



Performance Management System

A Guidebook



PAHRODF
PHILIPPINES AUSTRALIA
HUMAN RESOURCE AND
ORGANISATIONAL DEVELOPMENT
FACILITY



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MESSAGE FROM THE AUSTRALIAN AMBASSADOR TO THE PHILIPPINES



Since 2010, it has been the Australian Government's privilege to help our partner Philippine government organisations improve their human resource systems through the Philippines Australia Human Resource and Organisational Development Facility (PAHRODF).

We have helped our partners promote a culture of accountability and transparency in the bureaucracy by improving how government organisations measure their employee outputs to achieve organisational outcomes. We worked closely with the Department of Social Welfare and Development, the Department of the Interior and Local Government, the Department of Education, the Philippine Institute of Volcanology and Seismology, and the Presidential Management Staff to help them introduce a more robust performance management system.

I am proud to see these systems taking root in these organisations. I have no doubt that they improve how these organisations deliver for the Philippines every day.

This guidebook highlights learnings which I hope will provide guidance to the rest of the public sector in the Philippines. It metaphorically compares a well-designed and properly installed performance management system to a tree ready to produce a rich harvest of fruits. Similarly, I hope that this guidebook bears fruit by showing other government organisations how to adopt a more strategic and results based approach in managing the performance of their best assets: their employees.

Salamat and Mabuhay!

A handwritten signature in black ink, which appears to read "Amanda Gorely".

Amanda Gorely

MESSAGE FROM THE FACILITY DIRECTOR OF PAHRODF



The Facility has recognised the increasing pressure from organisations to demonstrate how well they are performing. The Facility responded to this need by been helping partners from the public sector develop and install performance management systems in their respective organisations. These performance management systems, either adapted or built on minimum requirements prescribed by the Civil Service Commission, aim to enhance the productivity of individual members of the organisation and optimise their contribution to the achievement of the organisation’s development thrusts.

Over the years we have seen how organisations have struggled in implementing system changes. The challenges were either flaws in system design, ineffective practices, and/or a combination of other factors that impacted negatively on the implementation. There is a need to explore ways by which individual performance can be better managed to meet expectations.

The Facility believes that a well-designed and properly implemented performance management system is like a mature tree that produces a rich harvest of fruits, year in and year out, in the form of achievements that have made meaningful impact on the lives of the clients/stakeholders.

This guidebook shares what the Facility has learned from experience over the years of providing assistance to install, institutionalise, and sustain performance management systems in partner organisations. It is hoped that other interested organisations will find practical tools and tips that would enable them to draw out and make the most of the learning gained from this and other similar human resource development initiatives.


Milalin S. Javellana

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About the Guidebook

The Philippines-Australia Human Resource and Organisational Development Facility (PAHRODF) was launched in 2010 by the Department of Foreign Affairs and Trade to support the Australian Government's initiatives in line with its Statement of Commitment. Over the years, it has provided a range of strategic interventions to its partner organisations in the areas of Human Resource and Organisational Development to improve their capacity, competency and change readiness. As an initiative to promote positive change not only among its partner organisations but the public sector in general, PAHRODF develops knowledge products that capture and share learning from successful implementation of their HR initiatives.

One of the focus areas of PAHRODF interventions is performance management. The Facility has assisted a number of its partner organisations in the installation of a strategic Performance Management System that supports results-focused planning, monitoring and evaluation processes.

This guidebook incorporates lessons learned from the Facility's experience in providing assistance in this HR area as it presents key concepts in strategic performance management as applied in the public sector. It is intended to serve as a resource for other organisations that are ready to make the shift to a more results-based approach in managing performance.



The Guidebook makes use of the metaphor of a tree to present concepts and explain processes related to the results-based performance management approach.

Introduction



Organisations, be these public or private, are facing increasing pressure to demonstrate how well they are performing and creating value through the discharge of their mission or mandate. No longer are stakeholders interested in what has been accomplished but on how these achievements have made an impact on their lives.

This development has made performance management all the more relevant as a process for ensuring effectiveness in delivering desired results. However, implementing the system has always been a challenge for organisations. Flaws in system design, ineffective practices and adverse perceptions about how the system is implemented (such as setting unrealistic goals, lack of feedback, subjectivity in appraisals, among others) often result in dissatisfaction, demotivation, and loss of system credibility and integrity. There is a need to explore ways by which individual performance can be better managed to meet expectations not only among employees who are subjected to the process, but also among stakeholders who should benefit from the goods and services delivered by the organisation.

A results-based performance management approach offers a viable option to respond to these prevailing demands and challenges.

All organisations are perfectly designed to get the results they are now getting. If we want different results, we must change the way we do things.

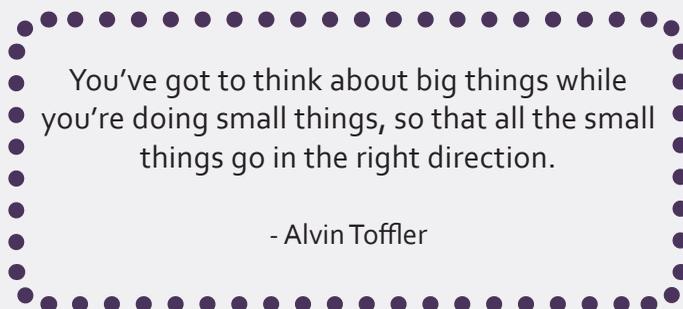
-Tom Northup
Leadership Management Group

Performance Management in the Philippine Public Sector

Strategic Performance Management is an approach in managing staff performance so that human resources, individually and collectively, contribute directly or indirectly to achieving desired organisational results. It links human resource management with strategic planning by coordinating efforts at all levels towards shared vision and long-term goals or results.

In the Philippine public sector, the Strategic Performance Management System (SPMS) was institutionalised to tighten the alignment of individual performance goals to targeted results of the organisation, and the national and local governments. It builds on prescribed SPMS processes to highlight the importance of collecting performance data and using these for planning and implementing continuous improvement activities.¹

In implementing the SPMS, public sector organisations developed performance management systems that either adapted or built on minimum requirements prescribed by the Civil Service Commission.² Key features are captured and discussed in this manual.



¹Refer to the CSC Guidebook on Strategic Performance Management for more information on this system.

²The CSC Memorandum Circular No. 6 issued in 2012 prescribes system features and elements.

Objectives

The primary objective of performance management in the public sector is to enhance the performance of individual members of the organisation and optimise their contribution to the achievement of set goals and results. Specifically, it aims to:

Align individual performance with organisational performance

Employees who have a clear line of sight to the broader and higher-level goals of the organisation gain better appreciation of their contribution and value-adding performance.



Increase motivation and engagement of employees

Good performance management processes and practices lead to higher levels of motivation among employees. Employees who participate in determining what results they are expected to produce, own accountability for realising them, and appreciate that performance will be evaluated and rewarded with fairness and objectivity deliver on targets.



Provide basis for continuous improvement

Performance monitoring and evaluation generates lessons about how plans can be better implemented. Managers use these data to guide decisions on interventions to address factors affecting ability to produce desired results, such as competency development, provision of resources, redesign of systems and processes, and other support needed to improve performance.



