



Republic of the Philippines
CIVIL SERVICE COMMISSION
National Capital Region
25 Kaliraya Street, Quezon City

January 3, 2005

Atty. ROMERO FEDERICO S. QUIMBO
President and Chief Executive Officer
Home Development Mutual Fund
Makati City

Dear President Quimbo:

This refers to the proposed Revised Performance Evaluation System of the Home Development Mutual Fund (HDMF PES) submitted to this Office for approval.

A review of the HDMF PES shows conformance with CSC Circular No. 13, series of 1999. Accordingly, the same is hereby approved for pilot-testing with the Commission's seal affixed on every page thereof for authentication.

Thank you for your continued support to the programs of the Commission geared towards the improvement of public service.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. Padilla".

AGNES D. PADILLA
Director IV

App	RECEIVED
By	<i>V. [Signature]</i>
Date	02-02-05 Time: 4:30 P.M.

HOME DEVELOPMENT MUTUAL FUND Performance Evaluation System

In line with the Revised Policies on Performance Evaluation System enunciated under CSC Resolution No. 991792 and CSC MC No. 13, s. 1999, the Home Development Mutual Fund (HDMF) adopts the herein Performance Evaluation System to be referred to as the Home Development Mutual Fund Performance Evaluation System or HDMFPES.

I. POLICIES

The HDMFPES shall be guided by the following policies:

1. The HDMFPES adheres to the principle of performance-based security of tenure and performance – based personnel actions. It provides motivation and basis for incentives to performers and applies sanctions to non-performers;
2. The HDMFPES operates on shared commitments and objective measures of performance results. Performance targets, measures of results, and performance standards are planned and agreed upon by management, supervisors and employees;
3. The HDMFPES enhances productivity by using performance targets and standards attuned to organizational goals and mandates;
4. The HDMFPES recognizes the role of multi-stakeholders in the objective assessment and feedbacking on individual employee performance. It utilizes a cross-rating system between and among supervisors, subordinates, peers and the employee-ratee;
5. The HDMFPES promotes transparency and provides mechanism for appeals and resolution of conflicts and/or disagreements; and
6. The HDMFPES believes that effective and efficient employee performance can be a learned behavior that could result from a performance-based reward and sanction system.

II. OBJECTIVE

The HDMFPES aims:

1. To continually foster improvement of employee performance and efficiency;
2. To enhance organizational effectiveness and productivity; and
3. To provide corporate performance measures and standards as well as service ratios to ensure an objective performance rating which serves as basis for personnel action, incentives and rewards, and administrative sanctions.

III. SCOPE and COVERAGE

The HDMFPES applies to all first and second level employees in the career service. It will also apply to employees in the third level of career service up to the rank of Vice President. It may also apply to employees in the non-career service whenever appropriate.

IV. RATING PERIOD

Performance evaluation is done every six (6) months ending June 30 and December 30 of every year. However, if there is a need for a shorter or longer period, the minimum appraisal period is at least ninety (90) calendar days or three (3) months while the maximum is not longer than one (1) calendar year.

V. PROCEDURES

The following procedures shall be observed in implementing the HDMFPES:

1. Creation and Operations of Performance Evaluation Review Committee (PERC).

A Performance Evaluation Review Committee (PERC) is hereby created with composition and responsibilities hereunder enumerated:

1.a Composition

1.a.1 PERC for Vice-Presidents

Chairperson - President & Chief Executive Officer/
Executive Vice President & Deputy Chief
Chief Executive Officer

- Members
- Senior Vice President – Operations
 - Senior Vice President – Technical Support Group
 - Vice President – Management Services Group

1.a.2 PERC for Branch/Department Managers

- Chairperson
- Senior Vice-President

- Members
- Vice President – Management Services Group
 - Vice President – Internal Audit Service Group
 - Vice President of Concerned Manager

1.a.3 PERC for Division Chiefs (CODs), SG 22 up to SG 25

- Chairperson
- Vice President Concerned

- Members
- Manager, Corporate Planning Dept. (for NCR/H.O.) and CEO of concerned Vice President (for Regional Offices)
 - Manager of concerned Division Chief/ Assistant Manager

1.a.4 PERC for Rank and File Employees (except CODs)

- Chairperson
- Branch/Department Manager Concerned

- Members
- 1 Assistant Manager
 - 2 Rank & File Representatives, one for first level and another for second level
 - COD of concerned employee
 - Division Chief, Administrative Services

The head of office/department or division chiefs are automatic members of the PERC during the review of their subordinates performance targets and standards, and performance ratings.

