



POLICY AND PROCEDURAL GUIDELINES (PPG) NO. 236 - 18

FUNCTIONAL AREA : Performance Appraisal

DISTRIBUTION : **The Corporate Secretary**
All Senior Vice Presidents
All Vice Presidents
All Managers
Actuarial and Risk Management Group
Controller Group
Corporate Services Group
Financial Management Group
Information Technology and Services Group
Insurance Group
Internal Audit Services Office
Legal Services Group
NCR Operations Group
Luzon Operations Group
VisMin Operations Group

SUBJECT : **GSIS GROUP PERFORMANCE APPRAISAL SYSTEM (GPAS)**

I. BACKGROUND/RATIONALE

In 2006, the GPAS was developed to determine and measure the Functional Groups' (FGs) contribution to the corporate performance and to serve as an input to the Individual Performance Appraisal of executives.

In 2010, the GPAS was set to be revised to simplify the process of computing the group performance ratings and to align it with the individual performance rating scheme.

In 2011, the Governance Commission for GOCCs (GCG) was constituted under Republic Act No. 10149. The GCG was mandated to establish performance evaluation systems (PES) including performance scorecards for all GOCCs. Thus, revision of the guidelines was deferred.

While the GCG has issued Memorandum Circular 2013-02 on PES for GOCCs, it is geared towards the evaluation of agency performance as a whole and does not, at this point, address the evaluation of the performance of offices within an agency.

II. OBJECTIVES

- A. To provide a mechanism to measure the level of performance of the offices under the various FGs in relation to the attainment of the corporate objectives through the accomplishment of Plans and Programs and compliance with Board directives.
- B. To anchor the individual performance ratings of personnel with the office performance.

III. POLICIES

A. Coverage

This PPG shall cover all offices in the GSIS.

B. General Guidelines

1. Performance shall be rated annually based on two (2) criteria, namely: (1) accomplishment of office targets in the Plans and Programs approved by the President and General Manager (PGM) and the Board of Trustees (BOT); and (2) compliance with directives issued during Board Committee and BOT Meetings.
2. The Plans and Programs Performance Weight (PPPW) shall have a minimum of eighty percent (80%), while the Board Directives Performance Weight (BDPW) shall have a maximum of twenty percent (20%) depending on the number and complexity of Board Directives assigned per office.
 - a. On the Plans and Programs criterion, the offices shall assign weights to each deliverable totaling one hundred percent (100%), giving premium to the priorities identified by the BOT. This shall be validated by the Corporate Planning Office-Strategic Planning and Control Department (CPO-SPCD) and approved by the PGM and BOT.
 - b. On the Board Directives criterion, the Office of the Corporate Secretary (OCS), subject to the confirmation of the BOT and its Committees, shall classify whether a directive is simple or complex.
 - 1) Simple directives are tasks or activities which can be completed within ten (10) working days such as simple research or coordination work, updating of regular status reports, gathering and submission of readily available data, grammatical corrections and other minor revisions.

- 2) Complex directives are tasks or assignments requiring several components and interdependencies among offices and/or other agencies which cannot be completed within ten (10) working days. This includes thorough study and heavy coordinative work such as drafting of new or review of existing policy and procedural guidelines, contracts, and investment guidelines; conduct of investigation, legal review, audit report, risk assessment, actuarial study, and feasibility study.
- c. The total number of Board Directives issued to all offices shall determine the computation of Board Directive weight for each office. The office with the most number of simple directives shall be assigned the maximum weight of 5% for simple directives, while the office with the most number of complex directives shall receive the 15% maximum weight for complex directives.

If an office is not assigned a directive under a classification, its weight shall be added to the Plans and Programs criterion. For instance, if an office was not assigned any directive classified as complex, its corresponding weight of 15% shall be added to the 80% weight of the Plans and Programs criterion. Thus, the office will have a 95% weight for Plans and Programs and only 5% for Board Directives.

3. The OCS shall provide CPO-SPCD with semestral reports on the offices' compliance with each Board Directive. The reports to be submitted every first week of July and January shall include statistics on the number of directives assigned per office and the quality of their compliance (i.e., number of times a directive passed through the Board Committee or BOT before approval).
4. Modifications, deadline extensions and inter-office dependencies shall be reported by the offices to the CPO-SPCD for monitoring and evaluation purposes.
 - a. Any change in the Plans and Programs shall be valid only if a superseding directive has been issued by the PGM or BOT.
 - b. Extension of deadlines of certain deliverables shall be requested by the offices from the PGM or BOT.
 - c. A lead office shall be identified for Board Directives issued to more than one office or requiring inter-office coordination.
5. The CPO-SPCD shall compute the overall rating of the offices from the total weighted scores of the Plans and Programs and the Board Directives.

It shall also come up with a forced ranking list of the offices based on their overall ratings. The ratings computed by CPO-SPCD shall be held in confidence and shall only be disclosed upon approval of the PGM and BOT.

C. Performance Weighted Scores

Performance per deliverable or directive shall be scored based on quality, timeliness and quantity standards.

1. Plans and Programs Weighted Scores

a. The degree of accomplishment of each deliverable shall be scored using the following Plans and Programs point scoring scheme:

1) Quality Standard

Degree of Accomplishment	Point Score
Cleared or approved by the PGM or BOT within one (1) to two (2) times it was submitted.*	100
Cleared or approved by the PGM or BOT within three (3) to four (4) times it was submitted.	80
Cleared or approved by the PGM or BOT within five (5) or more times it was submitted.	60
No submission or compliance	0

*It shall be considered a resubmission if an output was returned due to a substantive revision.

