



Republic of the Philippines

DEPARTMENT of AGRARIAN REFORM

ELLIPTICAL ROAD, DILIMAN, QUEZON CITY TELS. 997-031 TO 39

DEPARTMENT MEMORANDUM CIRCULAR NO. : 10
Series of 1996

To: All Officials and Employees of the Department of Agrarian Reform

Subject: DAR Policy Guidelines and Procedures in the Implementation of the Performance Management System (PMS) for Third Level Officials.

1. Introduction

While the System for Performance Evaluation and Employee Development (SPEED) has already been installed in the Central and Regional Offices, the Departments' performance management system for third level officials should likewise be strengthened. The system of performance contracting, review and evaluation will improve the individual performance of the third level official and Department with respect to the following :

- 1.1 Better understanding of work responsibilities and standards;
- 1.2 Establishing accountabilities;
- 1.3 Getting aware on how the performance against pre-determined standards is perceived;
- 1.4 Identifying and recognizing high performance;
- 1.5 Managing low performance; and
- 1.6 Providing opportunities for meeting the training and development needs of individual official.

Establishing an updated system of appraisal and feedbacking for officials will complete the Department's performance management system and will help ensure that the SPEED developed for the rank and file is aligned and integrated.

2. Basic Policies

In order that the Performance Management System (PMS) will result into greater job satisfaction and improve performance of the third level officials the following basic policies should be observed:

- 2.1 The performance contracting, review and evaluation is compulsory for all the third level officials of DAR. This includes the Undersecretaries, Assistant Secretaries, Bureau Directors and Assistant Directors, Regional and Assistant Regional Directors, Service Directors and Provincial Agrarian Reform Officers II;



"Tulong-tulong sa pagsulong"



- 2.2 The performance management process is inherent in DAR's management practice. The flow of information between the rater and the ratee should be constant throughout the year so that relevant performance issues will be dealt with as they arise;
- 2.3 The performance commitment of officials should be reflected in the individual SPEED commitments of the people under them. It is the responsibility of the official involved to ensure that this is followed; and
- 2.4 The performance rating is results-oriented such that results are the ones primarily appraised and not the individual person himself or herself.

3. The Performance Management Cycle

For the performance appraisal to be effective, it should be viewed within the context of Performance Management Cycle which includes performance contracting, mid-year appraisal review and year-end performance review. The three step performance cycle is a twelve-month cycle starting in January and ending in December.

For each step, the procedures involved are shown below :

3.1 Performance Contracting

After the office work plan for the year shall have been prepared, each official and his/her immediate superior should meet and agree on specific performance objectives for the appraisal year. Said meeting is to be done not later than 07 January of each year in order to map out specific commitments in the official's performance contract. This would give the official ample time to explain and ensure that his/her commitment is reflected in the performance plans of the 1st and 2nd level employee whose SPEED requirements are due not later than 30 January.

- 3.1.1 The following documents can be used as guides in drawing up the contract :
 - * Operational Directives of the Secretary
 - * Workplan of the Unit
 - * Minimum Standards of Performance (for RD and PARO II)
 - * Duties and responsibilities of the official
 - * Agreements between the official and immediate manager
 - * Special assignments from the Secretary; and
 - * Other planning documents directly affecting the official
- 3.1.2 Performance Management should focus on what is produced, achieved or contributed to the Department. Achievement is measured using performance indicators or standards such as quality, quantity, costs and time.

3.1.3 To set performance indicators and standards, the manager-rater and the official concerned may choose to apply either of the following methods :

- * agree on the performance indicator which corresponds to a rating of 3 (fully effective) and then a general description of what would result in, and qualify as, ratings above or below 3; or
- * agree on the performance indicators which corresponds to each rating.