1.b Responsibilities

1.b.1 Review of Employee's Performance Targets

The PERC initiates the review and comparative assessment of employee's performance targets to ensure rationalization of employee workload, particularly of those holding similar positions and working under same work conditions, and recommends necessary modifications or corrective action, if necessary.

1.b.2 Review of Performance Standards

The PERC reviews performance standards adopted for each duty of a position in the different organizational units in the Agency. It also ensures the adoption of uniform standards of measurements in rating employees holding similar positions, performing similar functions and working under same conditions.

1.b.3 Determination of Final Rating

At the end of the rating period, the PERC reviews documents; evaluates work accomplishments and performance ratings; conducts hearings or dialogues, if necessary; provides opportunities for employee or supervisor to defend a particular rating and eventually determines the employees' final rating. The PERC completes the review and approval of employees' rating not later than 30 days after the HDMF HRMO/Personnel Office has submitted the same to the former.

1.b.4 Monitoring and Evaluation of HDMFPES

The PERC monitors and evaluates the effectiveness of the HDMFPES every year and effects or implements improvements essential to ensure its continued suitability to the different position and needs of the Agency.

1.b.5 Setting of Internal Rules and Procedures

The PERC adopts its own internal rules, procedures and strategies in carrying out the above responsibilities, including the setting of schedule of meetings and deliberations, creation of Secretariat and delegation of authority to representatives in case of absence of its members.

2. Setting of Performance Targets and Standards

2.a Corporate Targets

The preparation and setting of corporate targets should be done not later than the last quarter immediately preceding the rating period.

Corporate targets refer to short-range (annual or semi-annual) expected accomplishments set to achieve the objectives of HDMF.

These corporate targets are attuned to the vision and mission of HDMF. Agency values may also be considered.

2.b Team Targets (Group, Department, Branch, Division)

The preparation and setting of Team Targets should be done and completed once corporate targets are already set.

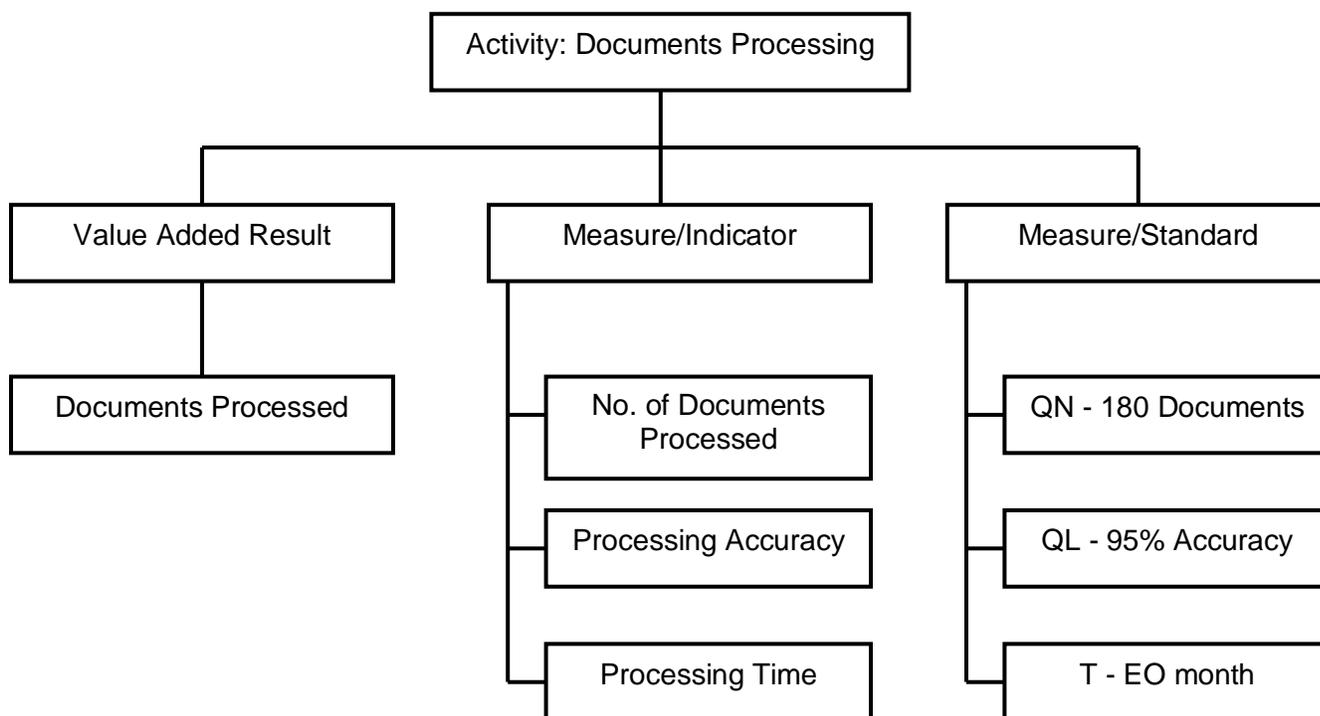
Team Targets are expected accomplishments of different operating units set to achieve corporate targets. The Team Targets shall be considered as the performance target of the Team Leader. The team leader (VP, Regional Manager, Department Manager, Division Chief) prepares the team targets using the prescribed Team Performance Evaluation Form (PEF-1-B & 1-C).

