



OFFICE ORDER NO. 50  
 Series of 2014

**NWPC STRATEGIC PERFORMANCE MANAGEMENT SYSTEM (SPMS)  
 IMPLEMENTING GUIDELINES**

Pursuant to the DOLE Administrative Order No. 114, s. 2011 (DOLE Strategic Performance Management System Implementing Guidelines) which has been made applicable and implemented to DOLE Attached Agencies including NWPC employees in relation to Section 33, Book V of the Executive Order No. 292 (Administrative Code of 1987) including Rule IX of its Implementing Rules; and CSC Circular No. 6, s. 2012, the said DOLE AO No. 114 shall continuously be implemented in the NWPC with added details.

**I. OBJECTIVES:**

The System aims to strengthen the Agency's organization effectiveness and increase its productivity level through the following:

1. Institutionalization of a scientific and verifiable basis in assessing organization performance and the collective performance of individuals within the Agency;
2. Concretizing the linkage of the Agency's Strategic Plan including its Organizational Performance Indicator Framework with the delivery units/divisions performance and those of individual employees; and
3. Linking of performance management with the other Human Resource (HR) systems using one platform, specifically incentives and awards, personnel movements, training and development, administrative discipline; and other personnel actions.

**II. SCOPE**

The system covers all permanent, casual and contractual employees occupying 1<sup>st</sup> and 2<sup>nd</sup> level positions in the Central and its Regional Tripartite Wages and Productivity Boards.

**III. DEFINITION OF TERMS**

Agency	refers to the National Wages and Productivity Commission
Core Functions	those performed by the Agency/Office that are inherent in its mandates

<b>Critical Incident</b>	-	<p>factual information about observable action of the ratee that has impact on the overall accomplishments of the Delivery Units.</p>
<b>Major Final Outputs (MFOS)</b>	-	<p>goods and services that an agency is mandated to deliver to external clients directly contributing to organizational outcome through the implementation of programs, activities, projects and services which are consumed outside of the organization, tangible and more easily quantified and within the control of the agency.</p>
<b>Office</b>	-	<p>NWPC Services (Management and Support Service, Policy and Research Service and Technical Service) and its RTWPBs</p>
<b>Delivery Units</b>	-	<p>are the operating units committed to deliver the required outputs for purposes of the Performance Based Bonus. They are the units classified by the PMT as approved by the Agency head in accordance with the set criteria.</p>
<b>Office Performance Commitment</b>	-	<p>outputs and outcomes that the Agency, Office and Delivery Units commit to achieve based on a set of success indicators.</p>
<b>Individual Performance Commitment</b>	-	<p>outputs that the individual commits to achieve based on a set of success indicators anchored on the office performance commitment.</p>
<b>Performance Measures</b>	-	<p>refer to standards against which the level of performance is assessed which include but not limited to Effectiveness/Quality (EQ ), Efficiency (E) and Timeliness (T).</p>
<b>Ratee</b>	-	<p>the employee whose performance is to be rated based on agreed targets and standards.</p>
<b>Rater</b>	-	<p>the Head/Director of the Office/Delivery Unit in consultation with and upon recommendation of the employee's superior.</p>

- Success Indicators** - yardsticks for which performance level is assessed indicating the combined performance measures and performance targets.
- Superior** - an officer who directly exercises authority over the ratee and supervises his/her work performance and the one to whom the ratee reports on a regular basis.
- Supervisor's Journal** - may be a notebook or any form of documentation citing critical incidents.

**IV. CREATION AND OPERATIONS OF NWPC/RTWPBs PERFORMANCE MANAGEMENT teams AND PERFORMANCE VALIDATION TEAM**

**4.A Performance Management Teams (PMTs)**

The following Performance Management Teams (PMTs) at the Agency/Office Level and RTWPBs Level are hereby created:

**Composition**

	Agency PMT	Service Level	RTWPBs
Chairperson	DED, MSS	All Directors	Board Chairperson
Vice Chairperson	DED, Wages and Productivity		Board Secretary
Members	All Directors and all Division Chiefs  President, Employees Association	All Division Chiefs	1. Designated Personnel Officer 2. Designated Financial Officer 3. Representative of Employees Association
Secretariat	Personnel Unit		HRMO Designate

