



Republic of the Philippines

# NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

## PRELIMINARY GUIDELINES ON THE RANKING OF NEDA DELIVERY UNITS AND INDIVIDUALS IN LINE WITH THE GRANT OF PERFORMANCE-BASED BONUS (PBB) FOR FY 2015<sup>1</sup>

### **BACKGROUND**

As provided in Executive Order (EO) No. 80<sup>2</sup>, s. 2012 and Memorandum Circular (MC) 2015-01<sup>3</sup> issued by the AO 25 Inter-Agency Task Force (IATF), a Performance-Based Incentive System consisting of the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB) shall be adopted in the national government.

The PBB shall be distributed according to the rankings of delivery units and personnel within a Department/Agency based on their contribution to their respective Department/Agency performances.

### **PURPOSE**

This set of guidelines aims to provide the basis for distribution of the PBB incentives within the NEDA-ODG. Specifically, this aims to:

- Inform and guide all NEDA officials and employees on the rating and ranking process of delivery units and individuals; and
- Adopt a uniform criteria on rating and forced-ranking of NEDA delivery units and employees;

### **KEY PLAYERS**

The NEDA Performance Management Group (PMG) will be reconstituted, with all the NEDA Deputy Director-Generals, a representative from the Office of the Director-General, and ONE President as members. The PMG chair will be designated by the Secretary from among the members. The main task of the PMG is to assist the Secretary in undertaking the forced ranking of units and ensure adherence to the PBB criteria and guidelines.

The Financial, Planning and Management Staff (FPMS) is designated as the PMG Secretariat and will be responsible for consolidating relevant documents and coordinating with the IATF, through the AO 25 Secretariat, on all matters related to the PBB. The Administrative Staff (AS) shall extend assistance to the FPMS and shall prepare NEDA's Form 1.0 (Results of Ranking of Delivery Units and Individuals).

### **ELIGIBILITY OF THE DEPARTMENT**

The NEDA-ODG must satisfy the following criteria to be eligible for the grant of PBB:

1. Achieve at least 90% of each one of the Congress-approved performance targets for the delivery of Major Final Outputs (MFOs) under the Performance Informed Budget (PIB) of the FY 2015 GAA, and the targets for Support to Operations (STO) and General Administration and Support Services (GASS).;

<sup>1</sup> Subject to the confirmation of the NEDA Performance Management Group (PMG)

<sup>2</sup> Directing the Adoption of a Performance-Based Incentive System for Government Employees

<sup>3</sup> Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2015 under Executive Order No. 80

2. Achieve at least 90% of each one of the priority program/project targets agreed with the President under the five Key Results Areas of Executive Order (EO) No. 43., reflected in Annex 7 of MC 2015-01 (Updated List of Priority Programs and Initiatives, as of March 2015).;
3. Satisfy 100% of the following Good Governance Conditions set by the IATF:
  - Maintain/Update the Agency Transparency Seal;
  - Maintain/Update the PhilGEPS posting; and
  - Maintain/Update the Citizen's or Service Charter or its equivalent
4. Use of the CSC-approved SPMS in rating and ranking First and Second Level employees and officials and Career Executive Service Performance Evaluation System (CESPES) in rating and ranking Career Executive Service (CES) officials and incumbents of CES positions.
5. To be eligible for a higher percentage distribution in the ranking of delivery units, the whole Department/Agency must achieve at least 90% of each one of the additional targets of the Secretary/Head of Agency as reflected in OP Planning Tool, in addition to the criteria stated above.

### **DELIVERY UNITS (DUs)**

The NEDA-ODG is comprised of the following delivery units:

1	ODG (including LLO)	Office of the Director-General (including Legislative Liaison Office)
2	ODDG and OADG – PP	Office of the Deputy Director-General and Assistant Director-General for Policy and Planning
3	ODDG and OADG – IP	Office of the Deputy Director-General and Assistant Director-General for Investment Programming
4	ODDG - RDO	Office of the Deputy Director-General for Regional Development
5	ODDG - CSO	Office of the Deputy Director-General for Central Support
6	IAS	Internal Audit Service
7	DIS	Development Information Staff
8	AS	Administrative Staff
9	LS	Legal Staff
10	ICTS	Information and Communications Technology Staff
11	FPMS	Financial, Planning and Management Staff
12	NPPS	National Policy and Planning Staff
13	SDS	Social Development Staff
14	TSIS	Trade, Services and Industry Staff
15	ANRES	Agriculture, Natural Resources and Environment Staff
16	GovS	Governance Staff
17	IS	Infrastructure Staff
18	PIS	Public Investment Staff
19	MES	Monitoring and Evaluation Staff
20	RDS	Regional Development Staff
21	NRO CAR	NEDA Regional Office CAR
22	NRO I	NEDA Regional Office I
23	NRO II	NEDA Regional Office II
24	NRO III	NEDA Regional Office III
25	NRO IV-A	NEDA Regional Office IV-A
26	NRO IV-B	NEDA Regional Office IV-B
27	NRO V	NEDA Regional Office V
28	NRO VI	NEDA Regional Office VI
29	NRO VII	NEDA Regional Office VII
30	NRO VIII	NEDA Regional Office VIII
31	NRO IX	NEDA Regional Office IX
32	NRO X	NEDA Regional Office X

33	NRO XI	NEDA Regional Office XI
34	NRO XII	NEDA Regional Office XII
35	NRO XIII	NEDA Regional Office XIII

### **RANKING OF DELIVERY UNITS**

A two-stage process for ranking of delivery units will be followed.

#### 1. FIRST STAGE RANKING

- a. For the first stage, ranking of delivery units will be done per cluster. Eligible delivery units shall be clustered into five (5) groups, according to the similarity of tasks and responsibilities. Ranking within the cluster shall be done by concerned NEDA Official/s who directly oversee and observe the performance of the delivery units, as shown below:

<b>CLUSTER</b>	<b>RATER/S</b>	<b>DELIVERY UNITS TO BE RANKED</b>
<b>Cluster 1:</b>		
Office of the Director-General	Secretary Arsenio M. Balisacan and ADG Kenneth V. Tanate	1) ODG (including LLO) 2) ODDG and OADG - PP 3) ODDG and OADG - IP 4) ODDG – RDO 5) ODDG – CSO 6) DIS 7) IAS
<b>Cluster 2:</b>		
National Development Office – Policy and Planning Staffs	DDG Emmanuel F. Esguerra and ADG Rosemarie G. Edillon	1) ANRES 2) GovS 3) NPPS 4) SDS 5) TSIS
<b>Cluster 3:</b>		
National Development Office - Investment Programming Staffs	DDG Rolando G. Tungpalan and ADG Ruben S. Reinoso, Jr.	1) IS 2) MES 3) PIS
<b>Cluster 4:</b>		
Central Support Office Staffs	DDG Nestor R. Mijares IV	1) AS 2) FPMS 3) ICTS 4) LS
<b>Cluster 5:</b>		
Regional Development Office Staff and Offices	DDG Margarita R. Songco	1) RDS 2) NRO CAR 3) NRO 1 4) NRO 2 5) NRO 3 6) NRO 4-A 7) NRO 4-B 8) NRO 5 9) NRO 6 10) NRO 7 11) NRO 8 12) NRO 9 13) NRO 10 14) NRO 11 15) NRO 12 16) NRO 13

- b. The delivery units shall be rated taking into consideration the following criteria:

<b>Criteria</b>	<b>Weight</b>
1. Average OPCR rating of the head of the delivery unit for FY 2015	50%
2. Level of difficulty of work: a) Size of the delivery unit b) Homogeneity/heterogeneity of the client base and of the work itself	15%
3. Introduction of innovations in the performance of functions	15%
4. Contribution to building the positive image of the agency	10%
5. Financial Performance	10%
	<b>100%</b>

- i. The parameters for items 2 to 4 shall be determined by the designated rater/s based on the nature of the responsibilities of the delivery units within their cluster.
  - ii. The designated rater/s shall discuss the result of the first stage forced ranking to the heads of the delivery units under their cluster. The results of the ranking shall be documented using **PMG Form A (see Annex A)**. Said form shall then be forwarded to the PMG Secretariat (FPMS).
- c. The delivery units shall be forced ranked per cluster based on the following percentage distribution:

CLUSTER NUMBER	NO. OF DELIVERY UNITS	NO. OF DELIVERY UNITS TO BE RANKED AS:					
		REGULAR PERCENTAGE DISTRIBUTION			HIGHER PERCENTAGE DISTRIBUTION <sup>4</sup>		
		BEST (10%)	BETTER (25%)	GOOD (65%)	BEST (15%)	BETTER (30%)	GOOD (55%)
1	7	1	1	5	1	2	4
2	5	1	1	3	1	2	2
3	3	1	1	1	1	1	1
4	4	1	1	2	1	1	2
5	16	2	4	10	2	5	9
<b>TOTAL</b>	<b>35</b>	<b>6</b>	<b>8</b>	<b>21</b>	<b>6</b>	<b>11</b>	<b>18</b>

Inasmuch as the IATF review of the accomplishments (to determine the type of eligibility applicable to NEDA) and the ranking of the NEDA delivery units will be conducted simultaneously, the cluster rankings will have to cover both the regular and higher percentage distributions. Hence, the raters shall rank the units within their respective clusters using the two (2) percentage distributions.

## 2. SECOND STAGE RANKING

- a. The results of the first stage ranking will then be forwarded to the Secretary for the determination of the final ranking, using the following percentage distribution:

NO. OF DELIVERY UNITS	NO. OF DELIVERY UNITS TO BE RANKED AS:					
	REGULAR PERCENTAGE DISTRIBUTION			HIGHER PERCENTAGE DISTRIBUTION		
	BEST (10%)	BETTER (25%)	GOOD (65%)	BEST (15%)	BETTER (30%)	GOOD (55%)
35	4	9	22	5	11	19

- b. The criteria to be used are as follows:

CRITERIA	WEIGHT
1. Quality - Complexity of the nature of the tasks/operations <ul style="list-style-type: none"> <li>• Delivery units contributing to more than one MFO and/or priority programs/ projects/ activities in the performance commitment of the Secretary and those units which have to undertake multitasking responsibilities all at the same time.</li> <li>• Delivery units which are often required to undertake extremely urgent provision of inputs/vetting of data and information as per instruction of the Office of the President.</li> <li>• Delivery units which have to assume greater degree of</li> </ul>	40%

<sup>4</sup> If the Department/Agency achieves at least 90% of each of one of the additional targets of the Department Secretary as reflected in the OP Planning Tool.

CRITERIA	WEIGHT
accountability/responsibility such as those which have to serve as primary facilitators/ negotiators with OP, Congress, ACOs and other stakeholders.	
2. Quantity – volume of work <ul style="list-style-type: none"> <li>• Delivery units which have to attend to volumes of work on a daily basis relative to others which do not (documents received/ referred to them for action on a daily basis as compared to others who are busy only for certain periods of the year). Extra for those which are often requested to undertake quick provision of inputs/vetting of data/ information from OP.</li> <li>• Those undertaking more coordination meetings for the assigned NEDA Board Committees, Cabinet Cluster Meetings, IACs, etc.</li> <li>• Those which have to undertake extensive coordination work to complete major tasks within a specified time period</li> </ul>	35%
3. Timeliness – turnaround time for accomplishing relatively easy tasks should range from one to two days only and five to ten working days for complex tasks. For very complex tasks, it could be more than ten working days <ul style="list-style-type: none"> <li>• Delivery units which have very limited time to accomplish certain tasks given urgency</li> </ul>	25%
	100%

c. The results of the final ranking shall be indicated in Form 1.0.

### **ELIGIBILITY OF INDIVIDUALS**

1. The eligibility of the Department Secretary shall be based on the eligibility of the respective department/agency. The PBB rate shall be fixed at P35,000 for FY 2015.
2. All officials and employees of eligible delivery units holding regular plantilla positions; and contractual and casual personnel having an employer-employee relationship with NEDA, and whose compensation is charged to the lump sum appropriation under Personnel Services, or those occupying positions in the DBM-approved contractual staffing pattern.
3. Employees belonging to the First and Second Levels should receive a rating of at least “Satisfactory” based on the NEDA Strategic Performance Management System (SPMS).
4. Third Level officials should receive a rating of at least “Very Satisfactory” under the CESPES<sup>5</sup>. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.
5. Other officials performing managerial and executive functions who are not presidential appointees are covered by the agency’s CSC-approved SPMS and should receive a rating of at least “Satisfactory”.
6. Officials and employees who have rendered a minimum of nine (9) months in service during the fiscal year may be eligible to the full grant of the PBB.
7. An employee who has rendered a minimum of 3 months but less than 9 months shall be pro-rated corresponding to the actual length of service rendered, as follows:

LENGTH OF SERVICE	% OF PBB
8 months but less than 9 months	90%

<sup>5</sup> CESPES covers all incumbents of CES positions for an uninterrupted period of at least three (3) months.

