



NATIONAL CAPITAL REGION

February 4, 2014

MS. MA. JOSEFINA M. DELA CRUZ

Postmaster General and Chief Executive Officer
Philippine Postal Corporation
Liwasang Bonifacio, Lawton
Manila

Dear Postmaster General and Chief Executive Officer Dela Cruz:

This refers to the Strategic Performance Management System (SPMS) of the Philippine Postal Corporation (PPC), which was submitted to this Office for approval.

An evaluation of the provisions shows that it substantially complies with CSC Memorandum Circular No. 6, s. 2012. However, there are certain areas that have to be addressed, as follows:

1. The success indicators do not contain the three (3) performance measures;
2. There is no database/summary of targets created which will serve as basis for verification of accomplishments;
3. There is no range of numerical rating for each level of performance rating;
4. The ranges of rating (in terms of percentage) for all levels of performance which should be in accordance with CSC Memorandum Circular No. 13, s. 1999 are not indicated in the Agency SPMS rating scale; and
5. There is no schedule for Agency SPMS pilot test indicated in the agency SPMS calendar.

Other Observation:

The PPC personnel under contracts of service are not government employees, hence, they are not covered by the SPMS.


*8 April 2014 - email
20 April 2014 - deadline*

In view thereof, the PPC SPMS is hereby approved for initial implementation, subject to compliance with the above-enumerated observations. A copy of the PPC SPMS incorporating compliance with the above-enumerated observations and a report of implementation of this SPMS shall be submitted to CSC-NCR within **three (3) months after initial implementation**, together with the following sample documents:

- Communication materials
- Accomplished OPCR, DPCR and IPCR or their equivalent
- Accomplished Performance Monitoring and Coaching Forms
- Accomplished Professional Development Plan

Thank you for your support to the programs of the Commission.

Very truly yours,


LYDIA ALBA-CASTILLO
Director IV

Cc: Director II Arturo SJ. Panaligan
CSCFO-Manila

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Guidelines in the Implementation of the PHLPost Strategic Performance Management System (SPMS)

Pursuant to the Civil Service Commission Memorandum Circular 6 s. 2012, the **Philippine Postal Corporation (PHLPost)** hereby adopts the following policy guidelines in the planning and evaluation of employee performance.

I. RATIONALE

The PHLPost Strategic Performance Management System is focused on linking individual performance with the Corporation's organizational vision, mission and strategic goals. It is a mechanism that ensures that the employee achieves the objectives set by the Corporation and the Corporation, on the other hand, achieves the objectives that it has set itself in its strategic plan.

II. OBJECTIVES

This SPMS shall:

- a. Concretize the linkage of organizational performance with the Philippine Development Plan and the Corporation's Strategic Plan vis-a-vis 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 Corporation 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. BASIC ELEMENTS

The following are the basic elements of the PHLPost SPMS:

- a. **Goal Aligned to the Corporation's Mandate and Organizational Priorities**
Performance goals and measurement are aligned to the national development plans, Corporation's 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. (Please refer to Annex G)
- b. **Outputs/Outcomes-based**
The system puts premium on major final outputs that contribute 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 indicated in the Individual Performance Commitment and Review Form (IPCR) is linked to the office's work plan or Office Performance Commitment and Review Form (OPCR) 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 outputs 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. (Please refer to Annexes A, B, C, D)
- 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. Submitted office targets are compiled to serve as basis for verification of accomplishments.
- f. **Communication Plan.** A program to orient PHLPost officials and employees on the new and revised policies on SPMS shall be implemented. To promote awareness and interest on the system, generate employees' appreciation for the PHLPost 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, the members of the PMT shall implement an orientation schedule for PHLPost officials and employees.

IV. SCOPE AND COVERAGE

PHLPost SPMS applies to all regular and temporary employees of the Corporation except for the Assistant Postmaster General and the Postmaster General.