**1. Responsibilities**

- The Agency PMT shall:
  1. Spearhead the implementation of the SPMS in the Agency.
  2. Formulate the Agency Organizational Performance Indicator Framework that contains the overall performance measures and general success

- indicators based on the Major Final Outputs of the Agency in consultation with Office and Division heads.
  - 3. Monitor compliance of all Offices with all the requirements relative to SPMS.
  - 4. Review Office Performance Commitment and Reviews (OPCRs) of the Agency including Regional Offices.
  - 5. Ensure that performance measures as well as the budget of offices/agencies are aligned with those of the Agency .
  - 6. Serve as Appeals Body and final arbiter for performance management issues that may be raised by the Offices/Delivery Units .
  - 7. Recommend top performing Offices/Delivery Units for performance based incentives and awards.
- The Service/Regional Level PMTs shall:
1. Set the performance targets and measures of the Delivery Units using the OPCR form based on the overall Agency Organizational Performance Indicator Framework which contains the performance measures and general success indicators of the Agency for its Major Final Outputs.
  2. Cascade the OPCR down to the Individual Performance Commitment and Review (IPCR). The PMT with the assistance of all the Division Chiefs and their staff must ensure the development of performance measures for each position in the Offices/Delivery Units in accordance with the competency standards and the official responsibilities attached to the position and adoption of uniform performance standards by the different organizational units for employees holding similar positions and performing the same functions.
  3. Review Individual Performance Commitment and Reviews (IPCRs).
  4. Conduct meetings, one-on-one discussion when necessary.
  5. Submit to the Agency PMT through the Chairperson, the IPCRs including a summary thereof within 15 days after the end of each rating period and an annual evaluation of the system.
  6. Identify top individual performers who may qualify for performance-based incentives and awards.
  7. Attend to and render decision on performance management issues of the office including appeal on performance evaluation. Its decision, however, may be reviewed by the Agency PMT.
  8. Keep an orderly file of IPCRs.

#### **4.B. Performance Validation Team (PVT)**

The Agency Performance Validation Team (PVT) is likewise created to validate the OPCR's before submission to the Agency Head:

Chairperson – Chief, Administrative Division

Members - All other Division Chiefs  
Representative of Employees Association

Secretariat - Personnel Unit

Responsibilities:

1. Conduct validation assessment of the submitted OPCR's vis-a-vis previously agreed performance commitments and success indicators.
2. Submit its report to the Agency PMT including its recommendation as to work areas/process for improvement in terms of efficiency, effectiveness and economy.

## V. ADMINISTRATION AND MANAGEMENT OF THE SYSTEM

### 5.A. PERFORMANCE PLANNING

#### 5.A.1 DETERMINATION OF PERFORMANCE MEASURES

- The Agency PMT shall formulate/review general success indicators per MFO of all the Offices of the Agency indicated in the Organizational Performance Framework prior to the conduct of the annual Agency-wide Corporate Planning Exercise. This shall be done in consultation with all the offices.
- The results of the said review shall serve as one of the inputs during the CorPlan. Based on that review and agreements during the CorPlan; each Office shall set its core performance goals/objectives and performance measures. This shall serve as basis in the Office/Delivery Units preparation of its Office Performance Commitment and Review or OPCR .
- The Agency Performance Management Team (PMT) shall review the OPCR's. It shall ensure that the performance targets and measures as well as the budget are aligned with those of the Agency and that work distribution of Offices/Units under its supervision is rationalized.
- Performance measures shall include all but not limited to the following general categories:

Category	Definition
Quantity	This measure will determine whether the Agency/Office meets the target number of output
Effectiveness/Quality	Gives a sense of whether the Office is doing the right things right based on its mandates and expectations/requirements of the clients/stakeholders.
Efficiency	Provides a sense of whether the Office is able to deliver its program, projects with least cost.
Timeliness	Measures whether the deliverable was done on time based on the requirements of the law and/or clients stakeholders
Compliance with Reportorial Requirements	Measures whether the reportorial reports are submitted complete and on time

The OPCR shall be cascaded down to the Individual Performance Commitment and Review or IPCR .