Salient features

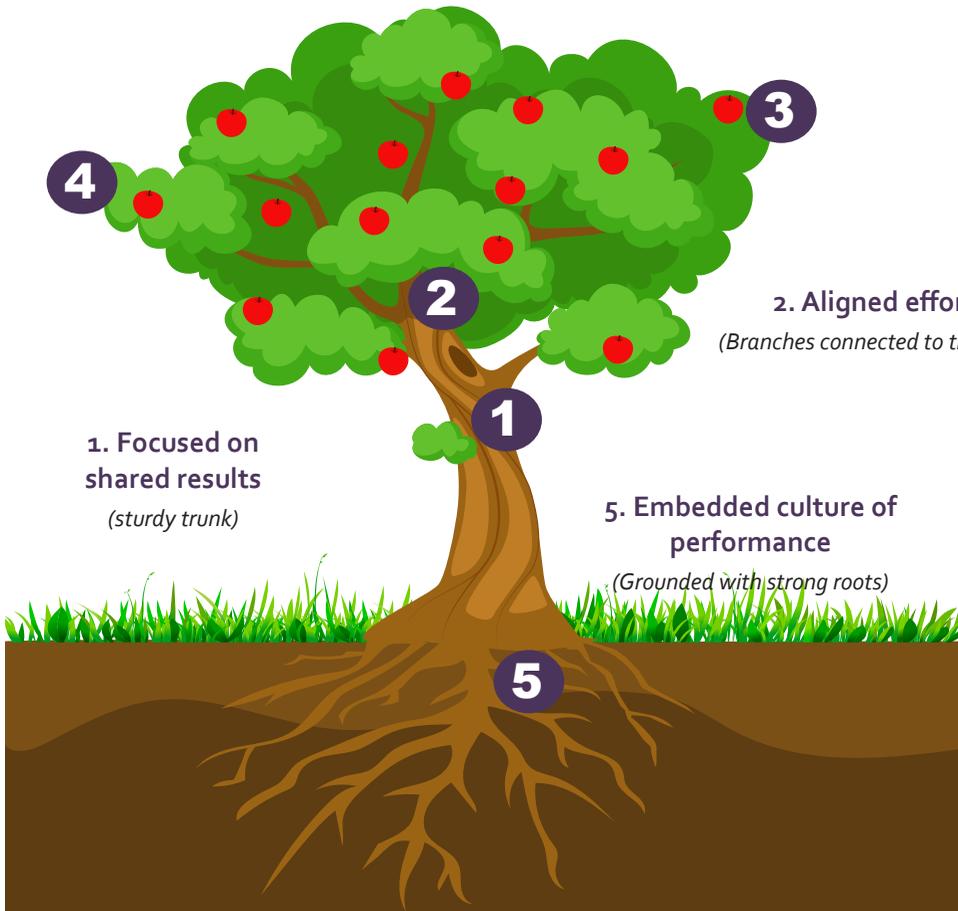
A well designed and installed performance management (PM) system can be compared to a mature tree that produces a rich harvest of fruits.

4. Environment conducive to performance

(Lush and healthy crown)

3. Produces results

(Fruitful)





1. Focused on shared results

The organisational vision, mission, goals and strategies serve as anchor of all activities and initiatives. Top management plays a critical role in ensuring that priorities are clearly defined and communicated.



2. Aligned efforts

Results targeted by the organisation are cascaded into individual performance goals that specify employee contributions in pursuing shared goals. The synergy of individual and group efforts leads to successful achievement of organisational priorities.



3. Produces results

At the level of the organisation, performance measures are geared towards outcomes. Where possible, individual targets are also framed as such. However, at the lower layers, employees target job-specific deliverables or outputs that are within their control.



4. Environment conducive to performance

Productivity thrives in an environment where employees are involved in the process of formulating their performance goals, monitoring their progress, addressing performance issues, evaluating accomplishments, and planning for performance improvement and development. Commitment, accountability and ownership enable employees to fully participate in PM processes.



5. Embedded culture of performance

The PM system seeks to foster a developmental approach where employees appreciate how they, as key contributors in pursuing desired results, are continuously equipped with competencies and resources to perform at their best.

Installing a PM System in the Public Sector

The development of a Performance Management System (PMS) in government organisations can be compared to the growth cycle of a tree. It is a gradual process that needs to be managed with careful planning and implementation.



Seed

Seeds are sown on fertile soil to ensure growth.

Seedling

The seedling sprouts. At this stage, the stems are weak and roots are shallow. The plant is susceptible and could easily die.

Sapling

The seedling develops into a sapling. While the tree is getting taller and sturdier, it is still prone to attacks from external elements and could die.

Mature Tree

A tree at the prime of its life has a sturdy trunk, full round-topped crowns, and long strong branches. Firmly embedded roots and healthy leaves provide nourishment from the soil and sun. The tree produces a rich harvest of crops.

The following sections of the Guidebook expounds on this analogy as it presents the processes involved in installing RBPMS. These are organised in three steps.



Step 1

Setting the Stage (Planting the seed)

An environment conducive to a result-based approach in managing performance needs to be established.



Step 2

Installing the System (Nurturing growth)

Policies, tools and processes for implementing the PMS are designed and piloted. Facilitating and hindering factors are managed to enhance effectiveness and ensure adoption among users.



Step 3

Sustaining Effectiveness (Ensuring health)

Strategic PMS is integrated with other organisational systems and becomes a way of doing things. Regular review is conducted to provide basis for continuous improvement.

Step 1

Setting the Stage for PM



“The seed that will bear the desired fruit is identified. To increase chances of success, is important to know conditions that are favourable for a seed to grow.”



Setting the Stage for PM

There must be a clear understanding of results-focused PMS and what it takes to make the shift before the organisation can decide and commit to adopting the approach.

WHAT DOES IT TAKE TO MAKE THE SHIFT?

- » **Institutionalising a results-based PM system** that entails development of policies, processes and tools for implementation at organisational and individual levels. An effective communication strategy would facilitate the rollout.
- » **Changing the organisational culture** by defining and promoting values, attitudes and behaviours that foster results-focus. This would include reorientation from activities and processes to outputs and outcomes, ensuring regular performance feedback and discussion, openness to new ways of doing things based on learning, etc.
- » **Modelling of leaders** through visible support for the adoption of a strategic or results-focused system.
- » **Enabling managers** by enhancing their competency to perform their functions under the new system and delegating authority to make decisions in matters that impact on performance, such as making corrective adjustments, shifting allocation

of resources, etc.

- » **Engaging employees** by giving them a voice in decision making at all stages, especially in setting performance commitments and evaluating their accomplishments.
- » **Providing management tools** that would facilitate implementation of the new system such as forms, templates, guidebooks and databases.

WHERE YOU ARE IS THE BEST PLACE TO START !

Having clarified the destination, organisations must examine what needs to change. Awareness about the strengths and weaknesses of the current system, and underlying reasons, will guide the PMS design and planning for the transition that is essential in preparing the organisation for changes that will happen.

Some performance management issues

- » Performance plans developed close to evaluation period
- » Monitoring and feedback not consistently conducted
- » Inadequate measures and standards of performance
- » Appraisal ratings that do not reflect actual performance
- » Lack of performance management skills
- » Perception of performance management as additional task for managers and staff
- » Unclear basis for human resource actions and decisions
- » Perceived lack of support among leaders and managers for making the system work



Step 2

Installing the System



“ *The seed is sown. With adequate nourishment , it will grow from a fragile and susceptible seedling to a healthy and productive tree. Along the way, weather, insects and other factors in the environment will affect its development. Proper attention and care is essential to make sure that the plant survives.* ”



Installing the System

Guided by the vision of the desired PMS approach, the system is developed. At the initial stages of implementation, the system is tried out and it is possible that challenges may arise due to flaws in the system, lack of required competencies, resistance to change and other factors. Organisations need to address these issues to increase the chances of success in adopting the new approach.

Formulating policies

Policies embody guiding principles in the implementation of the system. In a strategic PMS, the objective is to promote a performance culture – where behaviors and actions are focused on producing best results and facilitating continuous improvement. Some questions to answer in formulating policies include:

- » What kind of performance does the PMS promote?
- » How will the system support the achievement of the organisation's strategic goals and priorities?
- » Who and how are stakeholders involved in managing the system?
- » How is it linked with other HR systems?

