



PHILIPPINES 2000



August 3, 2004

MEMORANDUM CIRCULAR NO. 36
SERIES OF 2004

SUBJECT : ENHANCED PERFORMANCE MANAGEMENT SYSTEM

I. Definition

The Performance Management System (PMS) is a mechanism that identifies, develops and evaluates the work performance of the officials and employees in the organization so that organizational goals and objectives are more effectively and efficiently achieved. At the same time, the officials and employees are benefited in terms of recognition, receiving feedback on their work and catering to their work needs and career guidance.

It is the DSWD's translation of the Career Executive Service Performance Evaluation System (CESPES) for third level officials and the Performance Evaluation System (PES) for 1st and 2nd level positions in the bureaucracy.

II. Objectives

The system aims to achieve the following objectives:

1. To improve understanding of work responsibilities and standards
2. To establish accountabilities among officials and workers in the organization
3. To ensure awareness of officials and employees on how their performance is perceived against pre-determined standards
4. To identify and recognize high performance, and manage low performance
5. To provide opportunities for meeting the training and development needs of individual officials and employees.

III. General Principles

1. The performance management process shall be an on-going activity and shall be inherent in the Department's management practice. The flow of information between the rater and the ratee shall be constant so that relevant issues will be dealt with as they arise.
2. Performance contracting, review and evaluation shall be compulsory for all department officials and employees. These include the Undersecretaries, Assistant Secretaries, Bureau Directors, Regional Directors, Assistant Bureau Directors, Assistant Regional Directors, Service Directors and its equivalent, Division Chiefs and the rest of the staff.
3. The performance commitment of officials and employees for the rating period shall be reflected in their individual performance contracts. The performance commitments of the individual officials/division chiefs shall be captured in the individual commitments of the staff under them. It shall be the responsibility of the concerned officials and staff to ensure that the commitments are delivered.
4. Performance Management shall be result-oriented and appraisal shall focus on results rather than activities/processes.
5. Performance Management shall be the basis for awards, incentives and promotion of officials and employees in recognition of their extraordinary efforts and outstanding performance which contribute to the efficiency and improvement in the Department's operation. However, It may also be used as basis for other personnel actions such as reassignment or disciplinary action.

IV. Coverage

Performance Management shall apply to all career officials and employees as follows:

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| 1 st level | - | clerical, trades, crafts and custodial service positions which involve non-professional or sub-professional work in a non-supervisory capacity requiring less than four years of college education |
| 2 nd level | - | professional, technical and scientific positions which involve professional, technical or scientific work in a non-supervisory or supervisory capacity requiring at least four years of collegiate work; up to division chief level |
| 3 rd level | - | positions in Career Executive Service |

It shall also apply to non-career, casual and contractual employees.

V. Definition of Terms

1. Office – refers to a Field Office, Bureau, Service or equivalent Office of the DSWD.
2. Division – refers to the structural level immediately after the office of the unit head and which is headed by the division chief.
3. Head of Office – refers to the Regional Director, Bureau Director, Service Director, or head of an equivalent Office of the DSWD
4. Coach Monitor – refers to Assistant Secretary/Undersecretary assigned to coach and monitor a unit/area/official.
5. Immediate Supervisor/Manager – refers to an official assigned to directly supervise a first, second, level and/or third level staff of the DSWD.
6. Core Work – task which the unit should be doing rooted in its mandate and in the thrust and goals of the Department.

VI. Performance Areas

The officials and staff shall be rated on the following areas with corresponding weights:

1. Managerial – expected results considered essential for creating an environment which is conducive to performance of acts by staff to accomplish organizational goals
 - a. Head of Offices and EXECOM Members- 50%
 - b. ARD / Division Chiefs - 20%
2. Technical/Functional - expected results are those related to the technical or functional area of work as per unit's Key Result Areas (KRAs). eg Policy and Plans Formulation, Social Technology Development, Standards and Compliance, Social Protection and Capability Building, and Institutional Development.
 - a. Head of Offices and EXECOM Members / - 30%
 - b. ARD / Division Chiefs - 70%
 - c. Staff below division chief - 70%
3. Job-Related behavior – those related to how official / staff behaved in relation to their job obtained from multi-sources- the supervisor, the peer, client/partner, the official/employee him/herself.
 - a. Head of Offices and EXECOM Members- 20%
 - b. Division Chiefs - 10%
 - c. Staff below division chief - 30%

4. Results from Special Assignment / Contribution – those results / accomplishments which were not part of the commitment and with impact on the unit/department operations. Special assignment / Contribution has an additional weight of 50% which is only factored in at the year-end appraisal.