3.1.4 The manager-rater and the official concerned should complete and sign the performance contract and submit to the Office of the Secretary a copy of the contract not later than January 15 of each year. Prior to this, rater and ratee should have agreed on the following :

- * Key result areas
- * Units of weight for each of the key result areas
- * Performance indicators and standards for measuring KRAs which would rate the official being appraised as fully effective (rating of 3 and the broad parameters for ratings above and below)

3.1.5 The core competency requirements of each individual official should be discussed and a competency development plan be agreed upon. This plan will provide information on the development requirements of the official. The competency criteria of third level officials will not be rated but will have to be monitored and reviewed by the manager-rater. In making a competency plan, the manager-rater and the subordinate official should consider the following competency areas:

- * Lead, develop and manage people
- * Managing the quality and quantity of work
- * Network inside and outside the Department
- * Achieving results
- * Accountability and Integrity

3.2 Mid-year Appraisal Review

The mid-term review which shall be conducted in July each year should provide feedback on how the official performs so that assistance can be given to improve his/her performance. The following procedure comprises the midterm review :

- 3.2.1 Review performance indicators so far; (are they still plausible, realistic, or doable?)
- 3.2.2 Check the relevance of the performance agreement and adjust it if the nature of the job or work environment (i.e. priorities, objectives or resources) has changed substantially;
- 3.2.3 Discuss progress on the official's competency development plan; and revise the plan where it is necessary; and
- 3.2.4 Provide copy of review summary to the Office of the Secretary not later than 30 July.

3.3 Year-end Performance Appraisal

At the end of the Performance Management Cycle, a formal meeting is held to establish the level of performance against the contract, taking into account the mid-term review on or before December 15, a copy of the Performance Appraisal Review should be submitted to the Office of the Secretary.

3.3.1 The following steps should be undertaken in order to make the meeting successful :

- * The manager-rater should initiate the meeting and give adequate notice (at least a week before the appraisal session);
- * Independently, the rater and ratee should complete an appraisal form, decide on ratings against individual objectives and a single overall performance rating;
- * The individual appraisals are exchanged prior to the meeting and form the basis for discussion at the meeting;
- * Both official and manager should gather evidence to support judgment however, the judgment of manager-rater prevails;
- * In case of contested ratings, the arbiter shall be the Secretary of the Department;
- * Sufficient time should be allowed for the meeting and measures taken to ensure there are no interruptions;
- * Discussion should take place on the competencies of the official. An assessment of these competencies should be agreed upon again and the development plan revised.

3.3.2 Rating Process

The individual performance key result areas are rated on a five-point scale as follows :

Description	Adjectival Rating	Numerical Rating
Performance far exceeds the standards expected of fully effective officials at this classification level. This level indicates that the official exceeds performance targets by at least fifty percent (50%) or more . With this, his contributions to the office are marked "outstanding"	Outstanding	5
Performance exceeds the standards expected of fully effective officials at this classification level. This level indicates that the official has delivered at least twenty-five percent (25%) or more than what was targeted but falls short of an outstanding performance	Superior	4
Performance fully meets the standard expected of official at this classification level. This level indicates that the officer meets 100% of his performance targets	Fully Effective	3
Performance just meets the standard expected of official at this classification level. This level indicates that the official only meets fifty-one percent (51%) to ninety percent (90%) of the performance targets but could stand improvement	Adequate	2
Performance does not meet the standard expected of official at this classification level. This level indicates that the official has failed to meet his target or just meets fifty percent (50%) or below his targets	Unsatisfactory	1

3.3.3 Computing the Overall Performance Rating

The single overall performance rating is a weighted average of the five-point ratings on each of the key result areas. The rating should correspond to its five-point scale. The process includes the following:

- * Establish an average rating on each key result area;
- * Multiply each of the ratings by the weights for the key result areas;
- * Add the results; and
- * Divide the sum of the weights (i.e. 100%)

3.3.3.1 Illustration

The following example shows how the overall rating is obtained :

Key Result Area	Average Rating	Weights	Weighted Rating
LTI	2	25	50
PBD	3.3	25	82.5
AR Justice	4.3	15	64.5
Managing Publics	4.5	15	67.5
Managing Program	3	15	45
Personal Contribution	5	5	25
Total		100	334.5

Overall Performance Rating = $334.5/100 = 3.345$

Overall Adjectival Rating = Fully Effective

3.3.4 The Manager-Raters and Ratees

Below is a list of the DAR Managers who are responsible for the evaluation of their subordinate-official's performance.

