



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Intramuros, Manila

DEPARTMENT OF LABOR AND EMPLOYMENT	
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**IMPLEMENTING GUIDELINES ON THE GRANT OF THE DOLE 2015
PERFORMANCE-BASED BONUS (PBB)**

In accordance with E.O. No. 80¹ and Memorandum Circular² issued by AO 25 Inter-Agency Task Force (IATF) that specifies the criteria and conditions for the grant of 2015 PBB, the following are the guidelines in granting the Performance-Based Bonus (PBB)³ to all DOLE officials and employees for Fiscal Year 2015.

I. OBJECTIVES

The grant of the PBB aims to:

1. Recognize and reward DOLE employees with exemplary performance in the public sector to enhance service delivery by the bureaucracy;
2. Rationalize the distribution of incentives across performance categories of groups and individuals based on the Department's organizational values of teamwork and fair, objective and transparent manner of measuring and evaluating performance;
3. Nurture team spirit towards the effective execution of operational plans by linking personnel incentives to the bureau or delivery unit's performance; and
4. Strengthen performance monitoring and appraisal systems based on existing systems such as the Organizational Performance Indicator Framework which is used by the DBM to measure agency performance, the Strategic Performance Management System of the CSC which links individual performance to organizational performance, the Planning Tool, and the Results Based Performance Management System (RBPMS) provided under AO No.25, issued on December 11, 2011.

II. COVERAGE

These guidelines cover all DOLE officials and employees:

1. Holding regular plantilla positions; and
2. Have rendered at least **three (3) months** of service during the rating period.

¹ Directing the Adoption of a Performance-Based Incentive System for Government Employees issued on 20 July 2012.

² MC No. 2015-01 dated 12 August 2015.

³The PBB 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 subject to the set criteria and conditions.

III. ELIGIBILITY CRITERIA FOR THE PBB AND RANKING OF OFFICES

1. The DOLE-Performance Management Team (PMT) was tasked to monitor any report related to PBB and assist the Secretary in Offices' Performance Ranking. Specifically, the DOLE-PMT shall:
 - Adopt and undertake a communications strategy which will engage the employees in the process of understanding and meeting the targets of the Department/Agency under the PBB scheme and the services/outputs that the offices and employees need to deliver to meet these targets;
 - Publish the performance targets of the Department/Agency and the progress of their quarterly or monthly accomplishments in the Department/Agency website and intranet for the public to be informed and the employees to access, respectively;
 - Set-up a Help Desk which can be embedded in the above websites to be able to respond to queries and comments on the Department's/ Agency's targets and accomplishments;
 - Respond to issues and concerns brought forward by an official or employee on the PBB. Results of the forced ranking of individual performance ratings shall be posted in the office bulletin board giving at least three (3) days for any clarification of the concerned employees; and
 - Ensure adherence to the criteria and guidelines of the PBB.
2. All DOLE Delivery Units (Bureaus/Services/Regional Offices/Philippine Overseas Labor Offices/Attached Agencies) including the Offices of the Secretary, Undersecretaries and Assistant Secretaries that meet the following criteria and conditions are eligible for the 2015 PBB:
 - Achieved at least 90% of each one of their Major Final Outputs (MFO), Support to Operations (STO) and General Administrative Support Services (GASS) targets during the rating period;
 - Achieved at least 90% of each one of their success indicators in the Office Performance Commitment and Review (OPCR) which are based on the Planning Tool;
 - Satisfied 100% of five (5) Good Governance Conditions based on the performance drivers of the RBPMS, namely financial stewardship, process efficiency, and leadership, learning and growth: (1) **Transparency Seal** (2) **PhilGEPS Posting** (3) **Cash Advance Liquidation** (4) **Citizen's Charter**, and (5) **Statement of Assets, Liabilities and Networth (SALN) compliance**;
 - Acquired Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the IATF or the submission of an Operations Manual covering selected core processes or areas of operation; and,
 - Ranked performance of offices or delivery units and the personnel within these units.
3. All Delivery Units shall be forced ranked according to the extent/degree of their contribution to the achievement of the Department's performance targets. The Department Secretary/Head of Agency shall rank the qualified offices according to the following Performance Category:

Ranking	Performance Category
Top 15%	Best Delivery Unit
Next 30%	Better Delivery Unit
Next 55%	Good Delivery Unit

To facilitate the ranking of the offices, they shall be formed into sub-groups according to the similarity of their tasks and responsibilities. The forced ranking will then be done within the different sub-groups.

Attached Agencies with regional/field units shall be treated as separate entities to capture the complexity of their operations and reward personnel accordingly. Their eligibility is no longer dependent on the eligibility of the entire department.

