

097.13DPWH  
03-18-2014



MAR 11 2014

Republic of the Philippines  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
**OFFICE OF THE SECRETARY**  
Manila

DEPARTMENT ORDER )  
No. **32** )  
Series of 2014 *03.18.14* )

SUBJECT:

**STRATEGIC PERFORMANCE  
MANAGEMENT SYSTEM**

**Pursuant to the provisions of Civil Service Commission Memorandum Circular No. 6, s. 2012 which provides the guidelines in the establishment and implementation of agency Strategic Performance Management System and Executive Order 80, s. 2012 directing the adoption of a performance-based incentive system for government employees, the DPWH Strategic Performance Management System is hereby established.**

**1. PURPOSE**

The DPWH Strategic Performance Management System (SPMS) seeks to link individual performance with the DPWH vision, mission and strategic goals. With some adjustments, it also makes use of management systems and links performance management with other human resource (HR) systems.

**2. POLICY GUIDELINES**

- 2.1 The DPWH SPMS is made an integral part of the human resource management and capacity development program of the Department.
- 2.2 Performance goals and measurements are aligned to national development plans, agency mandate, vision, mission and strategic priorities, and/or organizational performance indicator framework. Predetermined standards are integrated into success indicators as organizational objectives are cascaded down to the operational level.
- 2.3 The SPMS focuses on the major final outputs (MFOs) that contribute to the realization of the organization's mandate, vision, mission, strategic priorities, outputs and outcomes.
- 2.4 Accountabilities and individual roles in the achievement of organizational goals are clearly defined to facilitate collective goal setting and performance rating. The individual's work plan or commitment and rating form is linked to division, unit and office work plan or commitment and rating form to clearly establish the connection between organizational and employee performance.
- 2.5 The forms for organizational and individual commitments are similar. The office, division, and individual major final outputs and success indicators are aligned to cascade organizational goals to individual employees and harmonize organizational and staff performance ratings.

- 2.6 It is important that there is a regular monitoring of the performance of offices, divisions, and employees. This needs evaluation mechanisms and evaluations so that timely and appropriate steps can be taken towards meeting performance targets and organizational goals. An information system as a vital management tool that will support data management to produce timely, accurate, and reliable information for program tracking and performance monitoring must be in place.

### **3. SCOPE**

The SPMS shall apply to all officials and employees of this Department except those in the Career Executive Service (Undersecretaries, Assistant Secretaries, Project Managers, Bureau Directors, Service Directors, Regional Directors, and Assistant Regional Directors)

### **4. PERFORMANCE MANAGEMENT SYSTEM CYCLE**

The SPMS follows the four-stage Performance Management cycle that underscores the importance of the performance.

- **First Stage – Performance Planning and Commitment**

This will be done prior to the start of the performance period where the heads of the offices meet with the supervisors and staff and agree on the outputs that should be accomplished based on the goals and objectives of the Department. The suggested period for the Performance Planning and Commitment is the last quarter of the preceding year, from October to December. This stage involves the following steps:

1. Knowing and Understanding the DPWH Major Final Outputs
2. Identifying the Success Indicators of Each Major Final Outputs
3. Identifying the Performance Goals of the Office (Bureau, Service, UPMO, Regional office and District Engineering Office)
4. Identifying the Performance Goals of the Divisions Under Each Office
5. Identifying the Performance Goals of the Individuals Under Each Division

- **Second Stage – Performance Monitoring and Coaching**

This will be done from January to June (1<sup>st</sup> semester) and July to December (2<sup>nd</sup> semester). During the monitoring and coaching period, it is important to regularly monitor the performance of the office, divisions and employees. This stage involves the following steps:

1. Developing the Performance Monitoring and Coaching Tools
2. Developing the Performance Evaluation Tools

- **Third Stage - Performance Review and Evaluation**

This will be done at the end of the performance monitoring period, June and December. The following performance evaluation tools will be used to review

performance from the office and division levels down to the individual staff level:

- ✦ Office Performance Commitment and Review (OPCR) Form is accomplished by Bureau, Service and Regional Directors (Annex A)
- ✦ Division Performance Commitment and Review (DPCR) Form is accomplished by the Division Chiefs (Annex B)
- ✦ Individual Performance Commitment and Review (IPCR) Form is accomplished by individual staff in all units of the organization. (Annex C)

For the OPCR and DPCR forms, the first four columns of the table should be completed at the beginning of the performance monitoring period.

- Column 1 – Major Final Outputs that the Office or Division is contributing to
- Column 2 – Success indicators or performance targets of the Office or Division per MFO
- Column 3 – Allocated budget per performance target. For performance targets that have no budget allocation, write "None"
- Column 4 – Divisions accountable for each performance target for the OPCR  
– Persons accountable for each performance target for the DPCR

For the IPCR form, the first two columns should be completed at the beginning of the performance monitoring.