VII. The Performance Management Cycle

The performance management cycle is a twelve-month cycle, starting in January 01 and ending in December 31. It involves a three-step management cycle: (a) performance planning and contracting, (b) performance checkpoint and monitoring and (c) performance appraisal and evaluation. This covers two rating periods – 1st semester covering the period January 01 – June 30, and 2nd semester covering the July 01 – December 31 period.

1. Performance Planning and Contracting

At the start of the year, the Execom members / officials/division heads with the staff shall prepare their Office's Work and Financial Plan based on the thrust and directions of the Department and on the goals and objectives that their office will pursue for the year consistent with the Departments' thrust and directions and their functional responsibilities.

The Execom members/officials/division chiefs/staff, with their respective monitors/supervisors, shall identify and agree on the results to be delivered by the concerned official/division chief and the performance indicators to measure said results under each Key Result Area (KRA). They should also agree on the weight for each of the Key Result Area and the weight for each result under a particular KRA. The sum of the weights of these results under a particular KRA shall be equal to the weight given to said KRA.

Specific commitments/results with corresponding weights and performance measure indicators are then mapped out in the Execom members/official's/division chiefs and staff's Performance Contract (PC) or Performance Target Worksheet (PTW).

The contract of EXECOM members shall indicate key results relative to the performance of their functions/responsibilities and tasks delegated by the Secretary.

The Contract of Office Heads shall indicate key results committed in relation to the Office's Work and Financial Plan consistent with the Office's functional responsibilities anchored on the agency's thrust and direction for the year and the SWD situation being addressed.

The contract of the division chiefs shall be able to capture the commitments of the office's heads while that of the individual division staff, the commitments of the division head.

The PC / PTW of 2nd and 1st level staff shall be prepared and signed not later than 15 days before the start of the rating period and confirmed/approved by supervisor not later than the 15th day of the start of each rating period.

Incoming year Contract and 1 st Contract	Annual Semester	Prepared December 16 of departing year
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2 nd Semester Contract	Prepared June 16 of the current year
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Annual and 1 st Contract	Semester	Confirmed/approved One week after 2 nd sem. performance appraisal of staff
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2 nd Semester Contract	Confirmed/approved One week after 1 st semester performance appraisal of staff
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Contracts of 3rd level officials (Heads of Offices and EXECOM members) shall be prepared and signed 15 days at the start of the rating period. Those of the Execom members shall be confirmed and approved by the Secretary while that of the office heads by their cluster undersecretary not later than the 30th day of the start of rating period.

Current year and 1 st Semester Contract	Annual Contract	Prepared January 15
		Confirmed/approved January 30

2 nd Semester Contract	Prepared July 15
	Confirmed/approved July 30

2. Performance Checkpoint/Monitoring

This involves formal feedbacking/coaching sessions between raters and ratees. It aims to help the official/division chief/staff to overcome problem or redirect on-the-job behavior when this is seen as a problem.

During the sessions, both positive and negative aspects of performance shall be discussed. Accomplishments are recognized and areas where performance is below expectations shall be identified. Appropriate actions to be undertaken shall be agreed upon by both parties to overcome difficulties in meeting targets.

or
NA

3. Performance Appraisal and Evaluation

This involves assessment of performance of Execom members/officials/division chiefs/staff for a six-month period - January to June and July to December of every year by the designated Performance Appraisal Rater.

During appraisal, designated Secretariat, TSG/RTSG, Rater and Coach Monitor must be present. Other officials/staff may be invited with the approval of the rater.

3.1 Performance Appraisal Raters

The following officials give the rating during the performance appraisal

- Department Secretary – Execom members
- Cluster Undersecretary – Heads of Bureaus / Services / other Offices and Field Offices within the cluster
- Heads of Offices (Directors) – Assistant Directors and Division Chiefs
- Division Chiefs – Division Staff

In case of contested ratings the Secretary shall be the arbiter. Ratings can only be contested a week after it was given and should fall in any of these reasons:

1. The result with the rating being contested has direct bearing with the function of the contesting unit which can present new data / information not factored during the appraisal which may change the rating.
2. There is error detected in the computation which has been validated and verified.

3.2 Rating Performance

1. Only claimed results verified and/or with document as evidence of performance shall be rated.
 - For Office Heads targets which are met, rating is equivalent to full weight assigned to the results.
 - For targets which are unmet, rating to be given will be based on computation: actual

- For targets where performance exceeded within 20%, additional points will be given as follows:

Below 5% excess = weight + 4% of assigned weight

5 - 10% excess = weight + 6% of assigned weight

11 - 15% excess = weight + 8% of assigned weight

16 - 20% excess = weight + 10% of assigned weight

- For target where performance exceeded by more than 20%, implying poor planning, deductions will be made as follows.

