



# Seminar-Workshop on Cascading Performance Targets of GOCCs for the Interim Performance-Based Bonus



# Program of Activity

Time	Morning Session	Responsible
8:00-8:30	Registration	
8:30-8:45	Welcome Remarks	Chairman Cesar L. Villanueva, GCG
8:45 – 9:30	AO 25, s. 2011 and the Results -Based Performance Management System  Adoption of Performance-Based Incentive System for Government Employees (EO 80, s. 2012)	Usec. Laura B. Pascua, DBM
9:30-9:45	Viewpoints of the President on the Performance-Based Bonus	Usec. Ferdinand B. Cui, PMS
9:45-10:15	Interim Performance-Based Incentive for GOCCs	SVP Magdalena L. Mendoza, DAP
10:15-10:45	Organizational Performance Indicator Framework as a Results-Based Management Tool	DESFA Nora S. Oliveros, OP-OES
10:45-12:00	Open Forum	

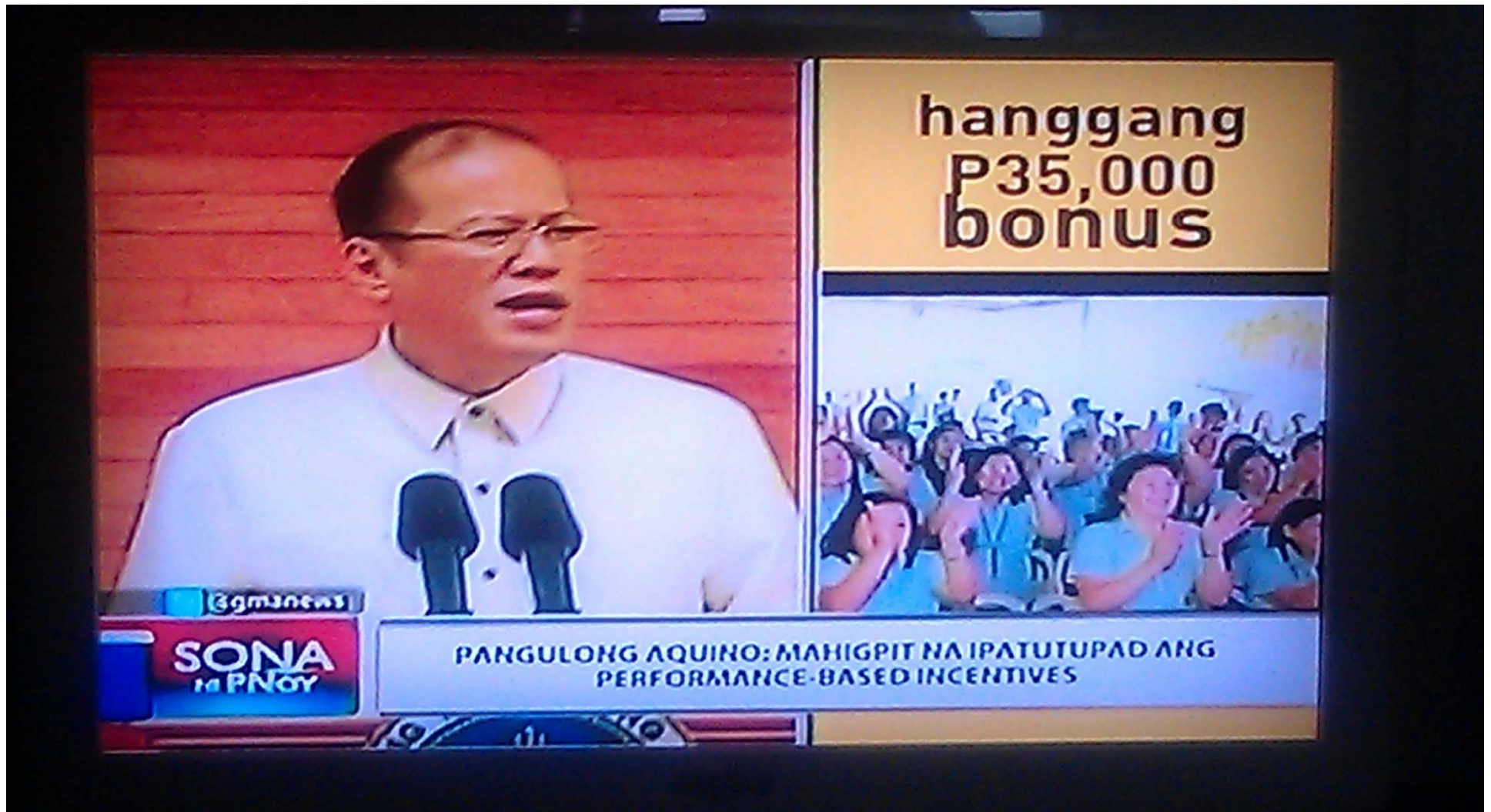


# Program of Activity

Time	Afternoon Session	Responsible
12:15-12:30	Workshop Guidelines	Dir. Imelda C. Caluen, DAP Dir. Alvin P. Principe, DAP
12:30-1:15	Lunch Break	
1:15-4:00	Workshop	GOCCs, Facilitators
4:00-6:00	Plenary Presentation & Critiquing	Selected GOCCs per Sector  Panelists: GCG, ODESFA, DOF, PMS, DBM, COA, CSC
6:00-6:30	Next Steps Closing Remarks	



# Cascading Performance Targets. More fun in the **Philippines**.



# Outline of Presentation

- AO No. 25 and Results-Based Performance Management System
- Performance-Based Incentive System for Government Employees
- Guidelines on the Cascading of Department Performance Targets in Line with EO No. 80, s.2012
- Viewpoints of the President on the Performance-Based Bonus
- Interim Performance-Based Bonus for GOCCs Covered by R.A. No. 10149
- Organizational Performance Indicator Framework



# AO No. 25, s.2011 and the Results-Based Performance Management System



# Inter-Agency Task Force on Harmonization of National Government Performance Monitoring, Information and Reporting Systems (Administrative Order No. 25, s. 2011)

## Task Force Members:



NEDA



DBM



OP



DOF



PMS

## Government Oversight Partners:



CSC



CESB



COA



Ombudsman



NCC



GCG



CHED

Technical Secretariat:



# Objectives of AO No. 25

- Rationalize, harmonize, streamline, simplify, integrate and unify the efforts of government agencies relative to the National Leadership's Agenda
- Establish a unified and integrated Results-Based Performance Management System (RBPMS)
- Use RBPMS as basis for determining entitlement to performance-based allowances, incentives, or compensation of personnel