- Column 1 – Major Final Outputs that the Division is contributing to
- Column 2 – Success indicators or performance targets of each individual staff per MFO for the monitoring period

During the actual evaluation, the rater describes the actual accomplishments of the ratee vis-a-vis the performance targets on the 5<sup>th</sup> column for the OPCR and DPCR or the 3<sup>rd</sup> column for the IPCR.

#### • **Fourth Stage – Performance Rewarding and Development Planning**

This stage involves the discussion of the evaluation results focusing on the evaluation results like the strengths, competency-related performance gaps and the opportunities to address these gaps, career paths, and alternatives.

The Heads of the Offices and supervisors must introduce appropriate developmental interventions based on the results of the performance evaluation especially for employees with Unsatisfactory and Poor Performance ratings.

## **5. RATING PERIODS**

Performance Appraisal shall be made semi-annually, one from January to June and the other from July to December.

## 6. RATING SCALE

### 6.1 Rating dimensions

The three dimensions of performance or accomplishments are quality, efficiency, and timeliness.

**Quality or effectiveness** means getting the right things done. It refers to the degree to which objectives are achieved as intended and the extent to which issues are addressed with a certain degree of excellence.

**Efficiency** is the extent to which targets are accomplished using the minimum amount of time or resources.

**Timeliness** measures if the targeted deliverables was done within the scheduled or expected timeline.

### 6.2 Numerical and Adjectival Rating

NUMERICAL RATING	ADJECTIVAL RATING	DESCRIPTION OR MEANING OF THE RATING
5	Outstanding	Performance exceeded expectations by 30% and above of the planned targets Performance demonstrated was exceptional in terms of quality, technical skills, creativity, and initiative, showing mastery of the task. Accomplishments were made in more than expected but related aspects of the target.
4	Very Satisfactory	Performance exceeded expectations by 15% to 29% of the planned targets.
3	Satisfactory	Performance met 90% to 114% of the planned targets. However, if it involves deadlines required by law, it should be 100% of the planned targets.
2	Unsatisfactory	Performance only met 51% to 89% of the planned targets and failed to deliver one or more critical aspects of the target. However, if it involves the deadlines required by law, the range of performance should be 51% to 99%.
1	Poor	Performance failed to deliver most of the targets by 51% and below.

## 7. EVALUATION TOOLS

To effect the cascading approach of the SPMS towards achieving organizational goals, three kinds of forms will be used:

- **Office Performance Commitment and Review (OPCR) Form** is accomplished by Bureau, Service and Regional Directors

- **Division Performance Commitment and Review (DPCR) Form** is accomplished by the Division Chiefs
- **Individual Performance Commitment and Review (IPCR) Form** is accomplished by individual staff in all units of the organization.

## **8. PERFORMANCE MANAGEMENT TEAMS**

The DPWH Performance Management Team (PMT) was established through Department Order No. 50, s. 2013. The main function of the DPWH-PMT was to establish and implement the DPWH Strategic Performance System consistent with the Guidelines disseminated under CSC Memorandum under CSC Memorandum Circular No. 6, s. 2012.

It acts as appeal body and final arbiter on unresolved issues elevated by the Bureau, Service, Regional and DEOs PMT.

Each Bureau, Service, Regional and District Engineering Office shall create its own Office Performance Management Team (PMT) with the following composition:

### **A. Bureaus/Services**

Chairman : Bureau/Service Directors  
 Members : Assistant Bureau/Service Director  
 Maximum of three (3) Division Chiefs to be identified by the Bureau/Service Director  
 Bureau/Service Representative in the DPWH-CO Employees Association

### **B. Regional Offices**

Chairman : Regional Director  
 Members : Assistant Regional Director  
 Chief, Planning & Design Division  
 Chief, Financial Management Division  
 Chief, Human Resource Management Section  
 President, DPWH-RO Employees Association

### **C. District Engineering Offices**

Chairman : District Engineer  
 Members : Assistant District Engineer  
 Chief, Planning & Design Section  
 Chief, Administrative Section  
 Chief, Financial Management Section  
 Human Resource Management Officer II (HRMO)

## **Responsibilities of the PMT**

1. Set consultation meeting with supervisors to discuss the office performance commitment based on the approved infrastructure program, office operations plan and annual training program;
2. Approval of the Office Performance Commitment Rating (OPCR) Form;
3. Create a Secretariat composed of technical and administrative staff to assist in the review and validation of performance ratings;

4. Act as appeal body and arbiter of issues arising from the implementation of the SPMS;
5. Identifies potential top performers (office and individual) for rewards;
6. Identify and provide the kind of interventions needed for the proper implementation of the SPMS;
7. Adopt and undertake communications strategy which will engage the employees in the proper understanding the CSC – approved DPWH SPMS, especially in setting their individual performance targets and linking the same to the performance targets of their respective offices;
8. Set up a Help Desk and appeals mechanism to respond to queries, issues and concerns on the new SPMS; and ensure adherence to the guidelines of the SPMS.

