



MC No. 07, s. 2007

**MEMORANDUM CIRCULAR**

**TO :** ALL HEADS OF CONSTITUTIONAL BODIES; DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS WITH ORIGINAL CHARTERS; AND STATE UNIVERSITIES AND COLLEGES

**SUBJECT :** Installation of Performance Management System (PMS) in the Civil Service

Pursuant to CSC Resolution No. 070733, dated April 11, 2007, the Civil Service Commission promulgates the attached Implementing Guidelines in the installation of the Performance Management System (PMS) in the civil service.

As mandated by the Constitution, the Civil Service Commission (CSC) takes the lead in strengthening the merit and rewards system in government and in ensuring that the bureaucracy's most valuable assets are properly nurtured. Placing a high premium on the principle of merit and fitness, the CSC has long recognized the value of using a workable and effective performance evaluation system to support management decisions and personnel actions. Thus, it is imperative to develop an effective merit system that would accurately evaluate the performance of government personnel as well as institutionalize a climate conducive to public accountability.

For the past years, the government has been implementing policies to improve performance evaluation systems and procedures. However, existing systems do not account for tangible results and public accountability. Said systems also disregard the fact that employee performance is a crucial factor in determining security of tenure and career development and in granting incentives and rewards to government employees.

With these perceived weaknesses, the Commission developed a system entitled, Performance Management System (PMS), which is based on the learning and insights gained from previous mechanisms and experiences. The system objectively links employee performance with the agency's vision, mission, and strategic goals.

The PMS is a concept that creates a culture of individual and collective efficiency, productivity, accountability and ultimately, performance-based security of tenure in government. An Office Performance Evaluation System (OPES) is used to complement the PMS. The OPES is a point system which sets uniform standards across organizational units including those in the regional and field offices. Specifically, the PMS-OPES aims to: 1) measure all outputs of each office; 2) compare and contrast outputs of one office with another; 3) set comparable, attainable, just and fair expectations; and 4) set standards on measurable outputs. To measure individual performance, the Career Executive Service Performance Evaluation System (CESPES) and the Performance Evaluation System (PES) will still be used and may be linked with the PMS-OPES.

The PMS-OPES was initially piloted to CSC personnel and eventually to thirteen (13) other agencies in the government. Starting this year, the Commission shall roll-out the PMS in

all government agencies. To ensure the effective implementation of Performance Management System in the civil service, the following steps and activities shall be undertaken:

1. By the dates specified below, all government agencies should have installed their Performance Management System (PMS) which will measure accurately and objectively the performance of the agency, its units and personnel:

Dec. 31, 2007	Batch 1: All National Government Agencies (including their regional offices)
June 30, 2008	Batch 2: All attached agencies, GOCCs and GFIs (including their regional offices) and all State Universities and Colleges (SUCs)
Dec. 31, 2008	Batch 3: All Local Government Units

2. In coming up with their PMS, the agencies shall fall under one of these two categories:

Category 1: Agencies that choose to adopt the CSC PMS-OPES model. These agencies can then request technical assistance from the CSC.

Category 2: Agencies that choose to develop or use a PMS different from the CSC PMS-OPES model. The CSC shall conduct a systems review of these agencies to ensure that their proposed PMS meets the criteria set by the CSC (i.e. objectively measures performance; anchored on office targets, goals, and work and financial plan; and linked to other PMS tools, such as the CESPES)

3. Agencies shall identify PMS champions or point persons who will liaise with the CSC and who will lead the installation of the PMS in their respective agencies.
4. The agency's PMS is deemed accepted only upon the approval of the Commission, which in turn shall be based on the recommendation and endorsement of either: (1) the CSC PMS Facilitators/Mentors assigned to each Category 1 agency, or (2) the CSC-convened panel of PMS experts and evaluators assigned to assess the proposed PMS of Category 2 agencies.
5. Non - submission and approval of agency PMS shall constitute as ground for disapproval of promotional appointments and other personnel actions requiring performance-based ratings. This may also include among others; (a) non-approval of other proposed personnel mechanisms; and (b) downgrading of the agency's accreditation status.

This Memorandum Circular supersedes pertinent issuances and takes effect immediately.

For compliance.