# Outputs of the Task Force

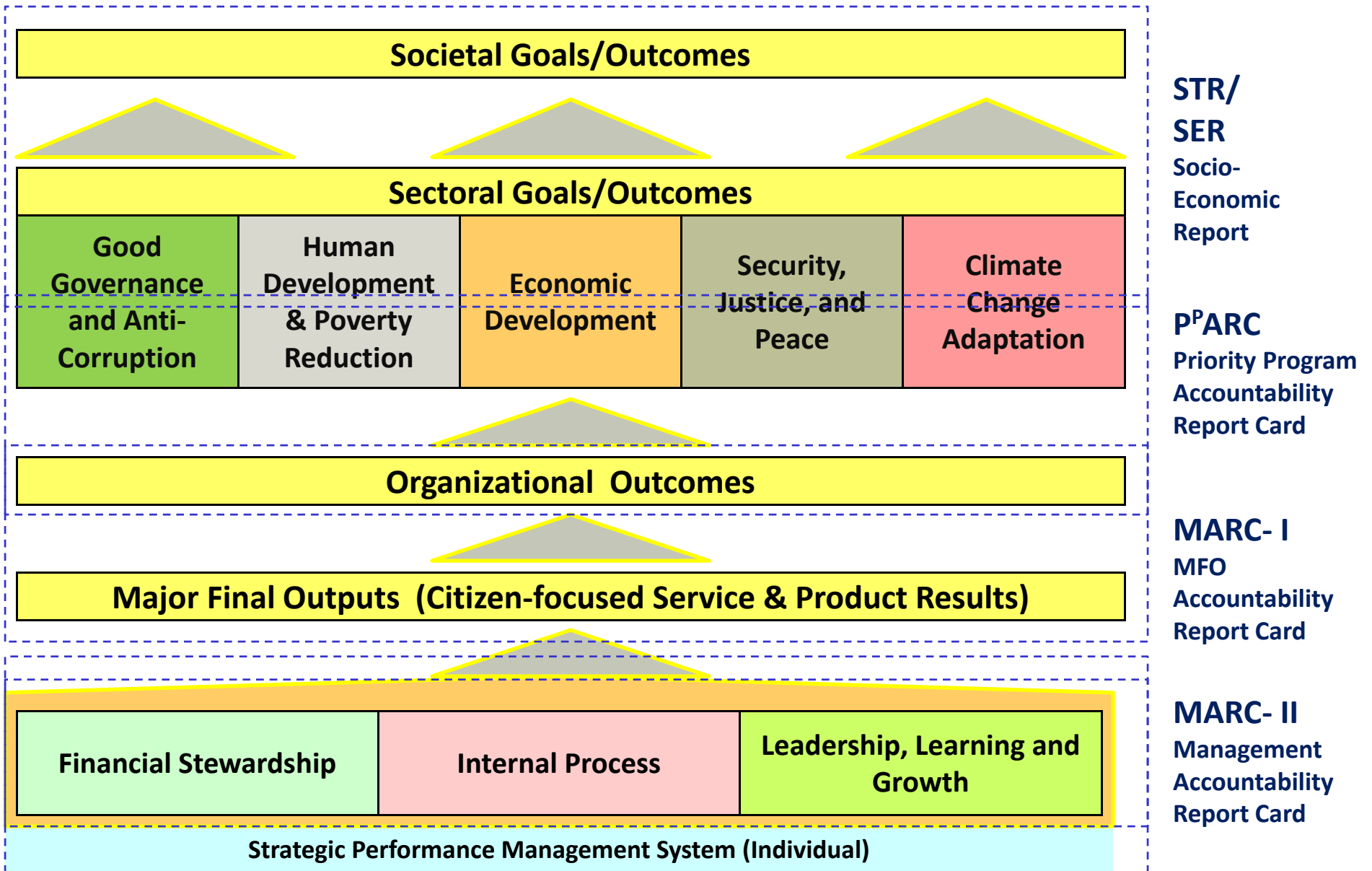
## 1. Harmonized Results-Based Performance Management System (RBPMS)

- Using the Five KRAs, OPIF and Results Matrix as underlying frameworks
- RBPMS as basis and transparency mechanism of the performance-based incentives

## 2. Performance-Based Incentive (PBI) System



# Harmonized Results-Based Performance Management System (RBPMS)



To qualify for PBB, agencies must meet at least 90% of P<sup>A</sup>ARC and MARC-I, and satisfy MARC-II (good governance conditions)

# Executive Order No. 80, s. 2012

## Directing the Adoption of a Performance-Based Incentive (PBI) System for Government Employees



# Premises

**There is a need to:**

1. Rationalize the current incentive system in government which is generally characterized by across-the-board bonuses
2. Strengthen performance monitoring and appraisal systems based on existing systems like the OPIF, the Strategic Performance Management System of the CSC and the RBPMS
3. Improve service delivery by the bureaucracy by linking personnel incentives to the bureau or delivery unit's performance
4. Establish a Performance-Based Incentive (PBI) System that will motivate higher performance and greater accountability



# Performance-Based Incentive System

PBI system consisting of the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB) shall be adopted in the national government beginning FY 2012.