Roles in PMS

The design and installation of PMS is a collaborative effort among different stakeholders who perform significant roles in installing and managing the system.

Top Management

- » Sets direction and supports systems development and management
- » Develops a high-performance culture



Managers/Supervisors

- » Implements the system through effective performance management practices that enable employees to deliver results



Key Players in PMS

Human Resource Management Office

- » Develops and ensures effectiveness of the system; Orchestrates efforts among key players in the implementation of the system



Employees

- » Participates in system implementation by planning, taking accountability, and working for performance goals to contribute to targeted organisational results



Other committees may also be established to assist in managing the system. In government agencies, the Performance Management Team (PMT) leads the review, calibration and approval of performance targets and standards, and serves as an appeals body and arbiter for performance management issues. There are cases where the HRMO functions are shared with counterparts in smaller units of the organisation such as regional and field offices, departments and divisions.

Key process

There are four major processes involved in implementing strategic Performance Management, comprising the performance management cycle.

1. Planning and Commitment

Defining desired results and indicators of performance



4. Recognition and Development Planning

Reporting and using evaluation data to reinforce good performance and improve that which is below par

2. Monitoring and Coaching

Tracking progress and address issues affecting performance



3. Review and Evaluation

Assessing accomplishments against targeted results and performance



Note: The 4th process is labelled Recognition instead of Rewarding to distinguish it from the Rewards System.

These processes flow in a sequential order. However, where monitoring indicates the need for appropriate interventions to ensure that performance remains on track, it may be necessary to move forward or revert back to earlier processes in the cycle. For instance, if lack of needed competencies is affecting performance, necessary developmental interventions should be identified (P4) and immediately introduced. Affirming good performance (P4) should not wait till the end of the appraisal period and can be done during monitoring. Developments during program implementation may necessitate recalibration of targets, which is part of planning (P1).

The following sections of the guidebook discuss each of these processes.

1. Defining Desired Results

Performance Planning and Commitment, the first process of the PMS cycle, focuses on identifying results that will be delivered by organisational units and individuals to enable them to contribute to broader organisational goals.



Two critical activities are involved:

a. Defining organisational anchors



The organisational vision and mission provide basis for formulating long-term goals and priorities geared towards producing desired outcomes. Organisations use different frameworks in defining targeted results, including among others, strategy maps, balanced scorecards, results chains, and log frames. In the government sector, these plans establish alignment with higher-level sectoral outcomes and societal goals.

Regardless of the framework in which targeted results are developed and documented, it is critical to aim for outcomes rather than outputs, as the organisation's effectiveness will be measured in terms of impact on stakeholders rather than what was delivered.

Objectives specify what needs to be accomplished. Results describe what outputs and outcomes have been produced.

There must be clear yardsticks for measuring performance. When desired results have been identified, it is easier to decide on appropriate performance measures. The Balanced Scorecard planning system recommends the use of performance drivers (or leading indicators) and outcome measures (lagging indicators). These indicators can be defined by looking at the cause-and-effect chain of goals and strategies. Simply put, lagging indicators show that desired outcomes have been achieved while leading indicators measure short-term results that will increase chances of reaching these outcomes.

Some examples:

Outcome Measures	Performance Drivers
Satisfied Customers	Motivated Employees
	Efficient Processes
Employed Beneficiaries	Training Effectiveness
	Collaborative Partnerships with Employers
Disaster Responsiveness	Organised Quick Response Teams
	Installed Disaster Monitoring System



b. Cascading strategic directions

Alignment is promoted and ensured through the process of translating organisational goals into unit and individual targets. Organisational units and its individual members formulate their performance plans by specifying results that they are committing to deliver. Accountabilities are established with the approval of these plans.

Questions to ponder upon....

Can employees appreciate their contribution to the achievement of organisational goals?

Do leaders and managers know and perform their role in cascading directions?

How are targeted organisational results communicated to the employees?





Processes and Tools

The process of Performance Planning and Commitment flows from a well-defined strategic plan for the organisation that is used as input to target setting at the unit and individual level. Supervisor and staff agree on these targets and standards of performance stated as success indicators. It is important to ensure that both parties have a shared understanding of performance expectations at the end of the planning stage.

There are a number of steps involved in this process.

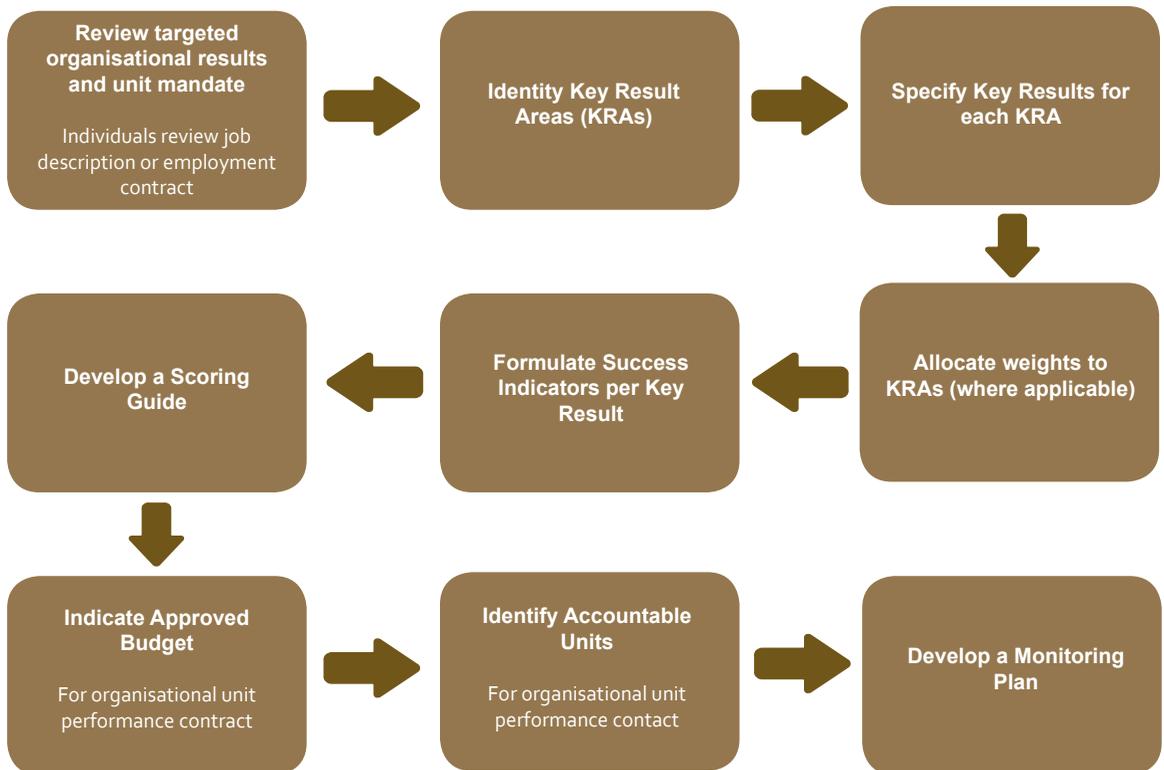


Figure 1. Performance Planning and Commitment Process

Following are guidelines in identifying desired results in performance commitments or contracts:

Key Result Areas (KRAs) are general areas of outputs or outcomes for which the unit or individual is responsible. For government agencies, these may be along Strategic Objectives specified in the Balanced Scorecard, Major Final Outputs and / or specific assignments from top management, such as Secretary's Directives.