LENGTH OF SERVICE	% OF PBB
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for not meeting the 9-month service requirement:

- a. Being a newly hired employee;
  - b. Retirement;
  - c. Resignation;
  - d. Rehabilitation leave;
  - e. Maternity leave and/or Paternity leave;
  - f. Vacation or sick leave with or without pay;
  - g. Scholarship/Study leave; and
  - h. Sabbatical leave
8. Personnel on detail to another government agency for 6 months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.
  9. Personnel who transferred from one government agency to another agency shall be rated and ranked by the agency where he/she served the longest. If equal months were served, he/she will be included in the recipient agency.
  10. The following shall not be entitled to the FY 2015 PBB:
    - a. An employee who is on vacation or sick leave, with or without pay for the entire year;
    - b. Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2015. If penalty meted out is only a reprimand, such penalty shall not cause disqualification;
    - c. Officials and employees who failed to submit 2014 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015); and
    - d. Officials and employees who failed to liquidate Cash Advances received in FY 2015 within the reglementary period as required by the COA.

### **SUGGESTED SCHEME FOR RANKING INDIVIDUALS<sup>6</sup>**

1. An ordinal ranking (with 1 being the top performer and n being the bottom performer) of individuals per delivery unit shall be adopted. This is to facilitate the determination of the number of personnel based on the percentage distribution allotted for the various performance categories. Moreover, adjustments can easily be made in the ranking in the event that the IATF recommends changes or revisions in the number of personnel per category.
2. The Administrative Staff shall provide the heads of the delivery units with a list of eligible employees to be rated.
3. The heads of the delivery units shall force rank all personnel under their supervision.
4. Eligible personnel shall be rated using the following rating system:

Criteria	Weight
a. Average DPCR <sup>7</sup> or IPCR <sup>8</sup> rating of the individual for FY 2015	70%
b. Behavioral factors <sup>9</sup> with the following parameters:	30%

<sup>6</sup> Administrative Staff to issue supplemental guidelines

<sup>7</sup> Division Performance Commitment and Review

<sup>8</sup> Individual Performance Commitment and Review

Criteria	Weight
<p><b>INITIATIVE</b> – starts action, projects, and performs assigned tasks without being told and under minimal supervision</p> <ul style="list-style-type: none"> <li>○ 10 – introduces new and effective ideas and projects without supervision</li> <li>○ 8 – starts action and undertakes projects under minimal supervision</li> <li>○ 6 – starts action to meet goals with regular supervision and assistance/support</li> <li>○ 4 – Lacks personal drive to start any project or complete assigned tasks</li> <li>○ 2 – refuses to perform assigned tasks despite assistance and very close supervision</li> </ul> <p><b>STRESS TOLERANCE</b> – stability of performance under pressure or opposition</p> <ul style="list-style-type: none"> <li>○ 10 – Always calm and shows pleasant disposition; consistently confident and positive even during stressful conditions at work, never loses patience and never allows others tension and anxiety to affect workplace</li> <li>○ 8 – Most of the time calm, confident and positive; Occasionally loses emotional control during stressful conditions</li> <li>○ 6 – Normally calm, confident and positive. Occasionally loses emotional control during stressful conditions</li> <li>○ 4 – Often loses emotional control in dealing stressful work situations. Often complains about people and situations at work</li> <li>○ 2 – Cannot handle stress. Highly emotional and often engages in violent arguments with others</li> </ul> <p><b>HUMAN RELATIONS</b> – Integrated concern for people at work, office, clientele and supervisor-subordinate relations into work situations</p> <ul style="list-style-type: none"> <li>○ 10 – Very effective in dealing with the public. Get along easily with other members of the workforce. Has cordial relationship with supervisors, peers and subordinates</li> <li>○ 8 – Can be relied upon to deal with the public, supervisors, peers and subordinates and is generally courteous and accommodating</li> <li>○ 6 – Has the ability to deal with the public and peers, although needs some advice at times</li> <li>○ 4 – Has some difficulty in dealing with the public, supervisors, peers and subordinates; occasionally discourteous except when attending to important or influential persons. Has to be reminded often of the importance of maintaining cordial relationships</li> <li>○ 2 – Has considerable difficulty in dealing with the public, supervisors, peers and subordinates. Draws negative reaction. Often discourteous except when attending to important or influential persons</li> </ul> <p><b>PUNCTUALITY</b></p> <ul style="list-style-type: none"> <li>○ 10 – not more than six (6) times tardy during the whole year</li> <li>○ 8 – seven (7) to thirteen (13) times tardy</li> <li>○ 6 – fourteen (14) to twenty (20) times tardy</li> </ul>	