1. PEI at P5,000 shall continually be granted across-the- board
2. PBB, which is a top-up bonus, shall be given to personnel of bureaus or delivery units in accordance with their contribution to the accomplishment of their Department's overall targets and commitments



# Adoption of a PBI System

- Flexibility shall be given to heads of departments to suit the PBB system to the nature of their operations
- Adoption of a communications strategy and publication of performance targets and accomplishments in the website to ensure transparency and accountability



# Criteria and Conditions to Qualify for PBB

1. Achievement by the Departments of performance targets under their respective Major Final Outputs (MFOs)
2. Priority Program/Project commitments agreed with the President under the five Key Result Areas of EO 43
3. Meet the good governance conditions/ requirements set by the AO 25 Task Force annually under the performance drivers of the RBPMS (and conditions set by the GCG in the case of GOCCs)



# PBB Rates of Incentives

Bureau Category	Individual Category		
	Best Performer	Better Performer	Good Performer
Best Bureau	<b>35,000</b>	<b>20,000</b>	<b>10,000</b>
Better Bureau	<b>25,000</b>	<b>13,500</b>	<b>7,000</b>
Good Bureau	<b>15,000</b>	<b>10,000</b>	<b>5,000</b>





# Coverage

All Departments/Agencies, other Offices of the National Government, State Universities and Colleges (SUCs), and Government-Owned or-Controlled Corporations (GOCCs) are covered.

The Governance Commission on GOCCs (GCG) is encouraged to adopt the policies and principles in the EO and issue guidelines for GOCCs covered under RA 10149, pending formulation of a compensation system for GOCCs.