At the individual level, KRAs are identified in job descriptions that specify areas where the position holder is expected to deliver results. These are best expressed as functional areas of work.

Key results are defined as an accomplishment, output/outcome, or set of outputs/outcomes being measured, and for which an organisational unit or individual is accountable.

Key Results are best limited in number (recommended to be no more than three for every KRA) and includes those that are highly important in terms of directly contributing to the achievement of targeted higher-level results, or indirectly contributing by enhancing the capacity of the unit to produce its good and services. What needs to be measured are final outputs or outcomes. Sub-outputs identified can be set as targets for monitoring milestones.

Ideally, key results should be assigned weights to reflect their strategic value in meeting desired outputs or outcomes. Weights guide the unit or individual in prioritising tasks and allocating resources. It is good practice to standardise weigh allocation for different key results identified. In some organisations, weights are assigned to KRAs or clusters of KRAs.

Success indicators also referred to as Performance Indicators, are standards used to evaluate success in producing a particular outcome, output, goods, or service. It is a combination of **Performance measures** and **Performance targets**.

Performance measures

may be framed in terms of quantity, quality and timeliness of results. In many cases, organisations have pre-defined measures for specific results although there is a tendency to focus only on quantitative measures. It may not be possible to formulate all three types for each Key Result at all times. However, it is advisable to establish at least two measures to guide more objective evaluation of performance.

Quantity
<ul style="list-style-type: none">• Indicators of amount of outputs or results• How many, how much, or what increase/decrease in output needs to be accomplished?
Quality
<ul style="list-style-type: none">• Indicators of characteristics or attributes of outputs or results• In what manner and how well should the output be accomplished?
Timeliness
<ul style="list-style-type: none">• Indicators of promptness in accomplishing outputs or results• When or within what timeframe should the output be accomplished

Figure 2. Types of Performance Measures

Performance targets

specify exact standards of performance for each measure. Baseline values allow more realistic standard setting if established. In most cases, targets are set based on historical data, which may not necessarily be a good practice. Performance targets must be regularly reviewed and updated based on established efficiency standards, benchmarks, feedback on services, and stakeholder demands. Goals are best formulated to be challenging but achievable to sustain high levels of performance.

It is good practice to calibrate standards for success indicators. Performance of employees delivering the same or similar sets of results should be measured against the same standard, more so if they are performing the same job.

To facilitate collection of performance data, **Means of Verification (MOVs)** or evidences of accomplishment should be clearly specified in the performance plan.

A **Scoring guide** presents a progression of success indicators that provides a clear picture of what constitutes acceptable performance, and what falls short of or exceeds this level. The Civil Service Commission prescribes a rating scale that must be applied by government agencies in developing the guide.

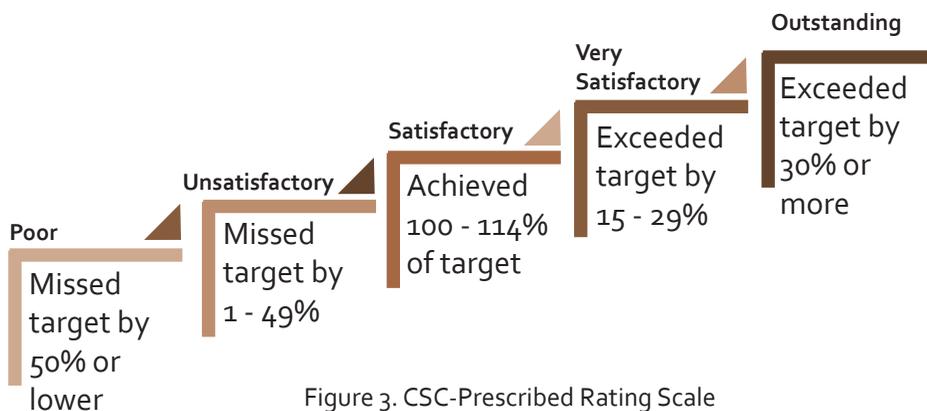


Figure 3. CSC-Prescribed Rating Scale

The standards for different levels of performance serve as yardsticks in assessing performance. With clear measures in place, assessment during appraisal is facilitated when evaluated against evidences of accomplishment.

A **Monitoring plan** lays out how data will be collected to demonstrate progress in achieving targeted results. At the unit and individual level, the plan would contain identified deliverables at specified checkpoints as well as frequency and modes of monitoring. Employees are encouraged to self-monitor and therefore should be informed about how progress will be tracked.

Sample templates for office and individual performance contracts can be found in Annexes A and B, respectively. Both forms incorporate tools for performance planning, monitoring and evaluation. Other formats of templates can be accessed in the Civil Service Commission (CSC) Guidebook on Strategic Performance Management System (SPMS) that can be downloaded from the Philippines-Australia Human Resource and Organisational Development Facility (PAHRODF) website (<http://www.pahrodf.org.ph>).

Good practice in performance planning

- » Ensuring that strategic directions are communicated by responsible office/s and managers/supervisors
- » Identifying critical aspects of work where results should be produced
- » Establishing a rating system that truly measures excellence in performance
- » Engaging staff in planning their performance commitments
- » HRMO and managers/supervisors providing guidance and support to staff
- » Promptly addressing queries and concerns in target setting



2. Monitoring progress

The second PMS process is Monitoring and Coaching.

Monitoring is the regular gathering and analysis of data on the status of achievement of targeted results among organisational units and employees. Consistent with the objective of the results-focused performance management approach, opportunities for improvement must be identified and acted upon during plan implementation. Tracking of progress enables collection of performance data that would guide decisions on how results can be better achieved. If developments in the internal and external environments render performance goals realistically unattainable, then necessary adjustments in targets and timelines will increase chances of success in delivering targets.

Coaching and feedback are powerful tools that can be used in managing performance. Regular feedback keeps employees involved in monitoring their progress. If effectively conducted, performance discussions can be a venue for capturing learning from experience and identifying ways by which these lessons can be applied to improve how work is done. The coachee-driven coaching process encourages employees to clarify improvement goals and make decisions on the course of action to pursue after identifying feasible alternatives considering current realities. Where employees are engaged and motivated, higher levels of performance can be expected. Moreover, regular feedback and coaching builds trust and confidence essential in fostering productive and helping relationships between supervisors and staff.