## **9. WHO SHALL RATE?**

As a general rule, each official or employee shall be rated by his/her immediate supervisor, subject to the review or concurrence by the next higher supervisor

## **10. RESPONSIBILITIES**

### **10.1. Human Resource Management Offices**

The Human Resource Management Division (HRMD), Human Resource and Administrative Service, DPWH Central Office and the Human Resource Management Section (HRMS), of the Regional Offices shall:

- Have the overall responsibility in the administration of the SPMS and the custody of performance rating reports.
- Provide staff assistance to supervisors and initiate and/or coordinate training for raters and ratees to ensure effective implementation of the System.
- Monitor submission of Individual Performance Commitment Rating (ICPR) Form
- Review and maintain the summary list of individual performance commitment rating.

### **10.2. Supervisors**

Each supervisor shall be responsible for:

- Assuring that the success indicators or performance targets of each employee under his/her supervision are derived from the MFOs (found in the DPWH Logical Framework) and strategic objectives and measures (found in the DPWH Scorecard)
- Putting monitoring and evaluation mechanisms and tools in place so that timely and appropriate steps can be taken towards meeting performance targets and organization goals.

- Rationalizing distribution of targets and tasks to individual employee based on the individual job description.
- Providing an enabling environment, introduce interventions to improve team performance and develop individual potentials.
- Establishing an information system as a vital management tool that will support data management to produce timely, accurate and reliable information program tracking and performance monitoring and reporting.
- Introducing appropriate developmental interventions to enhance skills, address competency-related performance gaps, develop career path for each employee and for performance-based incentives and rewards purposes.
- Assessing individual employees' performance

10.3 Capacity Development Division (CDD) and Human Resource Development Section (HRDS)

The Capacity Development Division (CDD), Central Office and the HRDS in the Regional Offices shall

- Conduct orientation courses to all officials and employees in the DPWH Central Office and Field Offices (Regional and District Engineering Offices) respectively, for the effective implementation of the DPWH SPMS.
- Coordinate development interventions with HRM officer and design aid implement training courses to enhance employees' competency and develop appropriate teamwork behaviour.

The Chief Administrative Officer of the CDD and the Administrative Officer V of the HRDS in the Regional Offices shall, when necessary, seek the assistance of the Civil Service Commission in the conduct of such training.

## **11. MANAGERS' AND SUPERVISORS' ORIENTATION**

All managers with the level of Bureau Directors, Service Directors, Project Directors, Regional Directors, District Engineers and Division Chiefs shall undergo orientation prior to initial implementation of the SPMS.

The Bureau Directors, Service Directors, Project Directors, Division Chiefs in the Central Office shall attend the orientation to be held in the Central Office Training Room.

The Regional Directors, Assistant Regional Directors, District Engineers and Division Chiefs, in the Regional Offices shall attend the orientation to be conducted in the Regional Office Conference Hall.

A series of orientations for personnel with the levels of Project Managers (not designated as Project Director), Assistant District Engineer, and Assistant Division Chief and below shall be held at later date.

## **12. SANCTIONS/PENALTIES**

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

- a. Employee's disqualification for performance-based personnel actions which would require the rating given 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 employee.
- 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 and 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 the unsatisfactory or poor performance during a rating period shall be a ground for an administrative offense for neglect of duty.

## **13. 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 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.
- 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.




Since the employee's performance rating may influence many important personnel decisions like tenure, promotion, salary increments, incentives, bonuses and etc., the ratee has the right to appeal if he/she is not satisfied with the supervisor's performance evaluation. Within five (5) day from receipt of his/her copy of the performance evaluation report, an employee who is dissatisfied with the rating given him/her may appeal his/her case through the duly established Grievance Machinery of the Office.

#### **14. REPEAL**

This Order revokes Ministry Order No. 25 series of 1982, Department Order No. 187 series of 1992, and Department Order No. 85 series of 1993.

#### **13. EFFECTIVITY**

The DPWH Strategic Management System shall be implemented starting the rating period July-December 2014 and shall remain in use until further notice.

  
**ROGELIO L. SINGSON**  
Secretary

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