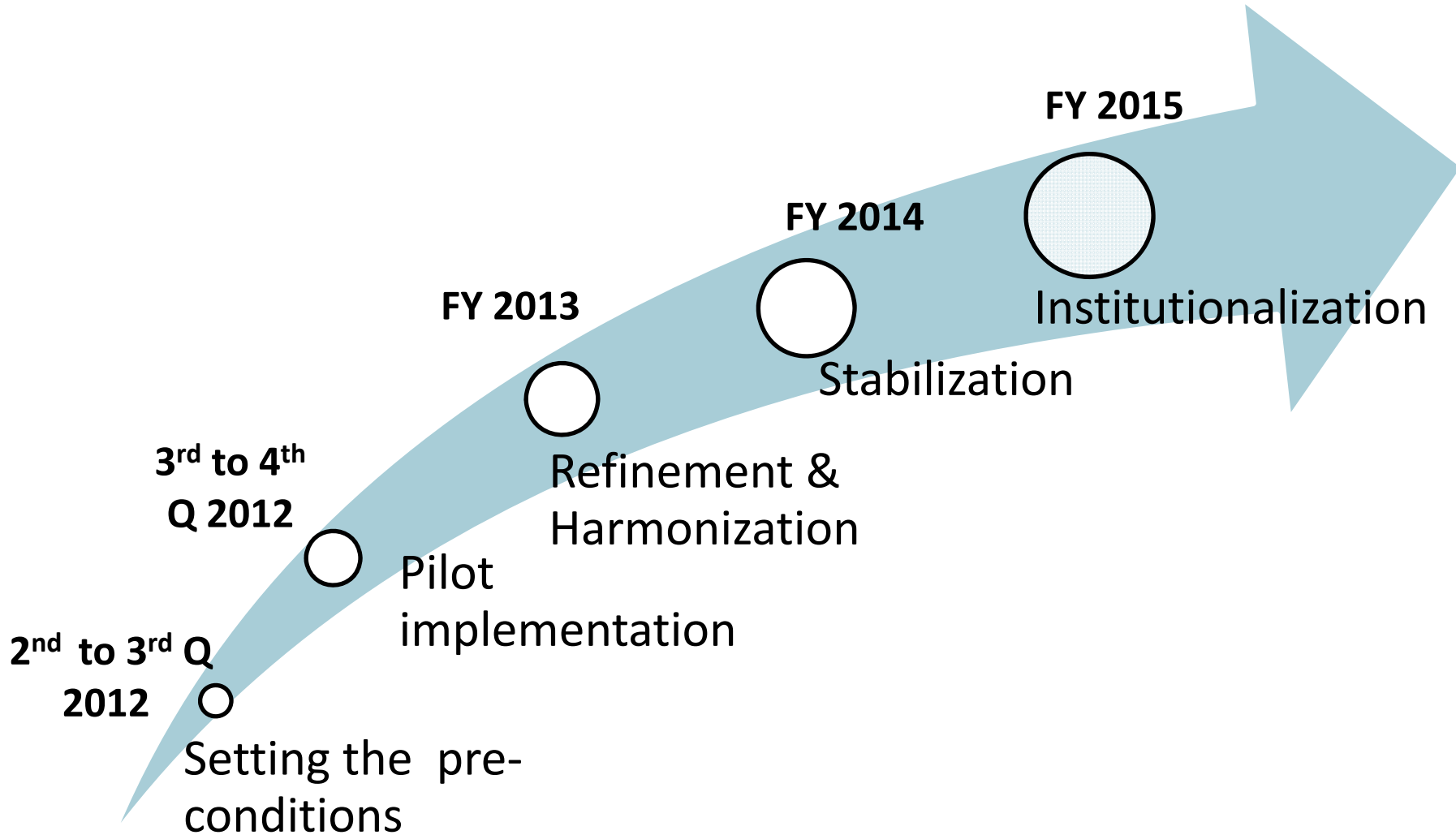


# Funding for PBB

- The PEI and PBB top-up bonus shall be sourced from the Miscellaneous Personnel Benefits Fund (MPBF)
- For GOCCs, the same shall be sourced from their corporate funds



# Phases of PBB Implementation



# Thank you.

For more information, send e-mail to [ao25secretariat@dap.edu.ph](mailto:ao25secretariat@dap.edu.ph)



# **GCG Memorandum Circular No. 2012-11**

## **Interim Performance-Based Bonus for**

### **GOCCs Covered by R.A. No. 10149**



# Background

- In line with Sec. 8 of RA 10149, GCG is currently developing a Compensation and Position Classification System (CPCS) which will include a Performance-Based Incentive Scheme for directors and employees of GOCCs; expected to be completed in 2013
- Interim PBI (I-PBI) for GOCCs for FY 2012 adopted a parallel system with NGAs under EO 80



# Important Features of the I-PBI

- Pursuant to EO 80, no other form of performance-based incentives shall be granted to officers and employees of GOCCs for FY 2012 outside of the PBI
- PEI in the amount of P5,000 shall continually be granted across-the-board
- PBB shall be characterized by a system of ranking units and personnel within an organization according to the performance as measured by verifiable, observable, credible, and sustainable indicators



# GCG Conditions to Qualify for I-PBB

- Achievement of at least 90% of promised Major Final Outputs/Priority Program targets in support of KRAs per EO 43
- Meeting 100% of four good governance conditions for FY 2012 set by AO 25 Task Force
  - Agency Transparency Seal
  - PhilGEPS posting of all Invitation to Bid and awarded contracts
  - Liquidation of CA to officials and employees within the reglementary period