- In addition to quantitative criteria, the Department Secretary/Head of Agency has the option to use other criteria (both quantitative and qualitative) which must be conveyed to the office/delivery unit heads for transparency.

IV. ELIGIBILITY CRITERIA FOR THE PBB AND RANKING OF INDIVIDUAL PERFORMANCES

- The following **weight allocations** shall be observed to arrive at the PBB general rating of individual employees:

CRITERIA	WEIGHT (%)	RATING	DESCRIPTION
A. Performance Rating (90%)			
	90	4	Meeting the success indicators – Outstanding (O)
		3	90% to 99% of the success indicators – Very Satisfactory (VS)
		2	80% to 89% of the success indicators – Satisfactory (S)
		1	79% or below the success indicators - Unsatisfactory (US) – NOT ENTITLED TO PBB
B. Behavior and Attendance (10%)			
Integrity	3	4	No violation of the DOLE Code of Conduct/administrative case during the rating period.
		2	With one (1) violation of the DOLE Code of Conduct/administrative case during the rating period.
		0	With at least two (2) violations of the DOLE Code of Conduct/administrative case during the rating period.
Work Attitude	4	4	Shows remarkable interest in his job, a self-starter, always able to devise ways and means to accomplish tasks or with innovations, a team player.
		3	Sometimes shows initiative to devise ways and means to accomplish tasks, a team player
		2	Shows normal interest in his job, does only what is required of him
		1	Lacks interest in his job, must be told always to do his assignments, does not involve in group work
Punctuality	1.5	4	No tardiness/undertime during the rating period
		3	1-19 times tardy/undertime per semester during the rating period
		2	20-38 times tardy/undertime per semester during the rating period
		1	At least 39 times tardy/undertime or with warning per semester during the rating period
		0	Penalized for policy violation during the rating period (Ten (10) times in 2 consecutive months in a semester or during the year – A.O. No.390 S.2003) (Ten (10) times in 2 consecutive months in a semester or

CRITERIA	WEIGHT (%)	RATING	DESCRIPTION
			<i>during the year – CSC MC No.16, S. 2010)</i>
Attendance	1.5	4	No absences during the rating period
		3	1-15 days absences per semester during the rating period
		2	16 and above days absences per semester during the rating period
		1	1-7 unauthorized absences or with warning during the semester
		0	Penalized for policy violation during the semester (Exceeding 2.5 days of unauthorized absences in a month or at least 3 consecutive months during the year (Habitual Unauthorized Absences per A.O. No.390, S.2003)
			Note: Excluded in the counting of absences; forced leave, maternity leave, paternity leave, parental leave, special leave, rehabilitation leave, special leave for women)
TOTAL	100		

Since the Department is observing an annual performance evaluation rating, the Integrity and Work Attitude shall be rated for the **whole year** and the average rating for the Punctuality and Attendance criteria for the 1st and 2nd semesters shall be considered. To arrive at the final rating, the Behavior and Attendance rating shall then be added to the performance rating (Please see attached sample computation). To arrive at an objective rating for the Work Attitude, offices may adopt a validation tool/ technique such as: *360 degrees survey among superiors, subordinates, and peer; review of critical incident reports; feedback from clients, among others.*

The IPCR rating of the employees shall also include intervening task with proof of actual performance and pioneering initiatives, if there are any.

2. Employees belonging to the First and Second Levels and other officials not covered by the Career Executive Service Performance Evaluation System (CESPES) should receive a rating of at least **“Satisfactory”** equivalent to numerical rating of **“2”** under the SPMS to qualify for the grant of PBB.
3. Officials and other holders of Third Level positions should receive a rating of at least **“Very Satisfactory”** equivalent to numerical rating of **“3.40-4.19”** under CESPES. Payment of the PBB to Third Level officials shall be contingent on the results of the CESPES. The CESPES rating of the Third Level officials shall comprise 100% of their PBB General Rating.
4. Officials and employees who do not submit their SALN, IPCR or CESPES ratings on or before the set deadline shall not be entitled to the PBB or to any other performance-based incentives. On the other hand, CESPES or IPCR ratings submitted after the submission of their office' individual forced-ranking shall be entitled to the amount corresponding to **“Good”** ranking only until the prescribed deadline.
5. Officials and employees who failed to liquidate Cash Advances received in FY 2015 within the reglementary period as required by the COA shall not be entitled to the FY 2015 PBB. This provision will not apply for Special Disbursing Officers who handle advances for operating expenses.
6. Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. The mother agency, however, should ensure that

all its detailed employees have been included in the request of its PBB funds. Hence, payment of the PBB shall come from the mother agency.

