

Part 1. Strategic Performance Management System (SPMS)

I. BACKGROUND

In line with the guidelines in the Establishment and Implementation of Agency Strategic Performance Management System (SPMS) provided under the CSC Resolution No. 1200481 and the CSC MC No. 6, s. 2012, this agency adopts the herein Strategic Performance Management System (SPMS) to be referred to as the Murcia Water District 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 individuals and institutions.”

Moreover, Item 4 of Joint Resolution No. 4 provides that “Step increments-an employee may progress from step 1 to 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 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.”

The CSC 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).

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 fulfillment of the

functions of the offices and its personnel as well as for assessing the accomplishments.

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

Performance management system is the heart of the human resource system because information produced will be useful in human resource planning, management and decision-making process.

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 complete 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 Organization 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 standard are integrated into the success indicators as organizational objectives are cascaded down to operational level.
- b. **Outouts/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 Divisions/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 are similar are easy to accomplish. The organizational and individual major final outputs and success indicators are aligned to facilities cascading of organizational goals to the individual staff member and the harmonization of organizational and individual performance ratings.
- e. **Information System that supports Monitoring and evaluation.** Monitoring and Evaluation Mechanism 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 Officer.
- Reviews and Approves individual employees Performance Commitment Review form for submission to the HRM Office/Personnel Office before The star of the performance period.
- 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 identifies necessary interventions To employees of the final rating and identifies necessary interventions to employees based on the assessment of the development needs.

*Recommends and discuss a development plans with the subordinates who obtain **Unsatisfactory Performance** during the rating period not later than (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 developmental plan shall be discussed with the concerned subordinate and issue a written notice that failure to improve their performance shall warrant their separation form the service.

b. Performance Management Team (PMT). The PMT shall be composed of the following:

1. Ms. Rhenemie Aguilar ----- Chairman
Administrative Services Assistant C
2. Engr. Paul G. Oñas -----Vice- Chairman
Senior Engineer A

3. Mr. April John S. Ruiz-----Member/Secretary
Customer Service Assistant A
4. Ms. Analiza A. Belleza-----Member
Accounting Processor A/ Bookkeeper
5. Mr. Danilo D. Dado-----Member
Storekeeper C

The PMT shall have the following functions and responsibilities:

Sets consultation meeting for the purpose of discussing the targets set in the office performance commitment and rating form

Ensure that office performance targets and measures, as well as the budget are aligned with those of the agency and work distribution of office/units is rationalized.

Recommends approval of the office performance commitment and rating to the General Manager.

Acts as appeals body and final arbiter for performance management issues of the agency.

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.

c. Planning Office

Monitors submission of Office Performance Commitment and Review Form and schedule the review/evaluation of the Office Commitments by The PMT before the start of a performance period.

Consolidates, reviews, validates and evaluates the initial performance Assessment based on reported office accomplishment 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 confidence 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 Officers. 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 office in the assessment of individual staff members.

d. Human Resources Management Office

Monitors submission of Individual Performance Commitment and Review Forms by the employees.

Reviews the summary List of Individuals 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 General Manager.

Provided analytical data on retention, skill/competency gaps, and talent Development plans that align with strategic plans.

Coordinates development interventions that will form part of the HR Plan.

f. Individual Employees

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

PART 2. THE SPMS PROCESS

I. The SPMS Cycle

The SPMS shall 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 the General Manager and staff shall agree on the outputs that should be accomplished based On the goals/objectives of the organization.

Performance measure (Annex C) need not be many. Only those that contribute to or support outcomes that the agency aims to achieve shall be included in the office performance contract, i.e., measure that are achieve shall be continuously refine and reviewed.

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

Category	Definition
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 getting the right things done.
Efficiency	The extent to which time or resources is used for the intended task or purpose. Measure 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.

The General Manager shall cause the determination of their agency target setting period, a period within which the office and employees' targets are set and discussed by the rater and the rates and submitted to the PMT.

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

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

- **Historical data.** The data shall consider past performance.
- **Benchmarking.** This involves identifying and comparing employees within the agency with similar functions or process. Benchmarking may

also involve recognizing existing standards based on provisions or requirements of the law.

- **Client demand.** This involve a bottom up approach where the office sets targets based on the needs of its clients. The agency 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.
- **Top Management Instruction.** The General Manager may set targets and give special assignments.
- **Future trend.** Targets may be based from results from the results of the comparative analysis of the actual performance of the agency with its potential performance.

In setting work targets, the agency shall likewise indicate the detailed budget requirements per expenses account to help the General Manager in ensuring a strategy driven budget allocation and in measuring cost efficiency. The agency shall also identify specific 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 individuals performance targets and measures to be prepared in the individual Employees's Performance Commitment and Review Form (IPCR) **(Annex B)**.

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

Individuals employee's performance standards shall not be lower than the agency's standards in its approved Office Performance Commitment and Review Form.

Stage 2: Performing Monitoring and Coaching.

During the performance monitoring and coaching phase, the performance of the agency, and every individual shall be regularly monitored at various levels: i.e. the General Manager, Planning Office, 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, and accurate and reliable information for program tracking and performance monitoring/reporting.