  - Establishment of Citizen’s Charter or its equivalent
- Compliance with Section 10 of RA 10149
  - Full payment of all taxes due to the Government
  - Declaration and payment of all dividends required to be paid under its Charter and/or any other laws





# Translating Corporate Objectives into MFOs

- GOCCs shall translate existing corporate targets and objectives for FY 2012 as embodied in their 2012 Corporate Plans or in their Corporate Operating Budget (COB) submitted to the DBM
  - Should relate to the Supervising Agency's commitments to the President under EO 43
  - Should include meeting targets on fiscal discipline and/or financial performance



# Guidelines in Cascading Performance Targets, per MC No. 2012-1 (1)

- Identify the MFOs
- Select three (3) performance indicators for each MFO to capture the dimensions of *quantity, quality, and timeliness*
- Select two (2) performance indicators for STO
- Select two (2) performance indicators for GASS
- Key programs/projects with performance targets for FY 2012 agreed with the President shall also be included



# Guidelines in Cascading Performance Targets, per MC No. 2012-1 (2)

- Identify component bureaus/delivery units responsible for the delivery of the MFOs and those belonging to STO & GASS
- Indicate the performance targets of bureaus/delivery units



# Forms to be Accomplished re: Cascading of Performance Targets

- Form A – Cascading of Department/Agency Performance Targets by MFO
- Form A1 – Cascading of Targets to Delivery Units
- Form B – Department/Agency Priority Program Targets (under KRA per EO 43)



# Performance Categories (1)

For 2012, the GOCC Governing Board or designated officers shall rank the units according to their performance following a normal distribution.