2) Timeliness Standard

Degree of Accomplishment	Point Score
Submitted on or before the due date	100
Submitted one (1) to two (2) months after the due date	80
Submitted three (3) months or more after the due date	60
No submission or compliance	0

3) Quantity Standard

<p style="text-align: center;">Point Score = number of outputs / target quantity</p> <p style="text-align: center;">(% of accomplished target within turnaround time)</p>

- b. If a deliverable has two performance standards, e.g., Quality and Timeliness, then the final point score for the output shall be the average point score received using the two performance standards, i.e., average of quality and timeliness point scores.
- c. The weighted point score for each deliverable shall be computed by multiplying the assigned weight and the obtained point score. For example, if a deliverable is given a 10% weight and scores 80 points, it shall have a weighted point score of 8.
- d. The Plans and Programs Weighted Score shall be computed by multiplying the Plans and Programs Weight and the total of the weighted point scores. For example, an office has a Plans and Programs Weight of 80% and scores a total weighted point score of 80 points for its deliverables. The Plans and Programs Weighted Score shall then be 64.

2. **Board Directives Weighted Scores**

- a. The degree of compliance with each directive shall be based on the following Board Directive point scoring scheme.

Degree of Compliance	Point Score
Cleared or approved by the Board Committee or BOT within one (1) to two (2) times it was presented	100
Cleared or approved by the Board Committee or BOT within three (3) to four (4) times it was presented	80
Cleared or approved by the Board Committee or BOT within five (5) or more times it was presented	60
No submission or compliance	0

- b. The score of all directives under each classification shall be averaged and multiplied with the respective weights. For example, an office averages 90 points for simple directives and 80 points for complex

directives. The average point of 90 shall be multiplied by 5% weight for simple directives and the 80 points by 15% for complex directives.


- c. The Board Directives Weighted Score shall be the sum of the scores of each classification. Following the preceding example, the office shall have a Board Directive Weighted Score of 16.5 points $\{(4.5)+(12)\}$.

D. Overall Rating

- 1. The overall rating shall be the sum of scores garnered from the Plans and Programs and the Board Directives performance criteria.
- 2. The numerical rating shall have the corresponding adjectival rating, to wit:

Overall Rating	Adjectival Rating
94-100	Excellent
88-93.99	Very Satisfactory
80-87.99	Satisfactory
70-79.99	Unsatisfactory
<70	Poor

- 3. The office rating shall be summarized by the CPO-SPCD in the following GPAS Scorecard template:



Group Performance Appraisal System Scorecard

Office: _____
Rating Period: _____

%	Performance Criteria	RATING
	Plans and Programs	
	Board Directives	
	Overall Rating	
	Adjectival Rating	

Remarks

IV. PROCEDURES

The detailed procedures to be included in the Manual of Operations of the CPO shall adhere to the following general procedures.

A. Computation of the Performance Weights

Activity	Responsible Unit
1. Prepare a BOT-approved Semestral Report on offices' compliance with Board directives, including classification of each directive (i.e., simple and complex), statistics on the number of directives per Office, and the quality and timeliness of compliance (i.e., deadline and number of times a directive passed through the BOT or Board Committee before approval). Forward report to CPO-SPCD.	OCS
2. Identify the highest number of simple (SHN) and complex (CHN) directives assigned to an office.	CPO-SPCD
3. Compute the performance weight of each office per classification directives using the following formula: $SWO = \frac{\text{number of simple directives per office}}{SHN} \times 5\%$ $CWO = \frac{\text{number of complex directives per office}}{CHN} \times 15\%$ Where: SWO = Simple directive performance weight per office CWO = Complex directive performance weight per office	
4. Compute the Board Directives Performance Weight (BDPW) of an office by adding all the SWO and CWO of the office. $BDPW = SWO + CWO$	

Activity	Responsible Unit
5. Compute the Plans and Program Performance Weight (PPPW) by subtracting the BDPW from 100%. $PPPW = 100\% - BDPW$	
<i>End of Process</i>	

B. Computation of Performance Rating based on the Plans and Programs

Activity	Responsible Unit
1. Submit Quarterly Accomplishment Reports to CPO-SPCD.	Offices
2. Check completeness of data in the Accomplishment Report. 2.1. If complete, proceed to Activity 3. 2.2. If incomplete, inform concerned office of any deficiency.	CPO-SPCD
3. Evaluate and identify the score of each office output per degree of accomplishment using the Plans and Programs scoring scheme.	
4. Compute the weighted score per deliverable by multiplying the score and the given weight.	
5. Add all the product of the scores and assigned weights.	
6. Compute the Plans and Programs Weighted Score (PPWS) by multiplying the deliverables' total weighted score with the PPPW $PPWS = \text{deliverables' total weighted score} \times PPPW$	
<i>End of Process</i>	

C. Computation of Performance Rating based on the Board Directives

Activity	Responsible Unit
1. Assign score on compliance with each directive based on the Board Directive scoring scheme.	CPO-SPCD
2. Average the scores per classification.	
3. Multiply the average with the assigned weights per classification.	
4. Compute the Board Directives Weighted Score by adding the final score from each classification.	
<i>End of Process</i>	

D. Preparation of the GPAS Scorecard

Activity	Responsible Unit
1. Fill out the GPAS Scorecard using the Board Directives Weighted Score and Plans and Programs Weighted Score.	CPO-SPCD
2. Prepare Annual GPAS Scorecard and forced ranking list and submit to PGM through the Senior Vice President of the Corporate Services Group.	
<i>End of Process</i>	

V. REPEALING CLAUSE

All office orders, circulars, policies and procedural guidelines which are inconsistent herewith are hereby superseded or modified accordingly.

VI. EFFECTIVITY

This GPAS shall be applied to the office performance ratings starting 2013.


ROBERT G. VERGARA
 President and General Manager

Date Signed: 16 July 2013