Performance Monitoring and Coaching Journal

	1 <sup>st</sup>	<b>Q u a r t e r</b>
	2 <sup>nd</sup>	
	3 <sup>rd</sup>	
	4 <sup>th</sup>	

Name of Division/Field Office \_\_\_\_\_  
 Division Chief / Director II \_\_\_\_\_  
 Number of Personnel in the Division / FO \_\_\_\_\_

Activity	Mechanism/s			Remarks	
	Meeting		Memo		Others (Pls. Specify)
	One-in-One	Group			
Monitoring					
Coaching					

*Please indicate the date in the appropriate box when the monitoring was conducted.*

<b>Conducted by:</b>	<b>Date:</b>	<b>Noted by:</b>	<b>Date:</b>
Immediate Superior		Head of Office	



## I. Performance Monitoring and Coaching

(Illustration showing a Sample Tracking Tool for Monitoring Targets)

Major Final Output	Tasks	Assigned to	Duration	Task Status				Remarks
				Week 1	Week 2	Week 3	Week 4	
Test Item	1.1 Conduct of Test Item Workshop	Staff A	Jan 5--10					
	1.2 Review of Test Items	Staff D	Jan 5-10					
Test Bank Database	2.1 Encoding of Test Item	Staff B	Jan 12-17					
	2.2 Updating of Test Item Properties	Staff B	continuing					
	2.3 Management/Maintenance of Test Bank Database	Staff B	continuing					
Exam Calendar and Announcement	3.1 Consultation with CSCROs	Staff D						
	3.2 Preparation of Calendar/Announcement	Staff D	By January 10					
	3.3 Presentation of Calendar/Announcement	Staff D	By January 12					
	3.4 Dissemination of Calendar/Announcement	Staff D	By January 15					
Exam-Conduct Action Plan	4.1 Constitution of Exam Committees	Director	EO April					
	4.2 Determination of Testing Centers/Test Administrators	Staff C	EO February					
	4.3 Preparation of Budget Estimate (Income and Expenses)	Staff F	EO April					
Non-Confidential Examination Documents	5.1 Preparation of Examiner's Manual	Staff E	March 1-30					
	5.2 Reproduction of Examination Documents	Staff M	May 10-15					
	5.3 Dissemination of Examination Documents	Staff N	May 15-17					
Processed Examination Application	6.1 Review and Evaluation of Application	Staff O	Continuing					
	6.2 Batching of Application	Staff P	May 1-5					

**J. Performance Monitoring and Coaching**  
 (Illustration showing a Sample Tracking Tool for Monitoring Assignments)

Performance Monitoring Form						
Task ID No.	Subject	Action Officer	Output	Date Assigned	Date Accomplished	Remarks
<i>Document No. or Task No. if Taken from WFP</i>	<i>Subject Area of the Task or the Signatory of the Document and Subject Area</i>			<i>Date the task was assigned to the drafter</i>	<i>Date the Output was approved by the approver</i>	





## K. Performance Rewarding and Development

(Illustration showing a Professional Development Plan Template)

### Professional Development Plan

Date:

Target date	
Review date	
Achieved date	

Aim	
Objective	

Task	Next step
Comments	



## Professional Development Plan

Date	
Aim	
Objective	
Target date	
Review date	
Achieved date	
Comments	
Task	
Outcome	
Next step	