Delivery Units	
Distribution/Ranking	Rating
10%	Best
80%	Better
10%	Good

Units with Below Satisfactory Performance Rating – No PBB



# Performance Categories (2)

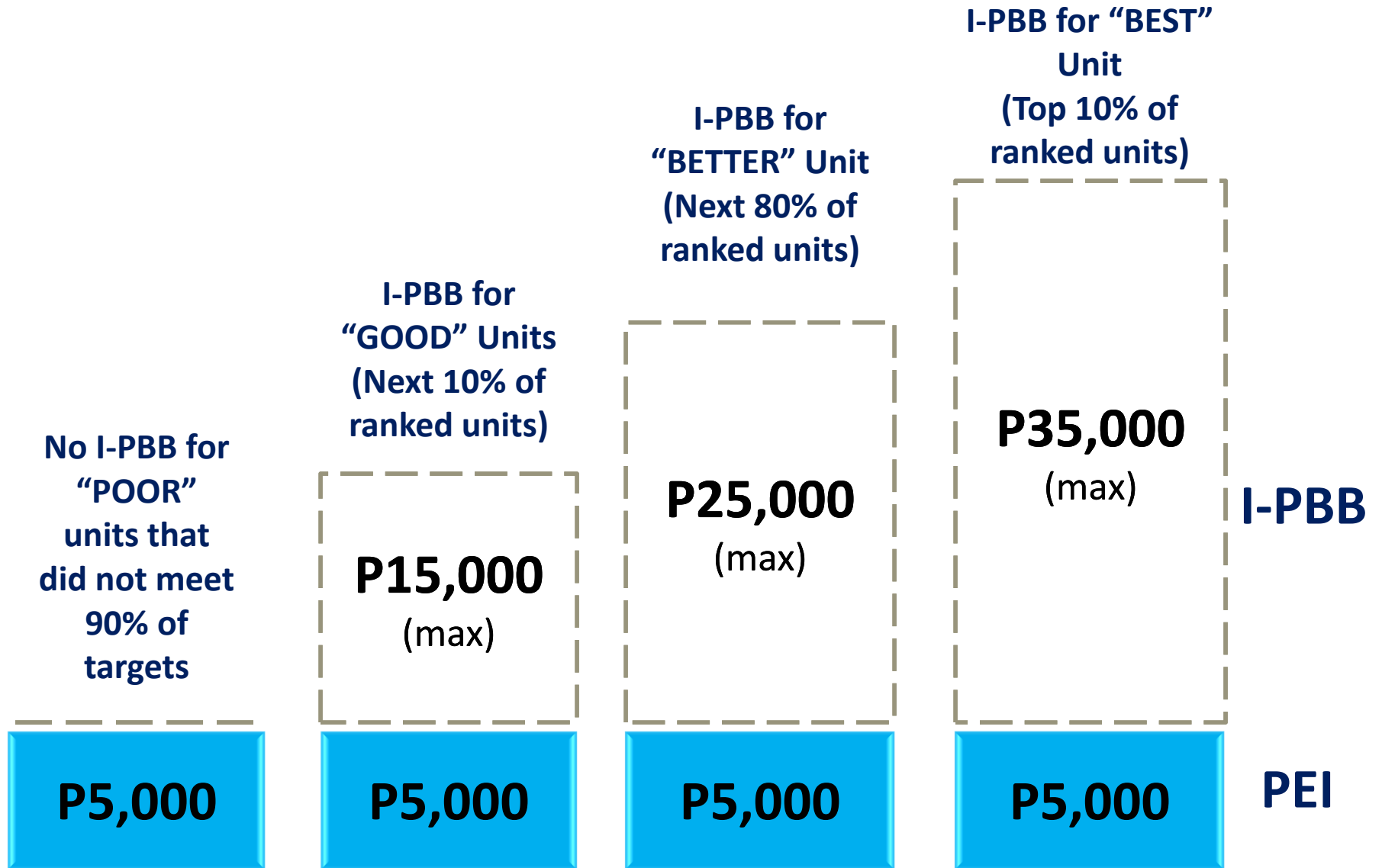
Officers and employees shall each be ranked also following a normal distribution.

