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DEPARTMENT OF HEALTH
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Nagmamahal
DOH-ARMM

STRATEGIC PERFORMANCE MANAGEMENT SYSTEM (SPMS)

In line with the Guidelines in the Establishment and Implementation of Agency Strategic Performance Management System under MC No. 6, s. 2012 and CSC Resolution No. 1200481, the Agency adopts the herein Performance Management System to be referred as DOH-ARMM Strategic Performance Management System (DOH-ARMM SPMS).

PART I – GENERAL POLICIES

I. POLICIES

The DOH-ARMM shall be guided by the following policies:

1. The DOH-ARMM SPMS gives emphasis to the strategic alignment of the agency's thrusts with the day to day operations of the units;
2. The DOH-ARMM SPMS strengthened the culture of performance and accountability in the agency;
3. The DOH-ARMM SPMS focuses on linking individual performance vis-à-vis the agency's organizational vision, mission, and strategic goals;
4. The DOH-ARMM SPMS envisions a technology which is composed of strategies, methods and tools for ensuring fulfillment of the functions of offices and its personnel as well as for assessing the accomplishments;
5. The DOH-ARMM SPMS ensures that the employee achieves the objectives set by the organization and the organization on the other hand, achieves the objectives that it has set itself in its strategic plan.
6. The DOH-ARMM SPMS follows the four-stage PMS cycle: performance planning and commitment, performance monitoring and coaching, performance review and evaluation, performance rewarding and development planning'

II. OBJECTIVES

The DOH-ARMM SPMS shall be prepared and administered to:

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

III. SCOPE AND COVERAGE

The DOH-ARMM SPMS applies to all first and second level employees in the career service. It may also apply to employees in the non-career service whenever appropriate.

IV. 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.

V. PROCEDURES

1. The DOH-ARMM SPMS shall include the following basic elements:

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

clearly defined to give way to collective goal setting and performance rating. Individual's work plan or commitment and rating form is linked to the division/unit/office work plan or commitment and rating form to establish clear linkage between organizational performance and personnel performance.

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

2. Key Players and Responsibilities

- a. DOH-ARMM SPMS Champion (Regional Secretary-ARMM)
 - 1. Primarily responsible and accountable for the establishment and implementation of the SPMS.
 - 2. Sets agency performance goals/objectives and performance measures.
 - 3. Determines agency target setting period
 - 4. Approves office performance commitment and rating
 - 5. Assesses performance of Offices

- b. Performance Management Team (PMT). A PMT shall be established in every agency preferably with the following composition:
1. Executive official designated by the Head of Agency as Chairperson
 2. Highest Human Resource Management Officer or the career service employee directly responsible for human resource management
 3. Highest Human Resource Development Officer or the career service employee directly for personnel training and development;
 4. Highest Planning Officer or the career service employee directly responsible for organizational planning;
 5. Highest Finance Officer or the career service employee directly responsible for financial management;
 6. President of the accredited employee association in the agency or the authorized alternate representative. In offices where there are no accredited or recognized employee associations/unions, the rank and file representative shall be chosen through a general election or assembly.

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

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

The PMT shall have the following functions and responsibilities:

- Sets consultation meeting of all Heads of Offices/Departments/units for the purpose of discussing the targets set in the office performance commitment and rating form.
- Ensures that Office performance targets and measures, as well as the budget are aligned with those of the agency and that work distribution of Offices/units is rationalized.
- Recommends approval of the office performance commitment and rating to the Head of Agency.
- Acts as appeals body and final arbiter for performance management issues of the agency.
- Identifies potential top performers and provide inputs to the PRAISE Committee for grant of awards and incentives.

- Adopts its own internal rules, procedures and strategies in carrying out the above responsibilities including schedule of meeting and deliberations, and delegation of authority to representatives in case of absence of its members.

The Planning Office shall serve as the PMT secretariat.

c. Planning Office

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

d. Human Resource Management Office

- Monitors submission of Individual Performance Commitment and Review Form by heads of offices.
- Reviews the Summary List of Individual Performance Rating to ensure that the average performance rating of employees is equivalent to or not higher than the Office Performance Rating as recommended by the PMT and approved by the Head of Agency.
- Provides analytical data on retention, skill/competency gaps, and talent development plans that align with strategic plans.
- Coordinates developmental interventions that will form part of the HR Plan.

e. Head of Office

- Assumes primary responsibility for performance management in his/her Office

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

f. *Division Chief or Equivalent*

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

- Assesses individual employees' performance
- Recommends developmental intervention

g. Individual Employees

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

Part 2 : The DOH-ARMM SPMS Process

I. The SPMS Cycle

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

Stage 1 : Performance Planning and Commitment

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

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

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

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

Category	Definition
Effectiveness/Quality	<ul style="list-style-type: none"> - 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 related to getting the right things done
Efficiency	- The extent to which time or resources is used

	for the intended task or purpose. - Measures whether targets are accomplished with a minimum amount or quantity of waste, expense, or unnecessary effort.
Timeliness	- Measures whether the deliverable was done on time based on the requirements of the law and/or clients/stakeholders. - Time related performance indicators evaluate such things as project completion deadlines, time management skills and other time-sensitive expectations.