2.c Employees Targets

After setting the targets of the Team, each employee then prepares performance targets using the prescribed Performance Evaluation Form (PEF-1-A) based on the targets/work program set by the Team where he belongs. All targets relate to job duties and organizational needs.

Employee Performance Target refers to the duties or work assignments given by competent authority (rater) to the employee (ratee), with the work output of each duty clearly stated by the rater and understood by the ratee and measured with a standard at least in quantity, quality, and time set either by HDMF or by mutual agreement of the rater and the ratee.

An illustrative example of a performance target is shown below:



Simply stated, the above illustration means that the performance target of an employee whose job description is document processing is to process 180 documents in one month with 95% accuracy.

His performance is stated on how far he exceeded or fell short of this target based on the range of adjectival or numerical rating under page 8 hereof.

It is a must that the supervisor and the employee agree on the targets set. They should affix their signatures in the space provided for in the PEF-1-(A-C).

2.d Setting of Performance Standards

Each employee also sets his performance standards together with his targets.

Performance standard is a measure or yardstick against which performance level is assessed. It is the product of mutual agreement among members of the organization or between the supervisor (at least Division Chief) and the employee. This

includes measure of quality, quantity and timeliness, whichever is applicable.

Individual employee's performance standards should not be lower than the agency's standards as reflected in its Performance Contract.

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

For this purpose, the HDMF Performance Standards under Annex A hereof are hereby set.

2.e Confirmation

Employees' performance targets are confirmed by the PERC before the rating period but not later than the 15th day of the start of the rating period. Performance targets become final or valid in case the PERC failed to act on it within fifteen (15) working days upon submission.

The PERC stamps its certification of review and confirmation on the individual performance targets should it find them acceptable. It also ensures that no alterations in the confirmed performance targets and standards are made during the evaluation process.

In instances of obvious disparity in the distribution of assignment and workload among employees, the PERC, through the concerned division chiefs or unit heads, shall cause the necessary corrective action in consultation with the concerned employees.

2.f Modifications

Employees' performance targets for a given rating period which are duly confirmed by the PERC may still be modified based on changes brought about by new mandates and programs of the agency in general and the organization unit in particular. Modification of the originally planned targets may also be allowed in cases where an employee is given special assignments that would significantly affect the accomplishment of the original targets. It is understood, however, that such special assignments will no longer be treated as intervening tasks.

The employee or the supervisor shall immediately notify the PERC of such modification to serve as guide in the review of ratings of affected employees.

3. Progress Review

The supervisor and the ratee meet at least once a month to review progress of work assignments. They focus their review or discussion on problems and difficulties encountered and find ways to resolve the same.

They also discuss and agree on certain checkpoints in terms of schedule and output status in order to ensure accomplishment of the tasks.

4. Appraisal Discussion and Rating Proper

At the end of the evaluation period, the supervisor and the employee meet to discuss the latter's accomplishments against established targets and standards. They both give their ratings in the prescribed form and settle/discuss differences, if there are any.

The supervisor gathers, tabulates, summarizes and presents to the Employee-Ratee, the subordinate and peer ratings (if any).

Together, they compute the overall performance rating of the employee using the prescribed weight allocation and computation under this System.

The rater's comments and recommendations are required in the space provided for in PEF-1-(A-C) to serve as guide in improving employee performance in subsequent evaluation periods and in other appropriate personnel actions.