Officers/Employees within the Delivery Units	
Distribution/Ranking	Rating
10%	Best
80%	Better
10%	Good

Individuals with Below Satisfactory Performance Rating – No PBB



# I-PBB Distribution



*No PBB for Units whose accomplishment is less than 90% of targets*

# I-PBB Sample Distribution (GOCC)

Performance Category	Best Performer	Better Performer	Good Performer
<b>Best Unit</b> (100 employees)	35,000 (10)	20,000 (80)	10,000 (10)
<b>Better Unit</b> (800 employees)	25,000 (80)	13,500 (640)	7,000 (80)
<b>Good Unit</b> (100 employees)	15,000 (10)	10,000 (80)	5,000 (10)

**Assumption: 1,000 employees in the GOCC; 100% accomplished their respective targets**



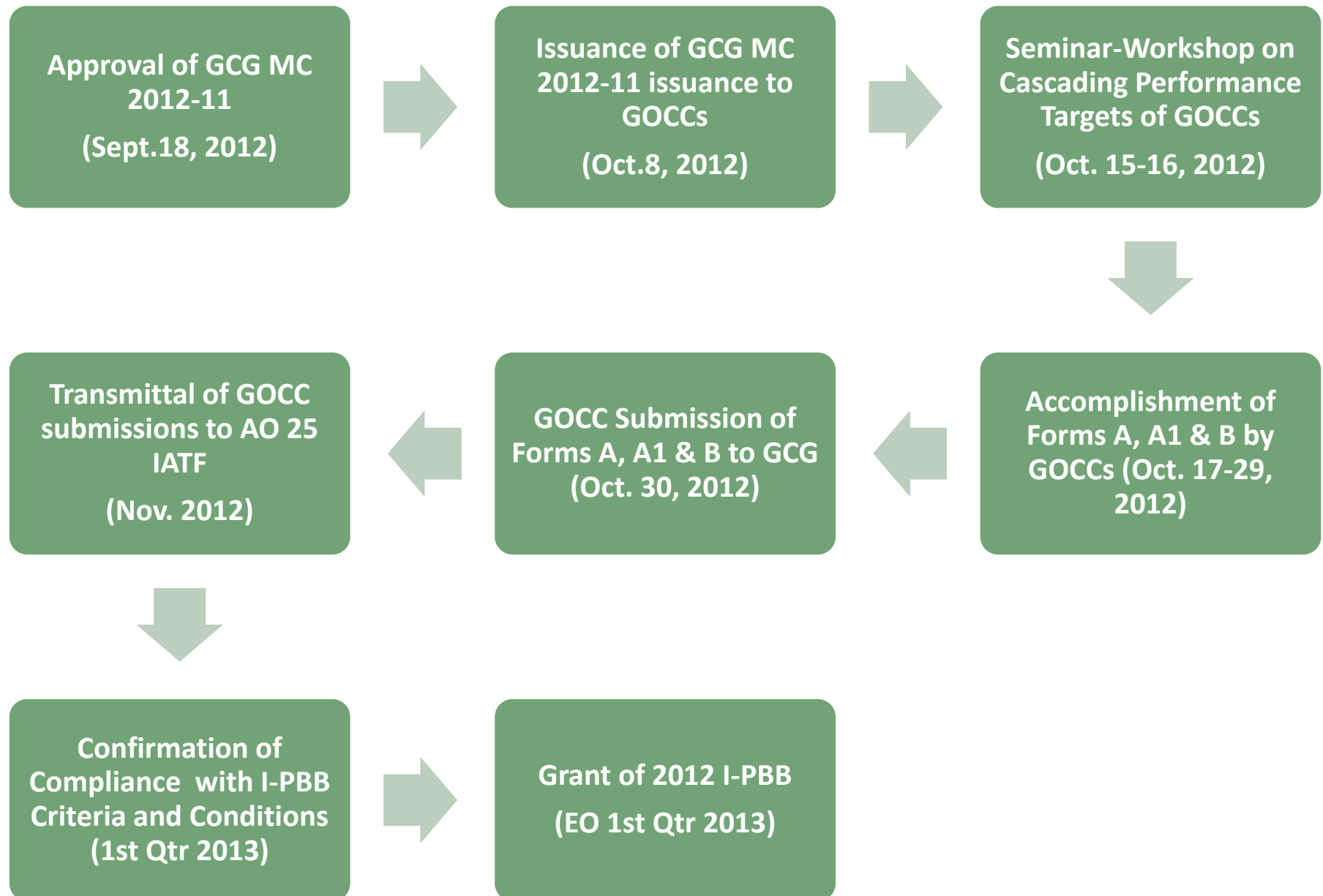


# Role of Department Heads

- Lead their respective Departments and attached agencies in cascading/aligning their performance targets and in adopting the PBI system
- Determine the level of delivery units to reward and the strategic performance indicators to use
- Adopt a communications strategy and engage employees in the process
- Ensure publication of performance targets and accomplishments of the Department
- Ensure adherence to the criteria and guidelines on the PBB



# Implementation Schedule of I-PBB for GOCCs



# Thank you.

For more information, send e-mail to [ao25secretariat@dap.edu.ph](mailto:ao25secretariat@dap.edu.ph)



# Workshop Proper



# Workshop Objectives

- Select or prioritize three (3) strategic performance indicators per Major Final Output (MFO);
- Identify two (2) performance indicators each for “Support to Operations” and “General Administrative and Support Services”;