21 - 25% excess weight - 4% from assigned weight

26 - 30% excess weight - 6% from assigned weight

31 - 35% excess weight - 8% from assigned weight

36 - 40% excess weight - 10% from assigned weight

41 - 45% excess weight - 12% from assigned weight

46 - 50% excess weight - 14% from assigned weight

51 - 55% excess weight - 16% from assigned weight

56 - 60% excess weight - 18% from assigned weight

60% & above excess weight-20% from assigned weight

- Ratings for quality and time shall follow the rating given for quantity because actual performance with quality and time is dependent on quantity accomplished.

2. An official / unit head who is not able to deliver committed results because of failure of another official (Usec/Assec/other office heads) shall be given full rating. However an equivalent rating shall be deducted from the official who / or whose office failed to deliver the needed inputs.
3. Zero rating shall be given on committed results not delivered except beyond control of the office head and such reason is concurred / accepted by the rater.

3.3 Performance Appraisal Schedules

Performance Appraisal for all levels shall be completed within 30 days after end of each rating period.

1 st semester performance	-	July 31
2 nd semester performance incoming year	-	January 31 of the

Accomplished Performance Appraisal Matrix (PAM) shall be submitted by concerned official staff to supervisors/coach monitor at least two weeks before the scheduled appraisal. This will provide time for review of supervision/coach monitor and possible inputs.

- The coach monitor shall provide Secretariat the final PAM at least one week before the reproduction and distribution. The Rater must receive the PAM prior to the appraisal for review.

VIII. Technical Support Group for Performance Management System

A Technical Support Group (TSG) for the Performance Management System shall be created at Central Office and Field Offices to serve as a focal group in ensuring implementation and institutionalization of PMS in the Department.

1. Central Office Technical Support Group

This shall be composed of a director / assistant director or their representative from the three clusters, Policy and Programs Group (PPG), Operations and Capability Building Group (OCBG) and General Administration and Support Service Group (GASSG) designated by each of the cluster group to represent their respective cluster. It shall be headed by an Assistant Secretary designated by the Secretary of the Department.

The TSG shall ensure that the technical aspects relative to performance management in their cluster are attended to. Its has the following functions by phase.

a) Performance planning and contracting

- Ensure that key results and corresponding performance indicators to measure result areas of Offices in the Central Office and Field Offices and standard of performance are determined and agreed upon and are provided to PMS Secretariat for consolidation and dissemination to concerned entities.
- For CO offices, ensure that the results under each Key Result Area and their corresponding indicators has been set out and agreed by their respective cluster.
- Provide support to coach monitors by providing inputs to draft contracts of FO directors/ other unit heads relative to their cluster areas of concerns / responsibilities and monitor submission of final contracts of officials within the cluster

b) Performance Appraisal and Evaluation

- Pre-appraisal
 - Monitor compliance of official in their Cluster to timeline on the preparation and submission of performance appraisal matrix, for information / action of Cluster Assec monitor / Undersecretary.
 - As requested by coach monitor, provide inputs to draft performance appraisal matrix of FO's on areas of concern for consideration in the finalization of the matrix.
 - Getting data / information from Cluster member on compliance of official's unit (FOs, Bureaus, Services, equivalent Offices) to required reports / documents / actions.
- During appraisal
 - Attend appraisal session and provide inputs / information on technical / substantial matters within the responsibility of the Cluster
 - Provide feedback to office heads of Cluster on issues / concerns relative to their area/s of responsibility that need to be addressed or complied with.

- Post appraisal
 - Provide inputs to highlights of performance appraisal sessions prepared by PMS secretariat on their cluster's areas of responsibility to ensure proper reflection of issues / concerns and the corresponding indicated agreements / recommendation.
 - Monitor compliance of heads of units within cluster to agreements reached during the appraisal and input these to PMS secretariat / office concerned.
 - Each CO Office (Bureau / Services and equivalent offices) shall identify their office focal person who shall be coordinating with the Technical Support Group in ensuring compliance of their Office's to requirements of the PMS.
 - The PMS Secretariat shall also act as Secretariat to the Technical Support Group in the Central Office.

2. Field Office

The Regional Technical Support Group (RTSG) on PMS shall be composed of the three Division Chiefs (DCs) or their representatives and the Management Audit Analyst (MAA), the chief of Technical Assistance Division (TAD) shall head the Regional TSG.

The RTSG shall ensure that the technical / substantial aspects relative to Performance management in the field office are attended to and complied with.