Rater	Ratee
Regional Director	All PARO II, ARDO, ARDA
RARAD	PARADs
DARAB Assistant Secretary	RARADs
Undersecretary for Operations	Assistant Secretary for Operation Assistant Secretary for Support Services, 14 Regional Directors
Assistant Secretary for Support Services	Directors and Assistant Directors of BARBD and PDMS
Assistant Secretary for Operations	Directors and Assistant Directors of BLD and BLAD
Undersecretary for Planning	Directors of Planning Service, PSRS, MIS, PARC Secretariat and Tribal Farmers Affairs Group
Undersecretary for Legal and Finance	Assistant Secretary for Legal Affairs, Assistant Secretary for FMAO, Directors and Assistant Directors of BALA and Special Concern, Directors of Legal Service and Litigation
Assistant Secretary for FMAO	Director and Assistant Director of BARIE, Directors of Administration and Finance
Secretary	3 Undersecretaries, DARAB Board Members, DARAB Executive Director, Director and Assistant Director of PAS, Directors of IAS and CORD

3.4 Management of the Program

The DAR Secretary and the performance management system's Secretariat play important roles in the management of the program.

3.4.1 Role of the Secretary

The Secretary, aside from being a rater himself, assumes an equally important role as reviewer and/or arbiter in the implementation of the system. Where agreement between both parties cannot be reached on the individual's rating, the official concerned may seek for a performance rating review. The Secretary shall act as the reviewer and shall provide an objectivity in the settlement of disagreements related to work performance. He shall settle any differences through informal and frank discussion to arrive at a satisfactory outcome.

3.4.2 Role of the PMS Secretariat

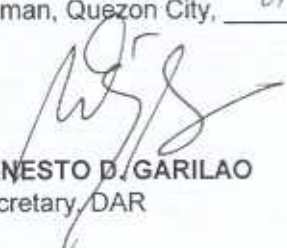
In an effort to integrate the performance management system into the overall HRD program of the department, BARIE shall temporarily act as the PMS Secretariat. Specifically, it shall be responsible in ensuring utmost confidentiality of, access to and disclosure of all performance system documents. Access is restricted to the rater, the ratee and the direct line of management to the Secretary. Disclosure to third parties, including promotion and selection committees, will not occur except on the initiative of the individual concerned.

BARIE shall also perform other staff functions to the Secretary. These includes monitoring the implementation of the system, recommending improvements and facilitating achievement of the management competency plan through various development interventions.

4. Effectivity

This Performance Management System for Third Level Officials shall take effect on July 1996.

Diliman, Quezon City, 01 July 1996


ERNESTO D. GARILAO
Secretary, DAR

Appendices:

Systems Flow/Relationship of SPEED and PMS
Performance Standards for RDs and PAROs

PREPARATION

2nd - 3rd wk
EO Dec.

SUBMISSION

NLT 7 Jan.

15 January

LWD Jan.

7 February

after 15 January

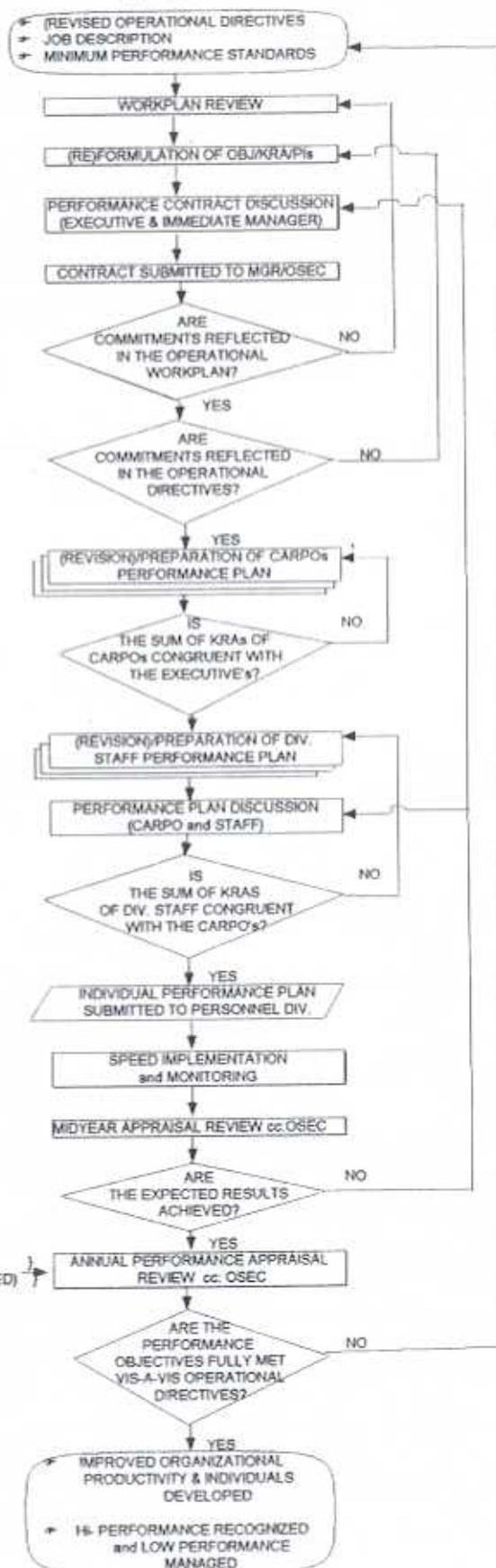
LWD Jan.

