

**MEMORANDUM CIRCULAR No. 23-11**  
Series of 2023

**SUBJECT: GUIDELINES IN THE RANKING OF DELIVERY UNITS OF THE  
DEPARTMENT OF TRADE AND INDUSTRY**

**WHEREAS**, the Department of Trade and Industry issued its Strategic Performance Management System (SPMS) embodied in Department Order No. 15-12, s. 2015;

**WHEREAS**, pursuant to DO 15-12, s. 205, the Department adopted the Program on Awards and Incentives for Service Excellence (PRAISE). It shall provide both monetary and non-monetary awards and incentives to recognize, acknowledge, and reward productive, creative, innovative, and ethical behavior of employees through formal and informal mode;

**WHEREAS**, under DTI-PRAISE, an annual search for exemplary performers known as the System on Performance Rewards and Incentives (SPRInts) is implemented by the Department;

**WHEREAS**, under the implementing guidelines of SPRInts as embodied in DO 15-12, s. 2015, the performance rating and individual rank shall be the basis for basic qualification for nomination, and that the organizational performance rating (OPR) shall be based on the PGS scorecard of the office/bureau and the rating of their undersecretary.

**NOW THEREFORE**, the following mechanics of ranking the offices to determine the OPR of each office as basis for the grant of incentives under SPRInts are hereby prescribed:

- 1.0 **Coverage.** For purposes of this Circular, delivery units shall refer to DTI Bureaus, Regional Offices, Service Offices, Executive Offices and stand-alone divisions and under the DTI-OSEC.
- 2.0 **Functional Clusters.** In order to facilitate the ranking process, delivery units are clustered based on similarities of functions and responsibilities. Ranking of DTI units shall be based on the following clusters:

Functional Cluster	Delivery Units
Regional Offices	CAR, R1, R2, R3, R4A, R4B, R5, R6, R7, R8, R9, R10, R11, R12, CARAGA
Central Office	BDTP, BIS, BITR, BPS, BSMED, BTIPR, CARP, CB, CPAB, DPH, EMB, FTEB, FTSC, NCRO, PAB, STMO
Central Office – Support Services	FS, HRAS, IAS, ISMS, KMIS, LS, PMS, KR, RGMS, LOLA, PRD, Executive Offices



3.0 **PGS Scorecards.** All delivery units shall finalize and submit their PGS Scorecards, duly approved by their Supervising Undersecretaries, to the Office of the Undersecretary of the Management Services Group during the first month of the succeeding year.

#### 4.0 **Organizational Performance Rating (OPR)**

4.1 A delivery unit's organizational performance rating (OPR) shall be based on its respective PGS Scorecard and a rating obtained from a forced ranking methodology by the DTI Secretary and by the Supervising Head;

4.2 **PGS Score.** The PGS score is determined based on a "pass/fail" mark per strategic measure as reflected in the delivery unit's Performance Governance System (PGS) Scorecard. A strategic measure is considered "Pass" if accomplishment is at least 90% of the target set in the PGS Scorecard. If the delivery unit has failed to reach the target set for that particular measure, this will be counted as a "Fail" mark. The PGS Score is obtained based on the number of targets with "Pass" marks over the total number of valid strategic measures using the PGS Rating Matrix v2.2.

To illustrate:

Total number of Pass	10
Total number of Measures	15

PGS Score= 3.5

4.3 **Forced Ranking.** The forced ranking methodology shall be adopted. A ranking sheet shall be provided to the DTI Secretary and Supervising Heads, who shall evaluate the units based on the following criteria:

4.3.1 Quantity (How much did the unit accomplish?); Quality (How well did the unit do it?); Timeliness (How fast did the unit deliver?)

4.3.2 Compliance and adherence to the principles of Public Expenditure Management, as follows:

- Fiscal discipline: *living within the means or utilizing available resources*
- Allocative efficiency: *spending money on the right things or the right priorities*
- Operational efficiency: *obtaining the best value for the money or resources available*

4.3.3 Organizational culture demonstrated (i) organizational effectiveness (ramdam), (ii) management of people and resources, and (iii) contribution to the department's knowledge bank.



4.4 **Secretary's Rating.** The Secretary's Rating shall be based on the scores derived from the forced ranking by the DTI Secretary of delivery units within the functional clusters.

4.5 **Supervising Heads' Rating.** Supervising Heads shall use the forced ranking method for their Functional Group in rating the Department's delivery units. The scores from other Supervising Heads will be considered, based on a 70:30 weight ratio, in favor of the Supervising Head.

The Office of the Secretary Chief of Staff (COS) shall rank the units under OSEC which include FTSC, IAS, LS, KMIS, LOLA, and PRD. The Supervising Head of the Digital Philippines shall rank the divisions under DPH.

For Supervising Heads of only one delivery units, Supervising Head shall rate the unit according to the same criteria.

4.6 **Ranking to Rating Conversion.** For Functional Groups and Clusters with less than 10 units, the rate shall be 3.75 for the lowest and 5.00 for the highest. While those with 10 units and above, the rate shall be 3.25 for the lowest and 5.00 the highest.

4.7 **Formula.** To determine the Organizational Performance Rating (OPR) of each delivery unit, except for the Executive Offices, the following formula shall be applied:

$$\text{OPR} = \text{PGS Scorecard (50\%)} + \text{Supervising Heads' Rating (30\%)} + \text{Secretary's Rating (20\%)}$$

4.7.1 **OSEC/Executive Offices.** Section 3.11 of Memorandum Circular No. 2012-05 states that "the Office of the Secretary shall be considered as one (1) delivery unit to include the OSEC itself and all the Offices of the Department Undersecretaries and Assistant Secretaries." To determine the OPR, the formula shall be:

$$\text{OPR} = \text{Average PGS Score of the Undersecretaries (40\%)} + \text{Secretary's Rating (40\%)} + \text{CSF from Delivery Units (20\%)}$$

4.7.2 **Provincial Offices.** All Regional Directors shall rank the Provincial Offices under their respective jurisdiction.

$$\text{OPR} = \text{PGS Score (50\%)} + \text{RD's Ranking (30\%)} + \text{ROG Supervising Head's Rating (20\%)}$$

5.0 **Sanctions.** Pursuant to Section 2, Part IV of DTI DO 15-12, non-submission of PGS scorecards and dashboards shall render the individual, respectively, ineligible for the grant of the incentives under SPRInts and shall be a ground for:

5.1.1 Employee disqualification from performance-based personnel actions such as promotion, training, scholarship grants, or performance-



enhancement bonus, if the delay or non-submission of the report is the fault of the employee;

5.1.2 Administrative sanction for violation of reasonable office rules and regulations and simple neglect of duty committed by supervisors or employees responsible for the delay or non-submission of the office and individual performance;

5.1.3 Administrative offense for neglect of duty for failure on the part of the Head of Office to comply with the required notices to their subordinates for their "Below Satisfactory" or "Poor" performance during a rating period.


6.0 **Appeals.** The procedure on appeals provided under Section 3, Part IV of DO 15-12, s. 2015 shall suppletorily apply to this Memorandum Circular.

7.0 **Report to the DTI Secretary.** The Management Services Group (MSG) shall report the consolidated accomplishments of all units/offices to the DTI Executive Committee.

This Order shall take effect immediately.

19 September 2023, Makati City.

Recommending Approval:



**IRENEO V. VIZMONTE**

Undersecretary, Management Services Group

Approved by:



**ALFREDO E. PASCUAL**

Secretary