- Allocate the strategic performance indicators to responsible delivery units; and
- Identify key programs/projects with performance targets for CY 2012 agreed with the President (as applicable).



**CASCADING OF GOCC PERFORMANCE TARGETS**

**CORPORATION:** \_\_\_\_\_

MFOs AND PERFORMANCE INDICATORS (1)	GOCC FY2012 BUDGET (2)	GOCC FY 2011 ACTUAL ACCOMPLISHMENT (3)	GOCC FY 2012 TARGET (4)	RESPONSIBLE DELIVERY UNITS (5)	FY 2012 QUARTERLY TARGETS (6)				REMARKS
					Q1	Q2	Q3	Q4	
<b>A. Major Final Output 1</b>									
Performance Indicator 1:									
Performance Indicator 2:									
Performance Indicator 3:									
<b>A. Major Final Output 2</b>									
Performance Indicator 1:									
Performance Indicator 2:									
Performance Indicator 3:									
<b>A. Major Final Output 3:</b>									
Performance Indicator 1:									
Performance Indicator 2:									
Performance Indicator 3:									





GOCC TARGETS ON KEY PROGRAMS AND PROJECTS

CORPORATION: \_\_\_\_\_

Key Programs/ Projects (1)	Description of Program/ Project Objectives (2)	GOCC FY 2011 Actual Accomplishment (3)	GOCC FY 2012 Targets/ Milestones (4)	Total Program/ Project Budget (5)	Program/ Project Budget for FY2012 (6)	Responsible Delivery Units (7)	FY 2012 Delivery Unit Targets/ Milestones (8)				Remarks	
							Q1	Q2	Q3	Q4		

Prepared by: \_\_\_\_\_ Date \_\_\_\_\_ Budget Officer \_\_\_\_\_ Date \_\_\_\_\_

Approved by: \_\_\_\_\_ Date \_\_\_\_\_  
GOCC C.E.O./Agency Head





# Thank you.

For more information, send e-mail to [ao25secretariat@dap.edu.ph](mailto:ao25secretariat@dap.edu.ph)