V. KEY PLAYERS

- a. **SPMS Champion (Postmaster General)**
 - Primarily responsible and accountable for the establishment and implementation of the SPMS.
 - Sets the Corporation's performance goals/objectives and performance measures.
 - Determines the Corporation's target setting period.
 - Approves office performance commitment and rating.
 - Assesses performance of offices.

b. **Performance Management Team (PMT)**

- The PMT shall be composed of the following:

Chairperson : Chief Executive Staff, Office of the Postmaster General
Members : 1. Manager, Corporate Planning Department
2. Manager, Human Resource Management Department
3. Manager, Fiscal Management Department
4. National Chairman, PEUP

- At the area level, the PMT shall be composed of the following:

Chairperson : Area Director or Authorized Representative
Members : 1. Human Resource Management Officer
2. Accounting Officer
3. Planning Officer Designate
4. PEUP Representative

The PMT shall have the following functions and responsibilities:

- Sets consultation meeting of all Department Managers for the purpose of discussing targets set in the Office Performance Commitment and Review Form.
- Recommends approval of the Office Performance Commitment and Rating to the Postmaster General.
- Acts as appeals body and final arbiter for performance management issues of the Corporation.
- 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 meetings and deliberations, and delegation of authority to representatives in case of absence of its members.

c. **Technical Working Group (TWG)**

- The TWG will be assisting the PMT and shall be composed of the following:

1. Office of the Postmaster General/ Authorized Representative
2. Corporate Planning Department/ Authorized Representative
3. Human Resource Management Department/ Authorized Representative
4. Service Regulations Department/ Authorized Representative
5. Logistics Property Management Department/ Authorized Representative
6. Operations (Area Level)/ Authorized Representative

The TWG shall have the following functions and responsibilities:

- Prepares, coordinates and consolidates the following activities:
 - Timetable of activities
 - Key Result Areas (KRA's) per OAPMG
 - Devise forms and Tools to be used
 - Action Plan (Evaluation and Monitoring)
- Reports to the Performance Management Team (PMT) on the developments in the implementation of SPMS.

The Corporate Planning Department shall serve as the PMT Secretariat.

d. **Corporate Planning Department**

- 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 Department Managers 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 Postmaster General who shall determine the final office rating.
- Conducts a 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 Department Managers. This shall include participation of the Fiscal Management Department as regards to budget utilization.
- Provides each office with the final office assessment to serve as basis of offices in the assessment of individual staff members.

e. **Human Resource Management Department / PERC**

- Monitors submission of Individual Performance Commitment and Review Form by Department Managers.
- 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 Postmaster General.
- 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.

f. **Assistant Postmaster Generals / Department Managers**

- 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 Corporation and submits the Office Performance Commitment and Review Form to the Corporate Planning Department.
 - Reviews and approves the Individual Performance Commitment and Review Form for submission to the HRMD before the start 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 and identifies necessary interventions to employees based on the assessment of developmental needs.
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- Recommends and discuss a development plan with 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 (3rd) 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.

g. **Division Chief**

- Assumes joint responsibility with the Department Manager in ensuring attainment of performance objectives and targets
- Rationalizes distribution of targets/tasks
- Monitors closely the status of the performance of their subordinates and provide support and assistance through the conduct of coaching for the attainment of targets set by the division and individual employee.
- Assesses individual employees' performance
- Recommends developmental intervention

h. **Individual Employees**

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

VI. PERFORMANCE MANAGEMENT CYCLE

The SPMS Cycle

The SPMS shall follow the **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 Department Managers meet with the supervisors and staff and agree on the outputs that should be accomplished based on the goals/objectives of the Corporation.

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 of their Performance Contract and Rating Form.

Performance measures that contribute to or support the outcomes that the PHLPost aims to achieve shall be included in the office performance contract, to ensure relevance to its core functions and strategic priorities.

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

Category	Definition
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
Quantity	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.
Time	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 "corporation's 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 Department Manager and submitted to the PMT shall be determined by the Postmaster General.

In setting work targets, the office shall likewise indicate the detailed budget requirements per expense account to help the Postmaster General in ensuring a strategy driven budget allocation and in measuring cost efficiency. The office shall also identify specific division/unit/group/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 individual performance targets and measures to be prepared in the Individual 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.

Submission of the OPCR shall be as follows:

Departments (including OPMG, OAPMG's, Board Secretariat) – 1 OPCR each
Area Office – 1 OPCR each

Stage 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 Postmaster General, Corporate Planning Department, Department Head, Division Head and individual, on a regular basis.