GROWing High Performers

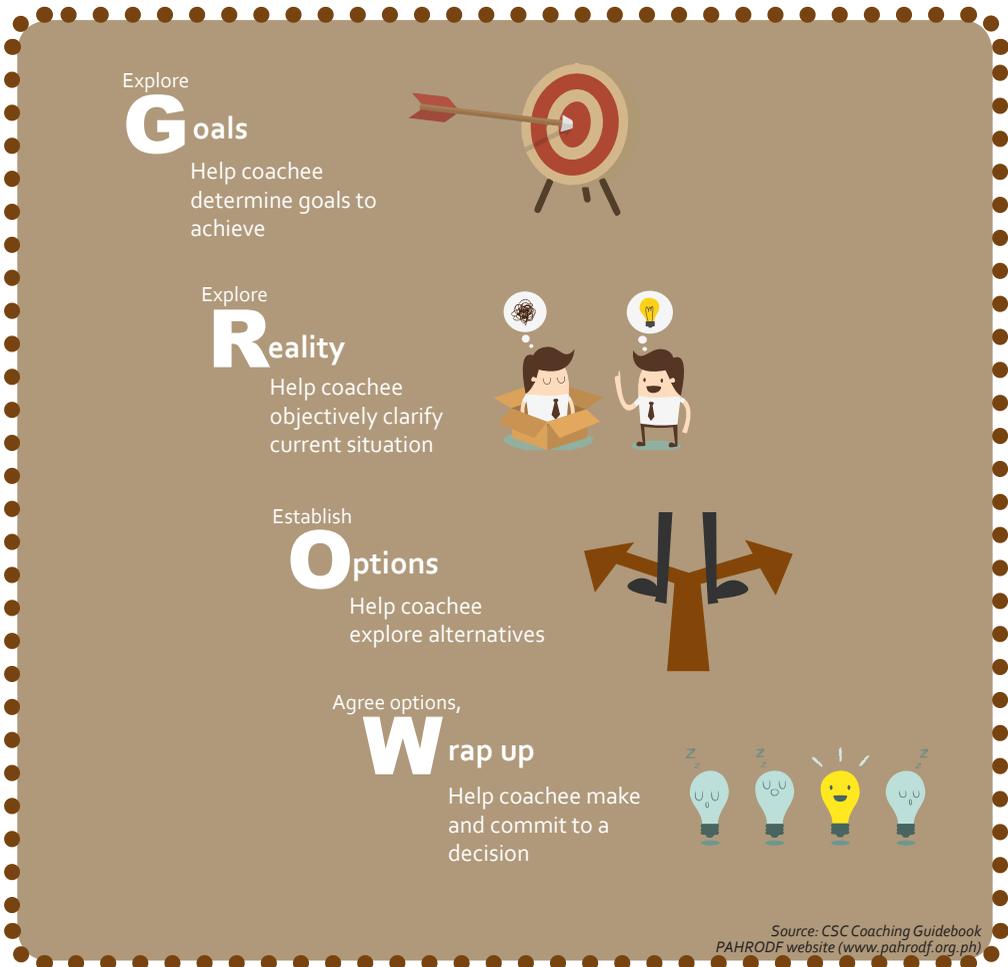
Nurturing performance through coaching

Coaching is a method for helping others accomplish tasks and achieve results.

Benefits:



- Confidence on ability to address performance challenges
- Coachee motivation and commitment to work
- Levels of performance and accomplishment





Processes and Tools

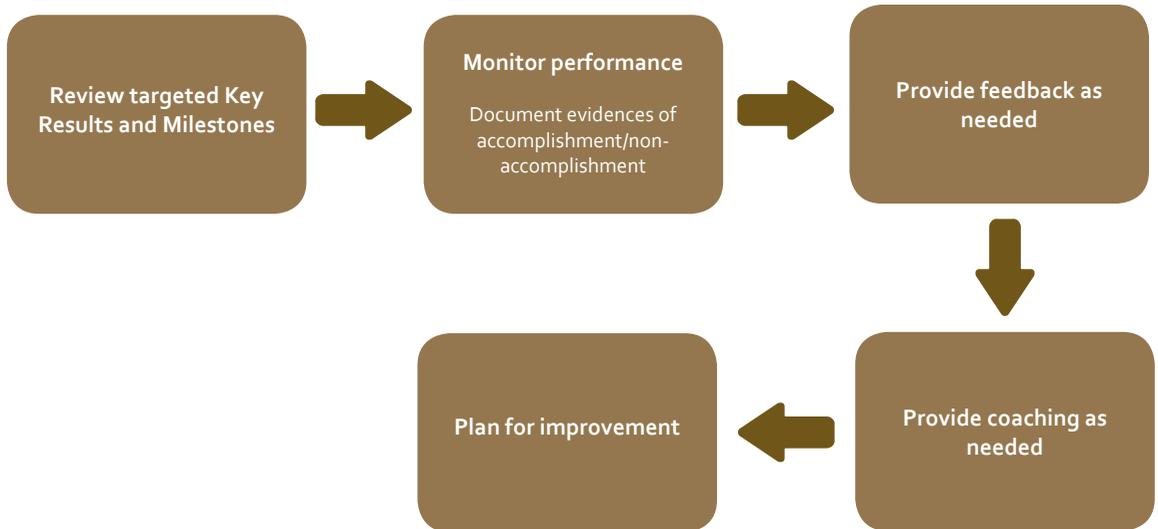


Figure 4. Monitoring and Coaching Process

Some tips to consider at this stage are:

- » The Monitoring Plan should guide all activities at this stage. Consider sources of data on performance such as observations, reports, interviews, outputs, time logs and surveys, among others.
- » Document evidences of performance by maintaining a performance log. Managers and staff are encouraged to take note of incidents, actions and decisions that demonstrate performance or non-performance. Data collected is recorded in a Performance Monitoring and Coaching Journal. A sample template appears in Annex C.

- » One of the best ways by which performance is documented is through recording of Critical Incidents. These capture specific events where employees performed exceptionally well, or performed less effectively. Written in a STAR format, it provides details about the situation or task when the incident happened, the action that was taken, and the result.



The following entries in the Coaching and Monitoring Journal show some examples of performance logs.

Monitoring Activities	Date Conducted/ Recorded	Concerned Employee/s	Data Generated	Remarks
Observation				
	12-Apr-16	Jose Reyes	As the person assigned called in sick, Joey was asked to take over in a meeting with a complaining client. Although working on an urgent task, he set it aside and attended to the client. He listened carefully to the concerns raised and maintained a cool composure although the client was ranting. He assured him that he will personally investigate the incident and give feedback with 24 hours. As a result, the client was pacified and decided not to pull out his account.	Affirmed Joey on his good performance upon his return from meeting.
Client Feedback				
	11-Feb-16	Rowena Cruz	Client sent a letter complaining about the erroneous entry in the requested certification that resulted in the disapproval of her loan application.	Discussed with Wena on 19 January. Agreed that she would call the client to apologise and prepare a correct certification.

The log documents some aspects of employee's performance and serves as a guide for appropriate action and basis for giving feedback. Moreover, the data will provide facilitate objective evaluation at the end of the performance period.

» Either the supervisor or staff may initiate performance review discussions. The dialogue may revolve around the following:

- The status of plan implementation
- Factors that facilitate accomplishment
- Challenges and barriers to performance
- Concrete steps to address performance problems
- Support needed from supervisor and others



» Document all feedback and coaching activities in a Performance Monitoring Report. This report records the progress of employees at specific checkpoints and details of agreements, adjustments, challenges encountered and other relevant data. A sample template of the Performance Monitoring Report appears in Annex D.

“
***Monitoring is NOT an event;
it is an ONGOING process.***
”

Managers/supervisors are challenged in finding time for monitoring and coaching because they are also expected to deliver on their own commitments. Strategic performance management underscores the importance of capacitating and empowering managers so that they have better control of results that they are expected to deliver through their team.

Good practices in performance monitoring and coaching

- » Give feedback in a timely manner to make sure that the incident is still remembered and something can be done about issues and concerns raised
- » Support feedback with evidences of performance
- » Create opportunities for coaching, especially when performance indicates need for coaching
- » Affirm good performance



3. Assessing performance



Performance Review and Evaluation is the third process in PMS. It is the formal measurement of actual accomplishments against results identified at the beginning of the performance period. Assessment is supported by documentation of performance collected during monitoring. Feedback on performance is provided to ensure that employees are clear about the basis for their performance rating.

To achieve the objective of promoting learning and improvement, reviews include conversations about reasons for successes and failures, and concrete actions that can be taken to sustain or enhance performance.

The success of this process is contingent on the effectiveness of performance planning. If clear indicators of performance have been established, employees are able to gauge how they fared against targets and standards, and are more likely to concur with their supervisor's rating.