#### 5.A. 2. Target Setting

- 2.1 The Agency's Strategic Objectives and its strategic measures shall be the basis of the targets of Agency/ Offices. Aside from the Agency/Offices commitments, major final outputs that contribute to the attainment of organizational outcomes which form part of the core functions of the Agency/Office shall be indicated as performance targets.
- 2.2 The targets shall take into account, but may not be limited to any or all of the following:
  - Historical data. The data, particularly, those that are quantitative shall be taken from the average of the past years.
  - Benchmarking. This involves identifying the best Offices/Delivery Units with similar functions or where similar processes exist, and comparing their results and processes to Office own results and processes to learn how well the they perform and more importantly, how they do it. Aside from survey of measures and practices, 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 forecasts its services based on the needs of its primary clients. The Office may undertake consultation with stakeholders, review the feedback on services and consider historical data.
  - Future trend. As part of the Office strategic planning, targets may be based from the results of the comparative analysis of the actual performance of the Office with its potential performance for internal processes.
- 2.3 In setting work targets in the OPCR, the Office/Agency shall compute the budget per program/project/activity, supplies, materials, equipment and other budgetary requirements resulting in the preparation of Annual Procurement Plan (APP) and Identification of Maintenance and Other Operating Expenses (MOOE). The Office/Agency shall also identify specific division/unit/group/individuals as primarily accountable for producing a particular target output per program/project/activity.
- 2.4 Amendments to the OPCR may be allowed at any time to accommodate intervening tasks that come up from time to time. Any revision/modification in the OPCR and IPCR may be manifested by adding new work or replacing another work as well as by changing any of the dimensions of success indicators mentioned above. During performance assessment and evaluation, the Office and individual shall adduce documents or information supporting changes in the OPCR and IPCR, as the case may be.
- 2.5 The Agency PMT may hold meetings specifically for the purpose of reviewing the OPCRs where Heads of Offices may be asked to present their respective OPCRs.
- 2.6 The approved OPCR shall be the basis for IPCR. The Heads of Offices shall be responsible for setting targets and performance measures of individual employees in consultation with concerned individual and supervisors making as reference the competency standards and the official responsibilities attached to the position and thereafter, submit to the Personnel Unit copies of the IPCRs of the said employees.

#### **5.B. PERFORMANCE MONITORING AND COACHING**

All Office Heads including the Division Chiefs and Supervisors as coaches and mentors, are expected to be more developmental in perspective and provide enabling environment to improve team performance. They are likewise required to do the following tasks:

1. **Monitoring.** The performance of the Offices and every individual will be regularly monitored at various levels to immediately address constraints and challenges, if any. The supervisors are encouraged to maintain a journal to record the results of monitoring as well as critical incidents noted.

Individual monitoring can be done through meetings, one-on-one discussions, memorandum and review of pertinent documents such as reports and communications to ensure timely completion and quality execution of deliverables. The supervisors shall maintain a journal to record the critical incidents noted, if any.

The Offices' Heads as part of performance monitoring shall submit their monthly progress report to the Planning and Information Division (PID), using the OPCR form. The PID shall consolidate the monthly submissions and shall forward to the Agency Head a quarterly/semestral performance monitoring report with recommendations, if any.

2. **Coaching.** This is intended to empower and help individual employees, direct and monitor their own work or assignments and to facilitate learning and development of the employees. This gives employees the opportunity and responsibility to effectively manage their tasks and make necessary adjustments and allow their creativity and spirit to see through the completion of their work. The journal of the supervisor shall contain information on the conduct of coaching.

## 5.C PERFORMANCE REVIEW AND EVALUATION

This phase aims to assess both Offices and individual employee's performance level based on set performance targets and measures as indicated in the Performance Commitment (OPCR/IPCR forms).

The supervisor objectively determines the gaps between actual and desired performance using tracking tools.

### 5.C.1 Office Performance Assessment

- The Office PMT shall assess and evaluate the performance of its office.
- The Head of the Office shall initially assess the Office's performance using the OPCR.
- In general, there will be a four-point rating scale (1 to 4) WITH 4 being the highest and 1, the lowest).