General Managers play a critical role to this stage. Their focus is on the critical function of managers 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's performance shall be impartial owing to scientific and verifiable basis for target setting evaluation.

- **Office Performance Assessment**

The Planning Office shall consolidate, review, validate and evaluate the initial performance assessment of the agency based on reported agency accomplishments against the success indicators, and the allotted budgets against the actual. The results of the assessment shall be submitted to the PMT for calibration and recommendation to the General Manager. The General Manager shall determine the final rating of agency.

An Agency Performance review conference shall be conducted annually by the Planning Office for the purpose of discussing the Office assessment. This shall include participation of the Finance Office as regards budgets utilization. To ensure complete and comprehensive performance review, all employees shall submit a quarterly accomplishments report to the Planning Office based on the SPMS calendar (**Annex D**).

Any issue/appeal/protest on the Office assessment shall be articulated by the General Manager during this conference, hence the final rating shall no longer be appealable/contestable after the conference.

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

- **Performance Assessment for Individual Employees**

The General Manager 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 output as proofs actual performance. In the absence of said bases or proofs, a particular task shall not be rated and shall be disregarded.

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

Employee's assessment shall be discussed by the General Manager with the concerned ratee prior to the submission of the individual employee's performance commitments and reviewed form.

The General Manager may adopt appropriate mechanism to assist of his/her than the collective performance assessment of the Office.

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

The General Manager shall ensure that the employee is notified of his/her final performance assessment and the Summary List of Individuals Rating (Annex E) with the attached IPCRs are submitted to their 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-a-vis the competency requirements of the job. The result of the assessment shall be discussed by the General Manager 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 performance rating of the employee.

Appropriate developmental interventions shall be made available by the General Manager 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 be serve as inputs to the:

- a. General Manager in identifying and providing the kinds of interventions that needed, based on the developmental needs identified;
- b. Agency HRM Office/Personnel Office in according and coordinating development 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 the 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.

PMS RATING SCALE

Rating		Description	Description (per CSC MC No.13, s.1999)
Numerical	Adjectival		
5	Outstanding	<p>Performance represents an extraordinary level of achievement and commitment in terms of quality and time, technical skills and knowledge, ingenuity, creativity and initiative.</p> <p>Employees at this performance level should have demonstrated exceptional job mastery in all major areas of responsibility.</p> <p>Employee achievements and contributions to the organization are of marked excellence.</p>	Performance exceeds by 30% and above of the planned targets.
4	Very Satisfactory	Performance exceeded expectations. All goals, objectives and targets were achieved above the established standards.	Performance exceeds the expected output/performance by 15% to 29% of the planned targets.
3	Satisfactory	Performance met expectations in terms of quality of work, efficiency and timeliness. The most critical annual goals were met.	Performance exceeds the 100% to 114% of planned targets.
2	Unsatisfactory	Performance failed to meet expectations, and/or one or more of the most critical goals were not met.	Performance is 51% to 99% of the planned targets.
1	Poor	Performance was constantly below expectations, and/or reasonable progress towards critical goals was not made. Significant improvement is needed in one or more important areas.	Performance fails to meet the planned targets 50% or below of the minimum requirements and there is no evidence to show that the performance can be improved.

III. Submission of Murcia Water District's SPMS to CSC

The Murcia Water District's 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.

Any enhancement and/or amendment of the CSC-approved SPMS shall be submitted to the CSCRO concerned for approval.

IV. SPMS Initiation/Implementation

To implement the SPMS in the Murcia Water District, these guidelines shall be followed:

- 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 an Agency Performance Management System and submit the same to CSC for review/approval;
- d. Conduct orientation and reorientation of the new and revised policies on SPMS for all the employees. This is to promote awareness and interest on the system, generate employees' application 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 performance rating with the Organizational/Office Performance Rating.

V. Uses of Performance Ratings

- a. Security of tenure 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, 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 periods 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 General Manager.

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 rating 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 ratings before they leave the office.

For the purpose of performance-based benefits, employees who are on official travel, scholarships 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 other 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 rating.

Part 3. Miscellaneous Provisions

I. Technical Assistance to Agencies

The General Manager of the Murcia Water District may request form 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 within the specified dates shall be a ground for:

a. Employees' disqualifications 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 employees responsible for the delay or non-submission of the office and individual performance commitment and review report.

c. Failure on the part of General Manager to comply with required notices their subordinates for their unsatisfactory or poor performance during a rating period shall be a ground of an administrative offence 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 head.

III. Appeals

a. Office performance assessments described in the performance review and 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. An individual employee, however, shall not be allowed to protest the performance ratings of co-employees. Ratings obtained by their 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 (1) month from receipt.

The decision of the PMT may be appealed to the General Manager.

d. Officials or employees who are separated from their 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.

V. Effectivity

The Murcia Water District SPMS shall take effect on 1st day of November 2014.

Engr. WINSTON M. MAKILAN
General Manager

Recommending Approval:

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