Processes and Tools

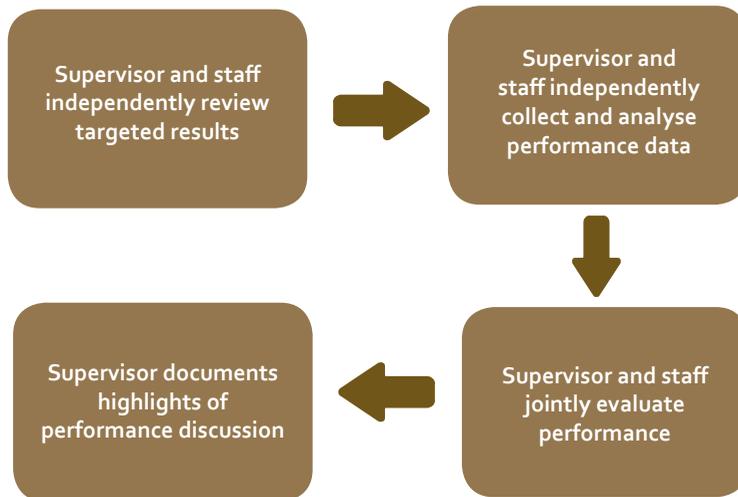


Figure 5. Performance Review and Evaluation Process

- » Preparation for the performance review entails collecting evidence of performance so that ratings about results produced (or alternatively not delivered) can be properly substantiated with necessary data. Manager and staff alike are expected to present proofs of accomplishment in the joint review process.
- » During the review, feedback should be framed in the context of performance expectations. Both parties should have a shared assessment of what has



been accomplished in the light of available data. Where there are no records of accomplishment, it is critical that the basis for rating is well understood.

- » The effectiveness of the performance discussion session is gauged by the quality of communication and agreement on the assessment of performance.
- » The discussion can be a rich source of information about both good and ineffective practices. Other factors that may have positively or adversely affected performance are likely to be surfaced during the dialogue. Hence, it is important for supervisors to document salient discussion points and use these as basis for planning improvements in the way performance is being managed.
- » Organisational culture strongly influences the way performance is evaluated. Where other factors indirectly or completely unrelated to performance (e.g., tenure/ seniority, dedication, relationships and positive image) are considered, the process loses its objectivity and integrity. These issues are addressed by promoting a culture that is focused on results. However, culture change takes time and leadership plays a crucial role in ensuring that processes are in place and implemented to overcome this challenge.



Performance evaluation is documented in Part 2 of the OPCR and IPCR for office/unit and individual, respectively.

Good practices in performance review and evaluation

- » Allowing self-rating to demonstrate accountability for results
- » Collecting performance data from many credible sources
- » Discussing rating with staff, whether performance meets expectations or not
- » Presenting evidences of performance and soliciting additional data where there is difference in supervisor and staff rating
- » Drawing lessons from work experiences and documenting good practices



4. Reinforcing and improving performance



The last process in the PMS cycle is Recognition and Development Planning. It is at this stage that evaluation data is analysed and used to guide actions and decisions on how unit and group performance can be enhanced to improve capacity to deliver better results.

Interventions are geared towards the following objectives:

1. To affirm and sustain achievement of targeted results

When targeted results are achieved or exceeded, efforts should be directed towards reinforcing or enhancing performance. This can be done by recognising accomplishments and planning developmental interventions to further improve delivery of outputs.

2. To address performance issues affecting inability to deliver results

When performance fails to meet expectations, concrete corrective actions must be taken to bridge performance gaps and increase chances of success in the future. Supervisor and staff jointly formulate a Performance Improvement Plans (PIP) that specifies interventions to build competencies needed to produce deliverables.

In any case, a developmental orientation is manifested in efforts to harvest good practices and helpful processes from monitoring and evaluation data so that planning can be done to achieve better results. At the same time, reforms are introduced to address inefficiencies that hamper performance, including lack of competencies among employees.



Processes and Tools

There are two processes involved in this stage:

1. Recognition and Development Planning

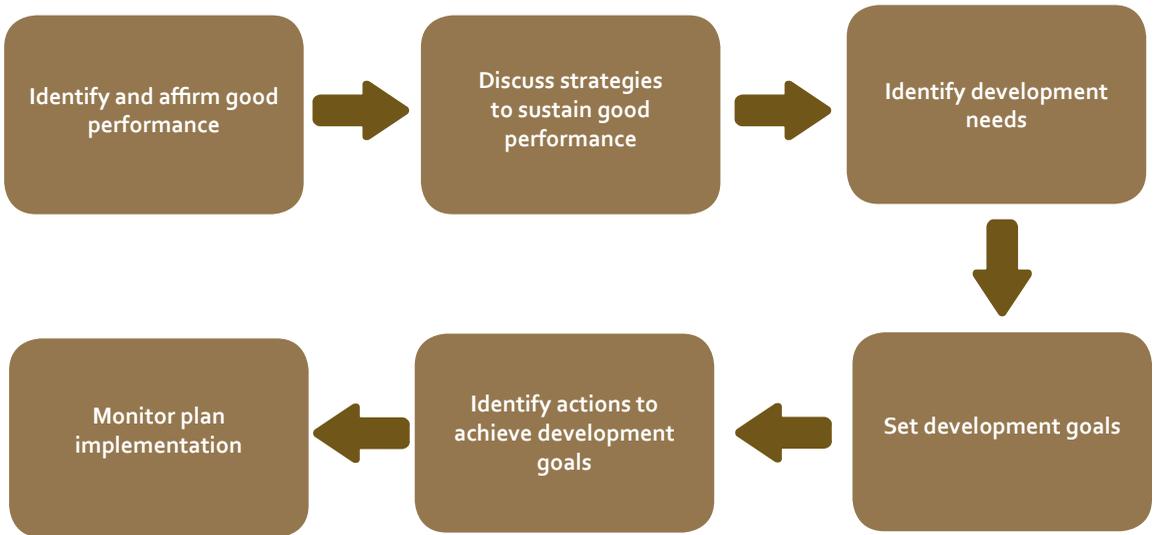


Figure 6. Recognition and Development Planning Process

- » To sustain good performance, it is important to provide interventions that are appealing and valuable to employees. Motivators vary from one person to another depending on their needs and values. Good supervisors make an effort to determine what makes their staff tick and offer them appropriate rewards and incentives.
- » Recognition is one effective strategy. It takes the form of formal and informal rewards. Formal rewards are usually associated with bonuses, incentives salary increases, promotions and awards that often have monetary benefits. On the other hand, informal rewards are simple and easy to give because these are not administered by the organisation's rewarding system. In many ways, these are more effective because they can readily be given at the right time thereby reinforcing effective behaviours and good practices. Following are some informal rewards:



- » Seeking advice
- » Acknowledgement in meetings
- » Affirmation notes
- » Informal "awards"
- » Memo to big boss on staff's achievement
- » Challenging assignments
- » Peer training opportunities
- » Saying "Thank You"
- » Pat on the back
- » Invitation to a meal together
- » Giving perks

- » Developmental interventions demonstrate the supervisor’s interest in the career progression of staff. Opportunities to hone and enhance competencies prepare employees for additional assignments or higher-level responsibilities that could lead to professional advancement.