	Rating		Description
	Numerical	Adjectival	
4	Outstanding	Exceeding targets by at least 30%	



3 to 3.9	Very Satisfactory	Exceeding the targets up to 29%
2 to 2.9	Satisfactory	Meeting the targets by 90% to 100%
1.9-1.5	Unsatisfactory	Performance is 51% to 89% of the targets
1.4 below	Poor	Performance is 50% or below

The overall rating mechanics shall consist of two (2) parts: I. Actual accomplishments versus the committed targets – 70%; and II. Timely submission of required reports – 30%

- The Office PMT shall consolidate, review and evaluate the initial performance assessment of the Head of Office based on reported Office accomplishments against the success indicators, and the allotted budget against estimated expenses.
- The Office PMT shall then forward its OPCR to the Agency PMT. The Agency PMT shall forward these OPCR to the Agency Performance Validation Team (PVT) for review. The PVT shall submit its report to the Agency PMT which in turn will review and submit the same to the Agency Head for approval. However, in case the PVT has adverse findings on the OPCR, the Agency PMT, shall send back to the concerned Office the validated OPCR for comments/corrections.
- The Office shall resubmit the OPCR to the Agency PMT which will again review the OPCR and thereafter forward the same to the Agency Head for approval.
- The Agency Head shall forward the approved OPCR to the Personnel Unit which shall furnish the concerned Office a copy.
- The OPCR of NWPC will be submitted to the DOLE PMT which will initially refer it to the DOLE PVT for validation before submission to the Cluster Head.

#### 5.C.2 Performance Assessment and Evaluation for Individual Employees

- The minimum rating period is three (3) months or 90 days in a semester. The evaluation of employee performance shall be done on a semestral basis but performance review can be done on a quarterly and semestral basis. The purpose of the performance review is to check on how the employee is faring relative to his/her performance commitment and to assist and guide him/her in meeting his/her targets. Development interventions may be done within the year to immediately address performance gaps. The final

IPCR based on semestral evaluations shall be submitted to the PMT within thirty (30) days of the following month from the reference month.

Employees who shall be on official travel, approved leave of absence, training or scholarship programs who have already met the minimum rating period of 90 days or 3 months are required to submit their IPCR before they leave.

- In general, there will be a four-point rating scale (1 to 4) WITH 4 being the highest and 1, the lowest).

Numerical	Rating	
	Adjectival	Description
4	Outstanding	Exceeding targets by at least 30%
3 to 3.9	Very Satisfactory	Exceeding the targets up to 29%
2 to 2.9	Satisfactory	Meeting the targets by 90% to 100%
1.5-1.9	Unsatisfactory	Performance is 51% to 89% of the targets
1.4 below	Poor	Performance is 50% or below

- The overall rating mechanics shall consist of three (3) parts: I. IPCR rating – 70%; II. Timely submission of required reports – 10%; and III. Behavioral Factors – 20% (10% - Work Attitude and Integrity; 10% - Punctuality and Attendance).
  - Timely submission of required reports means that reports be submitted on or before the prescribed period.
  - Work Attitude refers to the manner and resourcefulness as shown in the performance of duties to meet the targets based on the assessment and observation of their immediate supervisors. While integrity refers to the absence/presence of violations of offices rules.
  - Attendance/Punctuality. Based on the actual attendance records of the individual employee with the Daily Time Record (DTRs) as reference.
  - Deductions may be made should there be negative actions of the employee.
- The immediate supervisor (Division Chief/Field Office Head) shall submit to the Head of Office the IPCRs of the individuals under his/her supervision. He/She will initially assess individual employee performance based on the commitments made at the beginning of the rating period. The supervisor shall indicate qualitative comments, observations and recommendations in

the IPCR to include behaviour and critical incidents that may be considered for other human resource development purposes such as promotion and other interventions.

- The results should be discussed with the concerned employees. The Head of Office shall make the final assessment of performance level of the individual employees based on the validated OPCR. The final assessment shall correspond to the adjectival description of Outstanding , Very Satisfactory, Satisfactory, Unsatisfactory or Poor.