  
KARINA CONSTANTINO-DAVID  
Chairman

18 April 2007



**Installation of the Performance Management System  
In the Civil Service**

X ----- X

RESOLUTION No. 070733

WHEREAS, Section 3, (B), Article IX of the 1987 Philippine Constitution provides that the Civil Service Commission, as the central personnel agency of the Government, shall adopt measures to promote morale, efficiency and progressiveness in the civil service, strengthen the merit and rewards system and institutionalize a management climate conducive to public accountability;

WHEREAS, Section 33, Chapter 5. Personnel Policies and Standards, Book V of Executive Order No. 292 (Administrative Code of 1987) provides that a performance evaluation system shall be established and administered in accordance with rules and regulations and standards promulgated by the Commission for all officers and employees in the career service;

WHEREAS, employee performance is a crucial factor in determining employee's retention or security of tenure in the civil service;

WHEREAS, career development and the grant of incentives and rewards to government personnel are anchored on performance;

WHEREAS, previous initiatives were undertaken by CSC to measure objectively the performance of employees as embodied in Memorandum Circulars (CSC MC No. 12, s. 1989 – Autonomy in the Establishment of Agency Performance Evaluation System, CSC MC No. 12, s.1993 – Guidelines in the Establishment and Implementation of Agency Performance Evaluation System, CSC MC No. 13, s. 1999 – Revised Policies on the Performance Evaluation System, and CSC MC No. 13, s. 2001 – Implementation of the Revised Policies on Performance Evaluation System prescribed under CSC MC No. 13, s. 1999);

WHEREAS, the government has long been implementing policies to improve systems and procedures, particularly on the implementation of a workable performance evaluation system but existing systems do not account for tangible results and public accountability;

WHEREAS, these perceived weaknesses prompted the Commission to develop the "Performance Management System (PMS)" that objectively links employee performance with the agency's vision, mission and strategic goals as a way to create a culture of individual and collective efficiency, productivity, accountability and ultimately, performance-based security of tenure in government;

Certified True Copy:

*Justina O. Amper*  
JUSTINA O. AMPER  
Supervising Personnel Specialist  
Commission Secretariat and Liaison Office  
Civil Service Commission

**WHEREAS**, the PMS is complemented by the use of the Office Performance Evaluation System (OPES), a point system which sets uniform standards across organizational units including those in the regional and field offices; and

**WHEREAS**, the PMS-OPES was piloted in the Commission and eventually in thirteen (13) other government agencies and that the Commission received positive feedback in its pilot installation.

**NOW, THEREFORE**, foregoing premises considered, the Commission **RESOLVES** as it is hereby resolved to undertake the following activities pertinent to the installation of the PMS in the bureaucracy:

1. By the dates specified below, all government agencies should have installed their Performance Management System (PMS) which will measure accurately and objectively the performance of the agency, its units and personnel:

Dec. 31, 2007                      Batch 1: All National Government Agencies (including their regional offices)

June 30, 2008                      Batch 2: All attached agencies, GOCCs and GFIs (including their regional offices) and all State Universities and Colleges (SUCs)

Dec. 31, 2008                      Batch 3: All Local Government Units

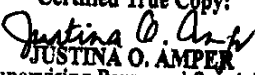
2. In coming up with their PMS, the agencies shall fall into either of these two categories:

Category 1:                      Agencies that choose to adopt the CSC PMS-OPES model. These agencies can then request for technical assistance from the CSC.

Category 2:                      Agencies that choose to develop or use a PMS different from the CSC PMS-OPES model. The CSC shall conduct a systems review of these agencies to ensure that their proposed PMS meets the criteria set by the CSC (i.e. objectively measures performance; anchored on office targets, goals, and work and financial plan; and linked to other PMS tools, such as the CESPES)

3. Agencies shall identify PMS champions or point persons who will liaise with the CSC and will lead the installation of the PMS in their respective agencies.

4. The agency's PMS is deemed accepted only upon the approval of the Commission, which in turn shall be based on the recommendation and endorsement of either: (1) the CSC PMS Facilitators/Mentors assigned to each Category 1 agency, or (2) the CSC-convened panel of PMS experts

Certified True Copy:  
  
JUSTINA O. AMPER  
Supervising Personnel Specialist  
Commission Secretariat and Liaison Office  
Civil Service Commission



and evaluators assigned to assess the proposed PMS of Category 2 agencies.

5. Non - submission and approval of agency PMS shall constitute a ground for disapproval of promotional appointments and other personnel actions requiring performance-based ratings. This may also include among others; (a) Non-approval of other proposed personnel mechanisms; and (b) Downgrading of the agency's accreditation status.

This resolution shall supersede all policies not consistent with it and shall be implemented immediately.

Quezon City, APR 11 2007



**KARINA CONSTANTINO-DAVID**  
Chairman

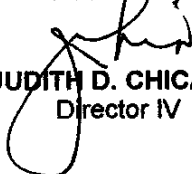


**CESAR D. BUENAFLOR**  
Commissioner



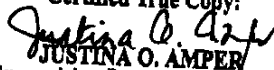
**MARY ANN Z. FERNANDEZ-MENDOZA**  
Commissioner

Attested by:



**JUDITH D. CHICANO**  
Director IV

Certified True Copy:



**JUSTINA O. AMPER**  
Supervising Personnel Specialist  
Commission Secretariat and Liaison Office  
Civil Service Commission