2. Performance Improvement Planning

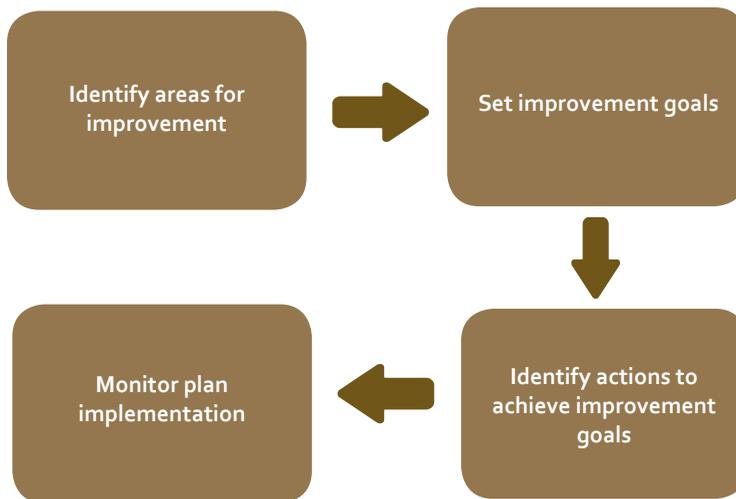


Figure 7. Performance Improvement Planning Process

- » The focus of improvement discussions is identifying areas of performance discrepancy, detecting the problem and identifying solutions. Throughout the process, confidentiality is ensured to build concerned employee’s confidence to pursue planned remedial action/s and persevere to perform better.
- » Plans for development and improvement must also be monitored to ensure that the necessary support for improved performance in the next appraisal period is provided. This is all the more important for low performers who would most likely fail in delivering desired results, thereby affecting the performance of the team or unit.

- » Development planning is also conducted at the team or organisational unit level to identify actions that will improve capacity to produce results. It is possible that some team factors (e.g., poor collaboration, weak leadership, etc.) are influencing the performance of individual members. Team development plans should also integrate interventions for employees to facilitate monitoring of individual development plan implementation.

Team/office/unit and individual development plans are incorporated as Part 3 of the sample template of the OPCR and IPCR, respectively.

Good practices in recognition and development planning

- » Observing and discerning sources of motivation among staff and providing appropriate rewards
- » Collaborative planning for improvement/development
- » Considering workplace learning methods such as coaching, special assignments, job rotation, shadowing, etc. in development plans
- » Giving of informal group rewards to promote team spirit (e.g., free meals, sports, socials, etc.)
- » Updating staff on the progress of development plan implementation



Achieving maturity

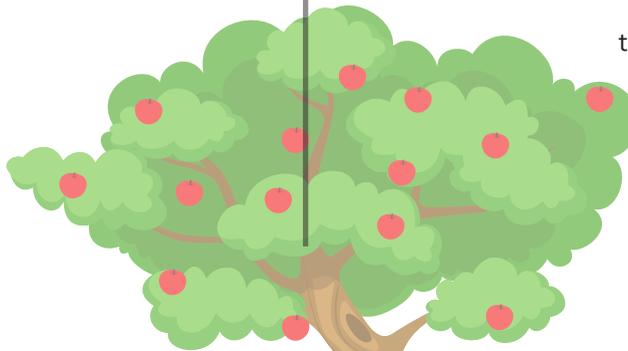
When a results-based performance management system is fully installed, the following are evident:



Resources and conditions needed to implement plans and deliver results are available and accessible to all



Organisational units contribute to the achievement of organisational outcomes. Managers and employees demonstrate accountability for and ownership of targeted results individually and as teams.



Organisational directions are clearly defined and communicated so that planning and delivery of programs, projects and activities are well anchored. Leadership steers the organisation to orchestrate efforts and create synergy of results. There is able support from the Performance Management Team or its equivalent in ensuring the integrity of the performance management process.

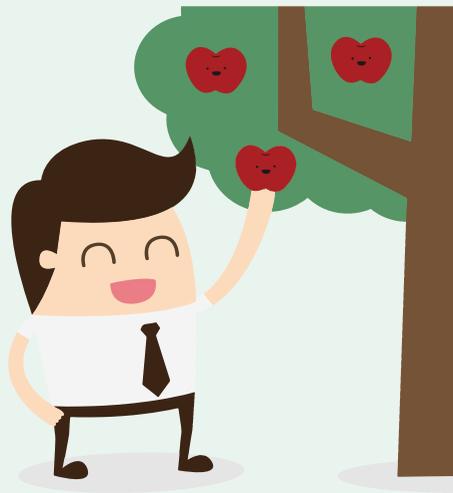


Processes and practices are deeply embedded in the system. Orientation towards results is fully understood and demonstrated in the way employees define their performance targets and monitor their progress.

The challenge in installing a strategic or results-focused PMS in the public sector lies in sustaining a robust but agile system that can withstand or respond to developments and conditions in the organisation's performance environment. Consistency of system and practices is key to continued success in system implementation. Where employees perceive a disconnect between set procedures and actual implementation, they cannot be expected have confidence in the system, a critical ingredient for its successful institutionalisation.

Step 3

Sustaining Effectiveness



“*The mature tree survives together with other elements in its environment. To ensure that it remains productive, its health should regularly be checked and treatment must be provided as needed.*”



Sustaining Effectiveness

A fully-functioning PMS is closely linked with planning and other human resource management (HRM) systems. Organisational targets are achieved through the development and implementation of well-aligned team and individual performance plans. Strategic HRM promotes the use of performance data to guide human resource decisions related to staffing (regularisation or termination), promotion, competency development, career management, and rewards, among others.

PMS, like other organisational systems, needs to be regularly reviewed to assess its effectiveness as a system for managing employee performance. Necessary enhancements should be introduced consistent with the system's objective of promoting continuous improvement.

Annexes



A. TEMPLATE FOR OFFICE PERFORMANCE CONTRACT AND REVIEW (OPCR) FORM AND SCORING GUIDE

OFFICE PERFORMANCE CONTRACT AND REVIEW FORM

(Name of Office/Bureau/Service)

_____ (Period Covered)

Part 1. PERFORMANCE COMMITMENT						
KEY RESULT AREA/S and KEY RESULT/S	WEIGHT ALLOCATION	SUCCESS INDICATOR (Measures and Targets in terms of Quantity, Quality and/or Timeliness, as appropriate)			ALLOTTED BUDGET	ACCOUNTABLE DIVISION/UNIT/ PERSON
		Quantity	Quality	Timeliness		
KRA1.						
1. Key Result						
2. Key Result						
3. Key Result						
KRA2.						
1. Key Result						
2. Key Result						
3. Key Result						
KRA3.						
1. Key Result						
2. Key Result						
3. Key Result						
TOTALS						

The _____ (Name of Office/Bureau/Service) of DSWD, commits to deliver and agree to be rated on the attainment of the following targets in accordance with the indicated measures for the rating period _____.

SUBMITTED BY:

RATEE/HEAD OF OFFICE
(Signature over Printed Name/Date)

ENDORSED BY:

SUPERVISOR/RATER
(Signature over Printed Name and Position/Date)

APPROVED BY:

APPROVING AUTHORITY
(Signature over Printed Name and Position/Date)

Part 2. PERFORMANCE EVALUATION

KEY RESULT AREAS/ and KEY RESULT/S	ACTUAL PERFORMANCE	RATING			REMARKS
		Quantity	Quality	Timeliness	
KRA1.					
1. Key Result					
2. Key Result					
3. Key Result					
KRA2.					
1. Key Result					
2. Key Result					
3. Key Result					
KRA3.					
1. Key Result					
2. Key Result					
3. Key Result					
FINAL RATING					
ADJECTIVAL RATING					

The performance rating above and office development plan below have been discussed with me by my supervisor.

SUBMITTED BY:

RATEE/HEAD OF OFFICE
(Signature over Printed Name/Date)

CONCURRED BY:

SUPERVISOR/RATER
(Signature over Printed Name and Position/Date)

APPROVED BY:

APPROVING AUTHORITY
(Signature over Printed Name and Position/Date)

Part 3. OFFICE DEVELOPMENT PLAN

Areas of Strength	Proposed Interventions to Reinforce Strengths
Areas for Development	Proposed Development Interventions

OFFICE PERFORMANCE CONTRACT AND REVIEW SCORING GUIDE

(Name of Office/Bureau/Service)

_____ (Period Covered)

KEY RESULT AREAS AND KEY RESULTS	PERFORMANCE MEASURE	TARGET	SCORE					MEANS OF VERIFICATION (MOV)
			1	2	3	4	5	
KRA1.								
1. Key Result								
2. Key Result								
3. Key Result								
KRA2.								
1. Key Result								
2. Key Result								
3. Key Result								
KRA3.								
1. Key Result								
2. Key Result								
3. Key Result								

The _____ (Name of Office/Bureau/Service) agrees to be rated on the attainment of its targets in accordance with the measures indicated above for the rating period _____.