Regular basis shall be as follows:

Postmaster General - Semestral

Department Manager - Quarterly

Division Head - Monthly

Individual - Weekly

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. An information system that will support data management to produce timely, accurate and reliable information for program tracking and performance monitoring/reporting shall be installed. **(Annex C)**

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 Corporate Planning Department shall consolidate, review, validate and evaluate the initial performance assessment of the Department Managers based on 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 recommendation to the Postmaster General. The Postmaster General shall determine the final rating of offices.

The Corporate Planning Department shall also 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 of actual performance. In the absence of said bases or 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 assessments 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 supervisor with the concerned ratee prior to the submission of the individual employee's Performance Commitment and Review Form to the Department Manager.

The Department Manager shall determine the final assessment of performance level of the individual employees based on proof of performance. The final assessment shall correspond to the adjectival description of Outstanding, Very Satisfactory, Satisfactory, Unsatisfactory or Poor.

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

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

The Department Manager shall ensure that the employee is notified of his/her final performance assessment and the Summary List of Individual Ratings with the attached IPCR's are submitted to the HRM Department 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 Department Managers 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 Department Managers and supervisors in coordination with the HRM Department.

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

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

- a. Department Managers in identifying and providing the kinds of interventions needed, based on the developmental needs identified;
- b. HRM Department 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 Corporation who qualify for awards and incentives.

VII. 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.

VIII. SPMS RATING SCALE

Rating			Description
Numerical	Range	Adjectival	
5	4.51 – 5.00	Outstanding (O)	Performance represents an extraordinary level of achievement and commitment in terms of quality and time, technical skills and knowledge, ingenuity, creativity and initiative. Employees at this performance level should have demonstrated exceptional job mastery in all major areas of responsibility. Employee achievement and contributions to the organization are of marked excellence. Performance exceeding targets/standards by 151% above.
4	3.51 – 4.50	Very Satisfactory (VS)	Performance exceeded expectations. All goals, objectives and targets were achieved above the established standards. Performance exceeding targets/standards by 120% to 150%.
3	2.51 – 3.50	Satisfactory (S)	Performance met expectations in terms of quality of work, efficiency and timeliness. The most critical annual goals were met Performance of 100% to 119% of the targets/standards.
2	1.51 – 2.50	Unsatisfactory (US)	Performance failed to meet expectations, and/or one or more of the most critical goals were not met. Performance of 51% to 99% of the targets/standards.
1	1.00 – 1.50	Poor (P)	Performance was consistently below expectations, and/or reasonable progress toward critical goals was not made. Significant improvement is needed in one or more important areas. Performance failing to meet the targets/standards by 50% or below.

IX. SPMS CALENDAR AND TIMETABLE OF ACTIVITIES (Annex E, F)

X. USES OF PERFORMANCE RATINGS

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

Employees who obtained **Unsatisfactory** rating for one rating period or exhibited poor performance shall be provided appropriate developmental intervention by the Department Manager and supervisor, in coordination with the HRM Department, 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 Department Manager 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 Department 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 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 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 the rating period.

XI. SANCTIONS

Unless justified and accepted by the PMT, non-submission of the Office Performance Commitment and Review form to the PMT, and the Individual Performance Commitment and Review Form to the HRM Department within the specified dates shall be a 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 Department Managers 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.

XII. APPEALS

- a. Office performance assessment as discussed in the performance review conference shall be final and non-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 Department Manager. An office or individual employee, however, shall not be allowed to protest the performance ratings of other office or co-employees. Ratings obtained by other office or employees can only be used as basis or reference for comparison in appealing one's unit or individual performance rating.
- c. The PMT shall decide on the appeals within one month from receipt. Appeals lodged at any PMT shall follow the jurisdiction of the CSC under the RRACCS.
- 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.

XIII. EFFECTIVITY

The PHLPost SPMS takes effect on July 2013.

XIV. FORMS

MA. JOSEFINA M. DELA CRUZ
Postmaster General and CEO

APPROVED:

LYDIA A. CASTILLO
Director IV
CSC-NCR