VI. MECHANICS OF THE RATING

1. Levels of Performance

Each employee is rated on the basis of the levels of performance set below:

<u>Numerical Description</u>	<u>Adjectival Rating</u>	<u>Point Score</u>
Exceeds planned targets by 30% and Above	Outstanding	10

Exceeds planned targets by 15% to 29%	Very Satisfactory	8
Performance of 100% to 114%	Satisfactory	6
Performance of 51% to 99% of the planned targets	Unsatisfactory	4
Performance failing to meet the planned targets by 50% and below	Poor	2

For accomplishments requiring 100% of the targets such as those pertaining to money or accuracy or those which may no longer be exceeded, the rating is as follows:

<u>Numerical Description</u>	<u>Adjectival Rating</u>	<u>Point Score</u>
Performance is 100% of the target	Outstanding	10
Performance is 88% to 99% of the target	Very Satisfactory	8
Performance is 75% to 87% of the target	Satisfactory	6
Performance is 51% to 74% of the target	Unsatisfactory	4
Performance is 50% and below of the target	Poor	2

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

9.5	-	10.0	Outstanding
7.51	-	9.49	Very Satisfactory
4.01	-	7.50	Satisfactory
2.01	-	4.00	Unsatisfactory
2.00	-	Below	Poor

2. Components of Rating

The overall rating of employees for a given rating period consists of two (2) parts: Part I – Performance and Part II – Critical Factors.

2.a Part I – Performance

Part I – Performance is given a weight of 70% of the overall rating of the employees.

Rating on Part I – Performance is the evaluation of actual accomplishment versus the planned level of performance in terms of quantity, quality and timeliness of work based on pre-set standards by management or, in the absence of such, the performance standards agreed upon by both the supervisor and the ratee duly confirmed by the PERC.

The Agency adopts a system to classify a job or work target or output and assigns a corresponding percentage or weight on such targets based on the nature, complexity, difficulty level and processes involved.

Example:	For work of assignment involving technical, non-routinary, complex functions and those requiring research and without precedent case.....	70%
	For work or assignment involving Clerical, routinary and simple functions	30%
	Total	100%

Each of the above weight allocation may further be broken down to smaller or bigger weights depending on the number, nature, complexity, processes involved and difficulty of work targets/assignments given to the employee provided that the total – aggregate weight does not exceed 100%. The resulting equivalent point score is then multiplied by 70% which accounts for the overall weight of the Part I.

2.b Part II – Critical Factors

Part II – Critical Factors is given a weight of 30% of the overall rating of the employees.

Rating on Part II – Critical Factors reflects the behavioral dimensions that affect the job performance of the employee. For this purpose, factors like human relations, courtesy, initiative, leadership, stress tolerance, dedication to duty, punctuality and attendance, judgment/decision making and the like may be used depending on the behavioral requirements of the job.

Each employee is rated on at least three (3) critical factors that affect his job performance if applicable. Factors like courtesy, human relations and communication skills may be used for those rendering frontlines services. Factors like leadership, initiative, stress tolerance, judgment/decision making and other management skills may be used for those performing supervisory and technical positions.

For employees in the third level of career service (Branch/Department Manager up to Vice President), the following critical factors may be used: Management of work, management of people, management of resources, management of linkages, management of constraints and innovativeness.

Punctuality and attendance is rated not separately from each other but as combined factors treated as one item under Part II. Punctuality and attendance is the physical presence of an employee in his place of work at the required/prescribed time. It is an observed behavior of coming to the office on time or to be present at work to complete assigned duties and responsibilities. Each has a weight of 50%.

To measure “Attendance”, the number of working days absent shall be the basis for computing attendance rating. The total number of absences incurred during the six-months rating period shall be given the following point scores:

<u>Point Score</u>	<u>No. of Days Absent</u>
10	Not more than 4 days absent
8	5-8 days absent
6	9-12 days absent

4	13-16 days absent
2	More than 16 days absent

The following absences shall not be included in counting the number of days absent: authorized sick leave, scheduled leave, maternity/paternity leave, and special privilege leave.

For punctuality, the frequency, not the duration or number of minutes, hours of tardiness or undertime incurred, is being considered in determining the punctuality rating of an employee during the six-month rating period. Below is the table for rating punctuality.