The RTSG shall have the following functions by phase.

a) Performance planning and contracting

- Provide assistance to division staff in the preparation of their PTW to ensure that standard form and substance are complied with.
- Provide technical support to RD and ARD in the drafting of performance contract within their division's area of responsibility and in observance of set standard of form and substance.
- Monitor / ensure submission of PC / PTW of division head and staff.

b) Performance Appraisal and Evaluation

- Pre – appraisal
 - Provide technical assistance to RD / ARD in the drafting of performance appraisal matrix on particular division's area of responsibility.
 - Monitor staff accomplishment of their performance appraisal matrix/ performance evaluation form and submission of this per time line.
- During appraisal
 - Provide inputs / information on their division's area of responsibility during performance appraisal of ARD / other division chiefs.
- Post appraisal
 - Monitor compliance of officials and staff to agreements during appraisal at various levels –
 - ❖ RD
 - ❖ ARD
 - ❖ Division Chief
 - ❖ staff

IX. PMS Secretariat

a. Secretariat for EXECOM members, Directors (Bureaus/Services/Field Offices/Other Offices)

The Secretariat shall be headed by the HRMDS Director with six staff from the HRMDS and with any 2 providing secretariat services per appraisal.

The Secretariat shall be responsible in collaborating with the coach monitor in ensuring timely submission of documents (contracts, performance appraisal matrix, etc).

The Secretariat shall be responsible for the documentation of the proceedings, particularly on issues raised, actions taken and recommendations. The HRMDS Director as head of the Secretariat shall be responsible in ensuring proper documentation of the highlights by the secretariat assigned in each of the appraisal session. These documents shall be shared with the Office in-charge of institutional development.

Records and files relative to the Performance Management System shall be with the HRMDS.

The HRMDS Director shall be responsible in the preparation and issuance of directions/clarifications relative to PMS as approved by and cleared by EXECOM.

- b. Secretariat for Assistant Regional Director (ARD) and Division Chief (DC)

The Director shall designate a staff each from the division which together with a HRMO/ AO from Personnel unit shall comprise the secretariat. The HRMO/ AO shall be designated as head.

The HRMO as head shall be responsible in ensuring proper documentation of the appraisal highlights. Likewise records and files relative to the PMS shall be the responsibility of the HRM unit.

X. Budget

Travelling expenses of the appraisal team and secretariat shall be charged to their own office's budget.

XI. Ratings

- a. Execom Members/Officials/Unit Heads/Division Chiefs

Their semestral ratings (1st and 2nd semester) shall comprise the ratings they obtained from the three areas: managerial, technical and job-related behavior during the 1st or 2nd semester performance appraisal.

The semestral ratings are obtained by adding all the final ratings of results under each of the area (managerial, technical and job-related behavior) dividing the sum by the number of items under each area and multiplying the quotient by the assigned percentage per area. Refer to mechanics in computation of ratings.

Their annual ratings shall constitute the average of their 1st and 2nd semestral ratings plus the ratings gained from special assignments/contributions.

These are as follows:

Rating Definition

126 – 150 Outstanding

Performance far exceeds the standards expected of a fully effective Officer at this classification level and his contributions to the office are marked excellent. *phen*

101 – 125 Very Satisfactory / Fully Effective

Performance exceeds the standard expected of a fully effective officer at this classification level but falls short of an outstanding performance.

76 – 100 Satisfactory/ Adequate

Performance fully meets the standard expected of an officer at this classification level meeting.

51 – 75 Unsatisfactory/ Inadequate

Performance is below the standard expected of an officer at this classification level but could stand improvement.

Below 50 Poor

Performance does not meet or only met less than 50% the standard expected of officer at this classification level and show no evidence of improving his performance.

b. For Personnel Lower than Division Chiefs

The over-all rating shall be determined by adding the Weighted Average Score for Job Accomplishments and the Weighted Average Score for Job-Related Behavior.


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The following rating scale shall be utilized to find the equivalent adjectival rating.

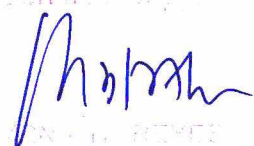
Over-All Rating	Adjectival Rating	Definition
9.6 – 10.00	Outstanding	Performance represents extraordinary level of achievement and commitment in terms of quality and time, technical skill and knowledge, ingenuity, creativity and initiative. Performance is of marked excellence recognized by peers.
8.0 – 9.5	Very Satisfactory	Performance demonstrate's job mastery and exceeds target by at least 25-50%.
4.6 – 7.9	Satisfactory	Performance met 100% of targets
2.8 – 4.5	Unsatisfactory	Performance is below 100% (51 to 99%) but could stand improvement.
2.0 – 2.7	Poor	Performance requirement is not met or only met below 50%. There is no evidence that performance can be improved.

This Circular takes on effect August 3, 2004 and shall continue to be in force and in effect until revoked. Previous issuances contrary to or inconsistent herewith are hereby repealed, modified or amended accordingly.


CORAZON JULIANO SOLIMANO
 Secretary

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