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

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

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

- **Historical Data.** The data shall consider past performance.
- **Benchmarking.** This involves identifying and comparing the best agencies or institutions or units within the agency with similar functions or processes. Benchmarking may also involve recognizing existing standards based on provisions or requirements of the law.
- **Client demand.** This involves a bottom-up approach where the Office sets targets based on the needs of its clients. The Office may consult with stakeholders and review the feedback on its services.
- **OPES Reference Table** – list of major final output with definition and corresponding OPES points.
- **Top Management Instruction.** The head of Agency may set targets and give special assignments.

- **Future Trend.** Targets may be based from the results of the comparative analysis of the actual performance of the Office with its potential performance.

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

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

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

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

Step 2: Performance Monitoring and Coaching

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

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

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

Stage 3: Performance Review and Evaluation

(Office Performance and Individual Employee's Performance)

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

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

❖ Office Performance Assessment

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

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

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

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

❖ Performance Assessment for Individual employees

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

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

The supervisor shall indicate qualitative comments, observations and recommendations in the individual employee's performance commitment and review form to include competency assessment 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 supervisors with the concerned ratee prior to the submission of the individual employee's performance commitment and review form to the Head of Office.

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

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

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

The Head of Office shall ensure that the employee is notified of his/her final performance assessment and the summary List of Individual Ratings (Annex E) with the attached IPCRs are submitted to the HRM Office/Personnel Office within the prescribed period.

Stage 4: Performance Rewarding and Development Planning

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

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

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

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

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

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

II. Rating Period

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

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

SPMS Rating Scale

Rating		Description
Numerical	Adjectival	
5	Outstanding	-Performance exceeding targets by 30% and above of the planned targets.
4	Very Satisfactory	Performance exceeding targets by 15% to 29% of the planned targets.

3	Satisfactory	Performance of 100% to 114% of the planned targets. For accomplishments requiring 100% of the planned targets such as those pertaining to money or accuracy or those which may no longer be exceeded, the usual rating of 5 points for those who met targets or 2 for those who failed or fell short of the targets applies.
2	Unsatisfactory	Performance of 51% to 99% of the planned targets.
1	Poor	Performance failing to meet the planned targets by 50% or below.

In determining the final equivalent adjectival rating of the employee, the range of overall point scores is converted as follows:

4.01 – 5.00	Outstanding
3.01 – 4.00	Very Satisfactory
2.01 – 3.00	Satisfactory
1.01 – 2.00	Unsatisfactory
1.00 Below	Poor

III. Submission of DOH-ARMM SPMS to CSC

The DOH-ARMM shall be required to submit DOH-ARMM SPMS to the concerned Civil Service Commission Regional Office for approval starting June 2012.

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

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

IV. SPMS Initiation/Implementation

Agency Heads shall:

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

V. Uses of Performance Ratings

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

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

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

- b. The PMT shall validate the Outstanding performance ratings and may recommend concerned employees for performance-based awards. Grant of performance-based incentives shall be based on the final ratings of employees as approved by the Head of Office.

- c. Performance ratings shall be used as basis for promotion, training and scholarship grants and other personnel actions. Employees with Outstanding and Very Satisfactory performance ratings shall be considered for the above mentioned personnel actions and other related matters.
- d. Officials and employees who shall be on official travel, approved leave of absence or training or scholarship programs and who have already met the required minimum rating period of 90 days shall submit the performance commitment and rating report before they leave the office.

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

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

VI. Sanctions

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

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

VII. Appeals

- a. Office performance assessment as discussed in the performance review conference shall be final and not appealable. Any issue/appeal on the initial performance assessment of an Office shall be discussed and decided during the performance review conference.
- b. Individual employees who feel aggrieved or dissatisfied with their final performance ratings can file an appeal with the PMT within ten (10) days from the date of receipt of notice of their final performance evaluation rating from the Head of Office. An office/unit or individual employee, however, shall not be allowed to protest the performance ratings of other office/unit or co-employees. Ratings obtained by other office/unit or employees can only be used as basis or reference for comparison in appealing one's office or individual performance rating.
- c. The PMT shall decide on the appeals within one (1) month from receipt. Appeals lodged at any PMT shall follow the hierarchical jurisdiction of various PMTs in an agency. For example, the decision of the Provincial PMT is appealable to the Regional PMT which decision is in turn appealable to the National/Central Office PMT.
- 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.

VIII. Effectivity

The DOH-ARMM SPMS shall take effect upon approval by the CSC. Subsequent amendments shall likewise be submitted to the CSC.

IX. Commitment

I hereby commit to implement and abide by the provisions of this DOH-ARMM SPMS which shall be the basis for all performance based movements and/or developments/interventions such as promotion, scholarship, training, rewards and incentives.

Any enhancement and/or amendment of the CSC approved SPMS shall be submitted to the CSC RO7 for approval and/or information/reference in the case of Deregulated Agencies.

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