<sup>9</sup> Based on NEDA Office Circular No. 10-98: Guidelines for the Implementation of the Modified CSC-prescribed Performance Evaluation System

Criteria	Weight
<ul style="list-style-type: none"> <li>○ 4 – twenty one (21) to thirty (30) times tardy</li> <li>○ 2 – more than 30 times tardy</li> </ul> <p>ATTENDANCE</p> <ul style="list-style-type: none"> <li>○ 10 – not more than eight (8) times absent for the whole year</li> <li>○ 8 – nine (9) to sixteen (16) times absent</li> <li>○ 6 – seventeen (17) to twenty four (24) times absent</li> <li>○ 4 – twenty five (25) to thirty two (32) times absent</li> <li>○ 2 – more than 32 times absent</li> </ul> <p>LEADERSHIP (for supervisors only) – the manner of guiding, influencing, motivating and developing confidence of subordinates to work as a team and accomplish assigned tasks, leading to organizational unit to achieve its goals and objectives enthusiastically</p> <ul style="list-style-type: none"> <li>○ 10 – leads staff exceptionally well; easily achieves high productivity through teamwork; maintains good balance of tasks and people concern</li> <li>○ 8 – leads effectively; often gets job done though teamwork; staff are productive</li> <li>○ 6 – leads staff adequately well; usually gets job done; maintain team work</li> <li>○ 4 – seldom exercises leadership over staff; seldom gets job done on time</li> <li>○ 2 – cannot lead staff; no teamwork; productivity is low</li> </ul>	100%

5. Eligible officials within each cluster shall be ranked by their supervising official/s. Said ranking shall be incorporated in the final ordinal ranking of individuals within the delivery unit.
6. The ranking of the individuals under the LEDAC Secretariat will be done by the Director of the Legal Staff and will form part of the overall ranking of the Legal Staff.
7. Results of the ranking of individuals shall be documented using **PMG Form B (see Annex B)**. Said form shall then be forwarded to the PMG Secretariat (Administrative Staff).
8. The heads of the delivery units shall be responsible in informing his/her subordinates of the results of the forced ranking.

**2015 PBB RATES**

1. The forced ranking of employees and officials for each of the performance categories will follow varying percentage distributions, depending upon the ranking of the delivery units. The rates of PBB shall be based on the performance ranking of bureaus or delivery units and rating of individuals, as follows:

DELIVERY UNIT PERFORMANCE CATEGORY	INDIVIDUAL UNIT PERFORMANCE CATEGORY		
	BEST PERFORMER	BETTER PERFORMER	GOOD PERFORMER
BEST DELIVERY UNIT	Top 20% <b>P35,000.00</b>	Next 35% <b>P20,000.00</b>	Next 45% <b>P10,000.00</b>
BETTER DELIVERY UNIT	Top 15% <b>P25,000.00</b>	Next 30% <b>P13,500.00</b>	Next 55% <b>P7,000.00</b>
GOOD DELIVERY UNIT	Top 10% <b>P15,000.00</b>	Next 25% <b>P10,000.00</b>	Next 65% <b>P5,000.00</b>



2. Thus, the Best Performer from the Best DU will get a PBB of P35,000; P25,000 for those in the Better DU; and P15,000 for those in the Good DU. The Better Performer from the Best DU will get P20,000; P13,500 for those from the Better DU; and P10,000 for those from the Good DU. The Good Performer from the Best DU will get P10,000; P7,000 from the Better DU and P5000 from the Good DU.