15 February

1 - 30 July

15 Nov. - 15 Dec. (for Executives)
NLT 10 Jan. (for SPEED)

PMS and SPEED



-FORMA 1996 PERFORMANCE COMMITMENT

<i>KRA</i>	<i>H/L</i>	<i>Performance Indicator</i>	<i>1st Q</i>	<i>2nd Q</i>	<i>3rd Q</i>	<i>4th Q</i>	<i>Total</i>
<i>I. Position Specific KRAs</i>	<i>65</i>						
A. LTI	25						
1. Land Distribution	8	Hectares distributed by land type					
2. Leasehold	2	Hectares with registered LHC					
3. Acquisition							
a. SRs submitted to LMS	4	Hectares forwarded to LMS by land type (<i>net of returns</i>)					
b. DFs/CFs submitted to LBP	4	Hectares w/ Notice of Valuation by land type					
4. Validating FBs' presence in lots awarded in 1988-92	2	No. of FBs validated by barangay					
5. Payment to _____ LOs	2	No. of hectares paid by LBP					
6. Monitoring of SDO, PPS	1	No. of compliance status reports submitted by _____ firms					
7. LTI Status Monitoring	1	Table 4 updated monthly					
	1	LFWS updated monthly					
	1	All distributed GFI lands paid by LBP					
B. PBD	25						
<i>ARC Development</i>							
1. LTI-free ARCs	2	All 1993 & 1994 ARCs LTI-free (100% distributed/under LH)					
2. ARC Profiles	1	All ARC Profiles updated					
3. ARC Development Plans	2	All ARC Dev't Plans reviewed, validated & updated					
4. Organizational Maturity Assessments (OMA) in ARCs	1	OMA conducted in <i>all</i> ARCs					
	1	All 1993 ARCs in level 3					
	1	All 1994 ARCs in level 2					
5. Credit Availment by FBs in ARCs	2	At least one FB organization per ARC able to access funds from LBP & other sources					
6. Access of FBs in ARCs to Economic & Physical Infra Support Services (ECOPISS)	1	All 1993 & 1994 ARCs with marketing tie-ups					
	2	Farm-to-Market Roads (kms)					
		Post-Harvest Facilities (units)					
		Irrigation (service area in has.)					
7. Increase in Income of FBs in ARCs	3	Ave. Household Income of FBs in 1993 ARCs to reach P60,000 per annum (current prices)					
	2	Ave. Household Income of FBs in 1994 ARCs to reach P40,000 per annum (current prices)					
8. Resource Mobilization	3	At least P 1 million per ARC, <i>exclusive of funds provided by DARCO</i> , with MOA or any binding agreement					
9. Monthly submission of PROCODOCs	1	Prov'l and reg'l consolidation of all PROCODOCs submitted					
<i>Monitoring/Evaluation/Audit of CARP/DAR-funded Projects</i>	2	All CARP/DAR-funded and foreign-assisted projects monitored/evaluated/audited					
	1	Qtrly submission of monitoring reports					
C. Delivery of Agrarian Justice	15						
1. Resolution of ALI cases	4	All ALI cases over 1 yr. old resolved					
2. Resolution of flashpoint cases	4	All flashpoint cases resolved within 6 mos.					
3. Resolution of personnel discipline cases	4	All personnel discipline cases over 6 mos. old resolved					
4. Filing of cases against CARP violators	3	At least one case filed per province against CARP violators					