<u>Point Score</u>	<u>No. of times Tardy/Undertime</u>
10	Not more than 3 times tardy/undertime during the last 6 months
8	4-6 times tardy/undertime
6	7-10 times tardy/undertime
4	11-15 times tardy/undertime
2	More than 15 times tardy/undertime

For purposes of performance ratings, only tardiness/undertimes in excess of fifteen (15) minutes shall be considered for counting the number of times tardy/undertime. The actual number of tardiness and undertimes incurred in one day shall be counted for the purpose of determining the number of times tardy/undertime in a given rating period.

The average rating for attendance and punctuality shall be the employee's rating for Punctuality and Attendance.

2.c Performance of Intervening Tasks

The performance of intervening or additional tasks is duly considered only if these tasks were done simultaneously with the planned targets.

Intervening tasks are those which are neither inherent nor directly related to the employee's plantilla or designated positions and may include membership in ad-hoc committees, research work and

other similar assignments which require a considerable amount of effort and time of the employee and are duly covered by an office order.

The employee's performance of intervening tasks may be given a maximum of one (1) additional point to his/her overall rating, provided the following criteria are met:

- a. Said task is difficult, technical in nature or requiring special skills;
- b. Said task is not within the regular functions of the employee or the work program/performance contract of his/her division or unit;
- c. There is urgency in the completion of the intervening task which has an impact on the organizational unit concerned;
- d. Non-compliance/performance of the intervening task will unduly prejudice the service;
- e. Employee's planned targets were all accomplished and rated at least satisfactory; and
- f. Performance or completion of said intervening task will require an aggregate period of one week to two months.

Special or additional assignments are no longer considered intervening tasks if they will significantly affect the performance of the employee's regular targets. In such a case, the same is treated as an allowable modification of regular target under page 8 hereof.

In determining the additional point to the overall rating, the following shall be considered:

<u>No. of days Spent in a Rating Period</u>	<u>Rating</u>
At least 10 to 15 days	0.25
16 days to 25 days	0.50
26 days to 35 days	0.75
Above 35 days	1.00

3. Cross Rating

The HDMFPES uses a cross rating scheme which involves multiple raters other than the supervisor. Under this scheme, each rater is allocated percentage weight as follows:

<u>Rater</u>	<u>Overall Weight</u>
Supervisor Rater	70%
Self Rater	10%
Subordinate Rater	10%
Peer Rater	10%
Total	100%

In no instance will the self rater be assigned a percentage weight higher than that of the supervisor rater.

For purpose of cross-rating, the above raters are described as follows:

Supervisor Rater refers to the immediate and direct superior of the Employee-Ratee who, by the nature of his position or authority given by a competent authority, assigns work to the employee, monitors and evaluates the same on the basis of agreed targets and standards. The Supervisor-Rater rates the Employee-Ratee in both Part I – Performance and Part II – Critical Factors using the prescribed Performance Evaluation Forms PEF-1-(A-C).

Self Rater refers to the employee whose performance is to be rated based on agreed targets and standards. The Self Rater rates himself in both Part I – Performance and Part II – Critical Factors using the prescribed Performance Evaluation Forms PEF-1-(A-C).

Subordinate Rater(s) refers to the employee(s) under the immediate or direct supervision of a superior whose performance is to be rated on the basis of verifiable and observable work accomplishments and behavior. The Subordinate Rater rates his supervisor using the prescribed Subordinate Rater Form (PEF-2) consisting of a set of questions about the ratee's performance and demonstrated behavior for the rating period.

Peer Rater(s) refers to the co-employee(s) with same position title or functionally-related position of comparable level within the same organizational unit who may have either direct or indirect working relationships with a peer whose performance is to be rated. A peer is considered to have a direct working relationship with another peer if their work are dependent upon each other for support or in producing an output or achieving each other's target. [Example: Before Peer 1 (Account Officer) can prepare a trial balance, Peer 2 (Account Officer) should have finished the bank reconciliation statement first.]

Indirect working relationship means that the Peer Rater and Peer Ratee perform similar work wherein each other's output is not necessarily dependent on each one but can be noticed or observed by either of the two. [Example: Peer 1 (Processor A) who can process 100 accounts in one day observes that Peer 2 (Processor B) can only finish not more than 50 documents in one day for one reason or another.]

The Supervisor Ratee and the Employee Ratee identify and agree on who the Peer Raters would be before the start of the rating period.