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

- The accomplishments of intervening or additional tasks shall be factored in the overall performance targets. Rating shall be based on employee's actual accomplishment vis-à-vis the standards jointly set by him/her and his/her supervisor in terms of Quantity, Effectiveness/Quality, Efficiency and Timeliness.
- Employees detailed , cross-posted and job-rotated to another office shall be rated in their present or actual office, copy furnished their mother/originating office. The ratings of these employees during the rating period shall be consolidated either in the mother office or present office, where the employees have spent majority of their time during rating period. The proportional percentage rating set forth in Administrative Order No. 288, series of 2002, otherwise known as the DOLE Job Enrichment Program (JEP) , shall also apply in computing the overall rating of employees who availed of JEP.
- For purposes of performance-based personnel actions, employees who are on scholarship grant, official travel or approved sick leave of absence shall use their performance ratings obtained in the preceding rating period. This provision shall not, however, apply to those who are on approved vacation leave of absence for 3 months or more.
- The average of all individual performance assessments shall not go higher than the collective performance assessment of the Office/Delivery Unit.
- The Head of Office and immediate supervisors shall ensure that the performance assessment of the employees is submitted within the prescribed time and the same has been discussed with them.

### 5.C.3 Performance Evaluation Sanctions

- Supervisors shall issue a written notice to their subordinates with unsatisfactory or poor performance within fifteen (15) days after the quarter/semestral performance review. The notice shall include recommendation for improvement as well as the training or developmental needs of the concerned employees.
- An employee who does not agree with his/her annual evaluation performance rating as reflected in his/her IPCR may file an appeal with the Agency PMT within ten (10) days from receipt of the final approved IPCR from the Head of Office. PMT shall decide on the appeal within one month from receipt of such appeal.
- Security of tenure of those holding permanent appointments is not absolute. Employees who obtained Unsatisfactory ratings for two (2) consecutive rating periods or a poor for one rating period may be dropped from the rolls.
- Unless justified and accepted by the Office/Agency-level PMT, non-submission and unjustifiable delay in the submission of the OPCR/IPCR within the specified date shall be a ground for:
  - a. Disqualification for performance-based personnel actions and incentives;
  - b. An administrative sanction for violation of reasonable office rules and regulations and simple neglect of duty for supervisors or employees responsible in the delay or non-submission of the required SPMS Forms.

### 5.D. PERFORMANCE REWARDING AND DEVELOPMENT PLANNING

1. The Agency PMT shall submit to the Agency Head an assessment of Office/Agency performance vis-à-vis their success indicators.
2. The Office/Agency Head and supervisors shall hold a discussion with the individual employees to assess the strengths, competency-related performance gaps and the opportunities to address these gaps, career paths and alternatives.
3. The results of the performance evaluation/assessment shall serve as inputs to the:
  - PRAISE Committee in identifying potential nominees for various awards categories;
  - PMT in identifying the top performers of office/agency who will qualify for performance-based incentives; and
  - Personnel Unit in identifying the HR interventions based on the developmental need identified by the Heads of Offices which will form part of the HR Plan in certifying the list for Productivity Incentives Bonus (PIB).

➤ Basis for PIB:

1. To be entitled to the PIB, employees shall have contributed to the productivity of the office and shall have at least satisfactory performance rating for the rating period immediately preceding the year in which the incentive pay shall be released;
2. Total payment for PIB shall not exceed an aggregate total for an agency computed at an average of P2,000.00 per occupied/filled-up positions based on OP Administrative Order No.161, s. 1994 and DBM NCC Nos. 73, s. 1994 and 73-A, s. 1995.
3. For rank and file employees and third level positions, the computation of PIB shall be based on their respective office's actual number of filled-up positions as of December of the grant year.
4. Pursuant to DOLE Administrative Order No. 64, series of 2001, the amount of incentives that will be paid deserving officials/employees may vary for each grantee depending on individual performance evaluation. This shall be done through forced-rank system as follows:

Top 3% performer/s	-	P4,000.00
Next 7% Performers	-	P3,000.00
Remaining personnel with Satisfactory rating	-	P1,850.00

VI. EFFECTIVITY

The NWPC/RTWPBs Strategic Performance Management System (SPMS) shall continuously be implemented subject to the modification indicated herein.

  
MARIA CRISELDA R. SY  
Executive Director IV

04 August 2014.