7. 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 for each agency, he/she will be included in the recipient agency.
8. Personnel who are assigned in more than one (1) division/field office within the year shall base their IPCR rating on the average of their individual commitments in all offices where they were assigned.
9. Personnel found guilty of administrative and/or criminal offenses and meted penalty during the rating period shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
10. All officials and employees within the Office of the Secretary (OSEC) shall be ranked accordingly. The Office of the Secretary shall be considered as one (1) delivery unit to include the OSEC itself and all the Offices of the Undersecretaries and Assistant Secretaries.
11. Third Level Officials within the Service, Bureau, Regional Offices and Attached Agencies shall be included in the ranking of personnel within their respective offices.
12. The eligibility of the Secretary shall be based on the eligibility of the Department. Her PBB rate shall be fixed at P35,000.00 for FY 2015.
13. An employee who has rendered a minimum of nine (9) months of service during the fiscal year 2015 and with a performance rating in accordance with items IV.2 and IV.3 hereof may be eligible to the full grant of the PBB.
14. An employee who rendered a minimum of three (3) months but less than nine (9) months of service and with the required performance rating shall be eligible for the grant of PBB on a pro-rata basis. The PBB of employees shall be pro-rated corresponding to the actual length of services rendered, as follows:

Length of Service	% of PBB
8 months but less than 9 months	90
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 an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

- 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

16. Personnel on scholarship during the rating period shall be ranked as follows:

- On scholarship for the whole year or rendered actual service of less than nine (9) months, to be ranked as “**Good**” equivalent to IPCR rating of “**2**”;
- On scholarship but rendered actual service for at least nine (9) months, to be ranked according to his/ her average rating for the actual performance and the remaining months as “**Good**” equivalent to IPCR rating of “**2**”.

17. An employee who is on vacation or sick leave, with or without pay for the entire year, is not eligible to the grant of the PBB.

18. Officials and employees of offices/agencies that qualified for the PBB, based on the abovementioned criteria and conditions, shall be forced ranked as follows:

Office Ranking	Individual Performance Category
BEST OFFICES	
Top 20%	Best Performer
Next 35%	Better Performer
Next 45%	Good Performer
BETTER OFFICES	
Top 15%	Best Performer
Next 30%	Better Performer
Next 55%	Good Performer
GOOD OFFICES	
Top 10%	Best Performer
Next 25%	Better Performer
Next 65%	Good Performer

19. The Performance Management Team (PMT) of respective offices shall be responsible for the forced-ranking of their employees. It shall come up with the offices' grouping of employees.

Following are the suggested options in the groupings of employees. However, all offices/agencies may opt to develop/ use other scheme, subject to approval of the PMT.

Option 1: Similarity of their tasks and responsibilities (i.e. clerical, technical and supervisory) regardless of salary grade or level of position.

Option 2: Level of Positions (i.e. first level and second level; positions requiring Subprofessional and Professional Civil Service eligibility, respectively)

Option 3: Salary Grade (i.e. SG 1-9; 10-21; and 22-25)

Option 4: Mixed Salary Grade and Actual Duties and Responsibilities (i.e. SG 1-9 and those with higher salary grade but performing clerical tasks; SG 10-21 except those performing supervisory functions; and SG 22-25 and those with lower salary grade but performing supervisory functions)

The forced ranking will then be done within the different sub-groups.

20. Across-the-board granting of PBB is strictly prohibited. Heads of Agencies shall be held accountable for non-observance of these guidelines.
21. The POLOs shall likewise observe the individual forced-ranking. The POLO head is expected to consult with his/her staff in the forced-ranking of employees at the post before the submission of the attached PBB forms to the International Labor Affairs Bureau (ILAB).

V. PBB DISTRIBUTION AND RATES

1. The following rates of the PBB shall be based on the performance ranking of offices and rating of individuals, as provided in EO No.80:

Office Performance Category	Individual Performance Category		
	Best	Better	Good
Best	35,000	20,000	10,000
Better	25,000	13,500	7,000
Good	15,000	10,000	5,000

2. Under this Performance-Based Incentive System (PBIS), underperformers shall still receive the ₱5,000 across-the-board PEI but not the PBB.

VI. TIMELINES

1. Submission of Requirements:

Report/Form	Deadline
<ul style="list-style-type: none"> • IPCR • IPCR Summary of Ratings • CESPES • Individual Performance Forced Ranking 	For submission to HRDS 10 days after receipt of approved/signed 2015 OPCR Accomplishment Report

2. The PBB shall be given to officials and employees within one (1) month after the approval of the forced ranking of offices and release of funds by the DBM. Both the PEI and the PBB shall be sourced from the Miscellaneous Personnel Benefits Fund.

3. The IAS shall conduct the validation on the strict observance of these guidelines two (2) months after the granting of the PBB.

These Guidelines shall take effect immediately.


ROSALINDA DIMAPILIS-BALDOZ
Secretary

30 October 2015