KRA	Wt.	Performance Indicator	1 st Q	2 nd Q	3 rd Q	4 th Q	Total
D. Managing the Publics	15						
1. PACU maintenance	1	PACU maintained/operationalized					
2. Joint monthly NGO/PO dialogues and PARCCOM meetings	3	No. of meetings conducted					
3. Inform all LOs with pending claims with DAR as of 30 Dec 1995 on the schedule of payments of their lands	3	No. of notices sent to LOs					
4. Media	1.5	No. of weekly print releases					
5. Monthly consultations with LGUs, Members of Congress	3	No. of meetings conducted					
6. Monthly submission of at least 2 stories for national release	1.5	No. of stories submitted					
7. Monthly meetings with CARP Implementing Team members	2	No. of meetings conducted					
E. Managing the Program (Management Competency)	15						
1. Coordination with other CARP agencies							
a. Target Synchronization	1	Target synchronized with other agencies					
b. Consultations	2	No. of consultation meetings conducted					
2. Participation in RDCs	1	No. of positions drafted					
3. Fund Management							
a. Fund utilization	1	100% utilization of funds					
b. Cost cutting measures	1	Amount of actual land distribution unit cost parameter					
c. Monitoring of LUMD funds	1	Complete fund utilization report submitted on time					
4. Personnel Management							
a. HRD Program	1	HRD program established and operationalized					
b. Grievance Procedure	1	Grievance committee operational					
c. Performance Assessment & Contracting/SPEED	2	No. of one-on-one meetings with PAROs/MAROs & other staff					
d. Staff Development including training on information technology	2	No. of staff development trainings conducted & attended by regional/provincial personnel					
e. Orientation on New Issuances	1	No. of orientations conducted on new issuances					
5. Document Retrieval System	1	DRS installed and operationalized at the DARPOs & DARRO					
F. Specific Personal Contributions & other Assignments	5						

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DEPARTMENT OF AGRARIAN REFORM

Third Level Officials

Performance Contract and Appraisal

PLEASE NOTE

Performance Contract - when completed, copies of pages 1 & 2 should be forwarded to Office of the Secretary NLT
15 January

Management Competency Plan - when completed, copies of page 3 should be forwarded to BARIE NLT 15 January

Mid-term review Interview Summary - when completed, copies of page 4 should be forwarded to OSEC NLT 30 July

Performance Appraisal - when completed, copies of pages 5 & 6 should be forwarded to OSEC NLT 15 December

OFFICER

Surname	Given Name
Position/Designation	Work Area

PERFORMANCE MANAGEMENT

Objectives, weight and performance indicators/standards have been discussed and agreed as set out in page 2.

MANAGER

Signature	Date / /
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OFFICER

Signature	Date / /
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[illegible]

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3. MID-TERM REVIEW INTERVIEW SUMMARY

Officer	
Position	Designation (if any)
Rater	Date of Interview

List below any substantial changes to the work program and any subsequent changes to the performance indicators.

CHANGE TO KRAS	CHANGE TO INDICATORS and STANDARDS

Why change is needed? _____

List below any particular area of work where performance has either outstanding or needs improvement.

OUTSTANDING	NEEDS IMPROVEMENT

List below any specific development and or training needs identified during the interview.

TRAINING and DEVELOPMENT NEEDS	PROPOSED ACTION

Name/Signature of Officer	Date	Name/Signature of Rater	Date

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PERFORMANCE APPRAISAL (refer to page 2)

PERFORMANCE APPRAISAL (refer to page 2)		
Commitments (KRAs)	Average Rating (1-5)	Cite Critical Incidents to Merit a rating of 1 or 5
		Transfer ratings to page 6

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4. PERFORMANCE APPRAISAL

Overall Performance Rating

Weighted Rating = Weights x Average Rating

Key Result Areas	Weights	Average Rating	WEIGHTED Rating
TOTAL	100 (A)		(B)

Overall Performance Rating = (B) / (A) =

Name/Signature of Officer	Name/Signature of Rater	Date / /
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Performance Appraisal seen by the Secretary	Date
Signature of Secretary	/ /