SUBMITTED BY:

RATEE/HEAD OF OFFICE
(Signature over Printed Name/Date)

ENDORSED BY:

SUPERVISOR/RATER
(Signature over Printed Name and Position/Date)

APPROVED BY:

APPROVING AUTHORITY
(Signature over Printed Name and Position/Date)

B. TEMPLATE FOR INDIVIDUAL PERFORMANCE CONTRACT AND REVIEW (IPCR) FORM AND SCORING GUIDE

INDIVIDUAL PERFORMANCE CONTRACT AND REVIEW FORM

_____ (Period Covered)

NAME OF RATEE: _____

POSITION/OFFICE: _____

Part 1. PERFORMANCE COMMITMENT				
KEY RESULT AREA/S and KEY RESULT/S	WEIGHT ALLOCATION	SUCCESS INDICATOR (Measures and Targets in terms of Quantity, Quality and/or Timeliness, as appropriate)		
		Quantity	Quality	Timeliness
KRA1.				
1. Key Result				
2. Key Result				
3. Key Result				
KRA2.				
1. Key Result				
2. Key Result				
3. Key Result				
KRA3.				
1. Key Result				
2. Key Result				
3. Key Result				
TOTALS				

I commit to deliver and agree to be rated on the attainment of the following targets in accordance with the indicated measures for the rating period _____.

SUBMITTED BY:

RATEE
(Signature over Printed Name/Date)

ENDORSED BY:

SUPERVISOR/RATER
(Signature over Printed Name/Date)

APPROVED BY:

APPROVING AUTHORITY
(Signature over Printed Name/Date)

Part 2. PERFORMANCE EVALUATION

KEY RESULT AREA/S and KEY RESULT/S	ACTUAL PERFORMANCE	RATING			REMARKS
		Quantity	Quality	Timeliness	
KRA1.					
1. Key Result					
2. Key Result					
3. Key Result					
KRA2.					
1. Key Result					
2. Key Result					
3. Key Result					
KRA3.					
1. Key Result					
2. Key Result					
3. Key Result					
FINAL RATING					
ADJECTIVAL RATING					

The performance rating above and individual development plan below have been discussed with me by my supervisor.

SUBMITTED BY:

RATEE
(Signature over Printed Name/Date)

CONCURRED BY:

SUPERVISOR/RATER
(Signature over Printed Name/Date)

APPROVED BY:

APPROVING AUTHORITY
(Signature over Printed Name/Date)

Part 3. INDIVIDUAL DEVELOPMENT PLAN

Areas of Strength	Proposed Interventions to Reinforce Strengths	Target Date	Remarks/Next Steps
Areas for Development	Proposed Development Interventions	Target Date	Remarks/Next Steps

I agree to be rated on the attainment of targets specified in my performance commitment for the rating period _____ according to the measures indicated above.

SUBMITTED BY:

RATEE
(Signature over Printed Name/Date)

ENDORSED BY:

SUPERVISOR/RATER
(Signature over Printed Name/Date)

APPROVED BY:

APPROVING AUTHORITY
(Signature over Printed Name/Date)

PERFORMANCE MONITORING AND COACHING JOURNAL

_____ (Period Covered)

NAME OF Office: _____

HEAD OF Office: _____

Number of personnel supervised: _____

Monitoring Activities	Date Conducted/ Recorded	Concerned Employee/s	Data Generated	Remarks
Observation				
Client Feedback				
Review of Outputs				
Reports and Updates				

Other mechanisms				
Coaching				

CONDUCTED BY:

 SUPERVISOR/RATER
 (Signature over Printed Name/Date)

TEMPLATE FOR PERFORMANCE MONITORING REPORT

OFFICE PERFORMANCE MONITORING REPORT

(Name of Office/Bureau/Service)

_____ (Period Covered)

KEY RESULT AREA/S and KEY RESULT/S	Part 1. PERFORMANCE COMMITMENT				Part 2. STATUS OF ACCOMPLISHMENT													
	WEIGHT ALLOCATION	SUCCESS INDICATOR (Measures and Targets)	ALLOTTED BUDGET	ACCOUNTABLE DIVISION/UNIT	1st Quarter			2nd Quarter			3rd Quarter							
					Milestone Target	Progress	Remarks	Milestone Target	Progress	Remarks	Milestone Target	Progress	Remarks					
KRA1.																		
1. Key Result																		
2. Key Result																		
3. Key Result																		
KRA2.																		
1. Key Result																		
2. Key Result																		

Acronyms and Terms



<p>Major Final Output (MFO)</p>	<p>Goods and services that an agency is mandated to deliver to external clients through the implementation of programs, projects, and activities (PAPs)</p> <p>Also refers to other goods and services delivered by organisational units not directly producing but supporting the achievement of MFOs</p>
<p>Means of Verification (MOV)</p>	<p>Documentary evidence that proves that key results have been produced as verified by success indicators</p> <p>Includes sources of data such as reports, statistics, observation logs, critical incidents, etc.</p>
<p>Monitoring</p>	<p>Tracking of progress of employees to ensure that they are on course and on schedule in achievement of performance targets</p>
<p>Office Performance Commitment and Review (OPCR) Form</p>	<p>A tool that is used to establish performance targets and corresponding success indicators that an organisational unit agrees to deliver at the beginning of the performance period, and be evaluated against at the end of the period</p>
<p>Organisational Unit</p>	<p>Bureaus, services, field officers, divisions and other offices within an organisation</p>
<p>Outcomes</p>	<p>Benefits to the client resulting from the organisation's delivery of its goods and services</p>
<p>Output</p>	<p>Goods and services delivered by organisational units and individual employees</p> <p>Includes smaller outputs (sub-outputs) that are component parts of the MFO</p>

Performance Improvement Plan (PIP)	A tool that contains an action plan jointly formulated by an employee who failed to meet his/her performance goals, and his/her supervisor to increase chances of success in delivering targeted results in the subsequent performance period
Performance Period	The start and end date covered by the performance review
Performance Measure	Means used to evaluate successful delivery of a particular output, good or service
Performance Target	Acceptable standards of performance, relative to established measures or indicators
Performance Management Team (PMT)	<p>A group of officials formed to spearhead the establishment of the performance management system and ensure its integrity during implementation</p> <p>It is supported by secretariats that are responsible for facilitating system implementation at the:</p> <ul style="list-style-type: none"> • Individual level: Organisational units responsible for human resource management • Office level: Organisational units responsible for planning
Programs, Activities and Project (P/A/P)	An activity or integrated group of activities undertaken to deliver outputs and outcomes of the agency
Result	A desirable or measurable change that an organisation targets to achieve expressed in terms of outputs, outcomes and impacts
Results Framework	An graphic articulation of the different levels or chains of results expected from execution of a strategy, program or intervention

Secretary's Directives	Special projects or instructions that address specific issues/gaps within or outside the mandate of the organisational unit, and/or are not included in the Work and Financial Plan (WFP)
Strategy Map	A diagram that illustrates how an organisation's strategic objectives are linked to each other
Success Indicator	Combined performance measure and target that provide basis for determining whether or not targeted results have been successfully achieved

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