The Peer Rater(s) rates the Peer Ratee using the prescribed "Peer Rater Form" (PEF 3). Only the averages of all peer ratings for both Part I and Part II are reflected in the final Performance Evaluation Form.

(PEF-1). The supervisor may assign one peer to consolidate, tabulate and summarize all peer ratings for and upon his final review reflects the average rating in the PEF-1-(A-C) during the appraisal discussion with the ratee.

4. How to Compute for the Rating

4.a Supervisor and Employee Ratings on Part I – Performance

1. During the appraisal discussion at the end of the rating period, the Supervisor Rater and the Self-Rater fill-up the accomplishment portion of the targets and accomplishment column of the PEF-1-(A-C).

Afterwards, they rate each accomplishment by comparing the targets against the actual job accomplishments. The QL, QN and T standards earlier set are used in giving each accomplishment a numerical point rating.

2. Add all the point scores under QN, QL, and T for each work/activity for each rater and divide by the number of entries to get their respective Average Point Scores (APS).

3. Multiply each Average Point Score by the assigned percentage weight for each work or activity to get the Equivalent Point Scores (EPSs).
4. Add all Equivalent Point Scores (EPSs) of both the Supervisor Rater and Self Rater separately to get their respective Total Equivalent Point Score for Part I.
5. Multiply separately the Total Equivalent Point Scores of both Supervisor Rater and Self Rater by 70% to get their respective Weighted Average Scores (WASs).

4.b Supervisor and Employee Ratings on Part II

1. Using PEF-1-(A-C), the Supervisor Rater and Self Rater rate each factor. There should be at least three factors to be used for each ratee.
2. Add all Superior Rater Point Scores and all Self Raters Point Scores, then divided by the total number of entries to get their respective Average Point Scores (APSs) for Part II.
3. Multiple each Average Point Score (APS) by 30% to get the Weighted Average Score (WAS) for each rater in Part II.

4.c Subordinate(s) and Peer(s) Ratings

1. Compute the average ratings of each category of raters for Part I and Part II separately.
2. Multiply the resulting average ratings by 70% for Part I and by 30% for Part II to get the Weighted Average Scores.

4.d Overall Rating

1. Using the Summary of Rating portion of PEF-1-(A-C), indicate the Raters Weighted Average Scores for both Part I and Part II.
2. Add the Weighted Average Scores for Part I and Part II of each rater to get the Overall Point Scores and multiply by the Rater's Percentage Weight Allocation to get their respective Overall Weighted Scores.

3. Add all Overall Weighted Scores to get the Total Overall Score or Final Numerical Performance Rating.
4. Add the Rating for Intervening Task, if any.
5. Convert the Total Overall Score Final Performance Numerical Rating to Adjectival Rating using the conversion table under (page 9 hereof).

VII. Performance Evaluation Forms (PEFs)

The HDMF HRMOs sees to it that all officials and employees are properly oriented on how to accomplish the following performance evaluation forms:

PEF-1-A (Rank and File employees except Division Chief), **PEF-1-B** (Division Chief level, SG 22 up to SG 25), **PEF-1-C** (Manager and Vice President positions). Performance Evaluation Form contains the work targets, accomplishments, ratings of Supervisor and Employee-Ratee on Part I and Part II and the Summary of Ratings showing the final performance numerical and adjectival ratings of the employee.

The forms also contain the signed agreement of the supervisor and the employee, PERC action and the rater's comment and recommendations.

PEF-1-(A-C) - are the forms used in all stages of the performance evaluation process.

PEF-2 - Subordinate Rater Form (SRF) consists of a set of questions about the ratee's job accomplishment and demonstrated behavior affecting the employee's performance for the rating period as can be observed and verified by the subordinate rater.

PEF-3 - Peer Rater Form (PRF) consists of a set of questions about the ratee's job accomplishment and demonstrated behavior as observed by the Peer Rating affecting the Peer Rater's performance for the rating period.

VIII. Submission of Performance Targets, Standards and Ratings

The performance targets of employees are submitted to the PERC not later than fifteen (15) days before the start of the rating period. The PERC shall have confirmed these targets not later than the 15th day of the start of each rating period. Failure on the part of the PERC to act on these targets on the above period means that they are automatically confirmed. Performance standards are submitted in the same period together with the performance targets.

The accomplished Performance Evaluation Forms (PEFs) with the final ratings are submitted to the HDMF-HRMO/Personnel Office/ Department not later than the 15th day after the end of the rating period. The HRMO/Personnel Office/ Department shall consolidate all the employee ratings and prepare a report to the PERC containing the statistics of PEF submission, distribution of ratings and list of protested or appealed ratings, if any, including all the documents relative thereto. It shall submit all the above documents to the PERC within 30 days after the end of each rating period.

Officials and employees who shall be on official travel, approved leave of absence, training or scholarship programs and who have already met the required minimum rating period of 90 days are required to submit their performance targets and accomplished Performance Evaluation Forms (PEFs) before they leave the office.

For purposes of performance-based personnel actions, employees who are not given ratings for a particular period shall use their performance ratings obtained in the preceding rating period. This provision, shall not, however, apply to those who are on vacation leave, even if their leave is covered by an application approved by their supervisors.

The HDMF shall submit to the Civil Service Commission Field Office a list of all employees showing their individual performance ratings not later than three (3) months after every rating period. The ratings of Department/Regional Managers are Vice Presidents shall be submitted to the Career Executive Service Board.

The timetable for the preparation, review and confirmation of performance targets, standards, and ratings including submittal of documents to the Civil Service Commission/Career Executive Service Board is hereby prescribed under Annex B hereof.

IX. Sanctions

Non-submission by the rater to the PERC of the performance targets within 15 days before the start of the rating period and the Performance Evaluation Forms (PEFs) within 30 days after the end of each rating period, unless justification for such has been accepted by the PERC, is 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 productivity incentive bonus if the failure of the submission of the report form is the fault of the employees. Employees who fail to rate themselves will not be given final ratings; and

- b) An administrative sanction for violation of reasonable office rules and regulations and simple neglect of duty shall be meted for the supervisors or employees responsible for the delay or non-submission of said performance targets and PEFs or both.

Administrative action shall be filed against an employee for using the HDMFPES to give undue advantage or disadvantage to the employees they rate.

The procedure for filing complaints and imposing administrative sanctions shall be in accordance with the Uniform Rules in the Conduct of Administrative Investigation.

X. Uses of Performance Ratings

1. Performance - based Security of Tenure

Security of tenure of those holding permanent appointment is not absolute but is based on performance. Employees who obtained Unsatisfactory ratings for two rating periods and Poor rating for one evaluation period shall be dropped from the rolls.

2. Eligibility/Qualification for Performance - based Awards and Incentives

Grant of incentives like the productivity incentive bonus or other performance based incentives and awards shall likewise be based on the final ratings of employees as approved by the PERC. The PERC shall validate the Outstanding Performance ratings and may recommend employees for performance-based awards.

3. Basis for Personnel Actions

The performance rating shall be used as basis for promotion, training and scholarship grants and other personnel actions. Only employees with Outstanding and Very Satisfactory Performance ratings shall be considered for the above mentioned personnel actions and other related matters.

XI. Transparency on Performance Ratings

General information on the final rating of the employees or the number of the employees who got a particular rating (O, VS, S, US and Poor) per organizational unit shall be made known to both management and the rank and file employees, subject to the procedures set by the agency PERC.

XII. Appeals

Employees who feel aggrieved or dissatisfied with their final performance ratings can file an appeal with the PERC within ten (10) days from the date of receipt of their PEF or after the appraisal discussion with their supervisor.

Employees, however, are not allowed to protest the performance ratings of their co-employees. Ratings obtained by other employees can only be used as basis or reference for comparison in appealing one's performance ratings.

The PERC shall decide on the appeals within one month from receipt. Appeals lodged with the PERC shall follow the hierarchical jurisdiction of various PERCs in the Agency. The decision of the PERC for Rank and File employees is appealable to the PERC for CODs/AM and then to the PERC for higher positions. The decision of the PERC chaired by the CEO/DCEO is appealable to the CSC/CESB proper.

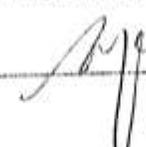
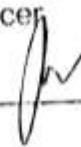
XIII. Miscellaneous

The Management, through the PERC, may modify or adopt new guidelines of rating the employee work performance, if deemed necessary.

XIV. Effectivity

The HDMFPES takes effect on _____


ATTY. ROMERO FEDERICO S. QUIMBO
President and Chief Executive Officer

 _____ 
Date

APPROVED BY:


AGNES D. PADILLA
Director IV
Civil Service Commission

'JAN 03 2005

Date