



Serbisyo Sibil: Isang Daang Taong Paglilingkod

MC No. 01, s. 2001

MEMORANDUM CIRCULAR

T O : ALL HEADS OF DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL AND LOCAL GOVERNMENTS, STATE COLLEGES AND UNIVERSITIES INCLUDING GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS WITH ORIGINAL CHARTER

SUBJECT : Program on Awards and Incentives for Service Excellence (PRAISE)

Pursuant to CSC Resolution No. 010112 dated January 10, 2001, the Commission hereby adopts the following revised policies on Program on Awards and Incentives for Service Excellence (PRAISE). These policies, developed and refined in consultation with the different sectors of the government, are as follows:

1. Every department or agency shall establish its own **employee suggestions and incentive awards** system.
2. The System shall be designed to encourage creativity, innovativeness efficiency, integrity and productivity in the public service by recognizing and rewarding officials and employees, individually or in groups for their suggestions, inventions, superior accomplishments and other personal efforts which contribute to the efficiency, economy, or other improvement in government operations, or for other extraordinary acts or services in the public interest.
3. The System shall henceforth be called the **PRogram on Awards and Incentives for Service Excellence (PRAISE)**.

4. The PRAISE shall adhere to the principle of providing incentives and awards based on performance, innovative ideas and exemplary behavior.
5. The PRAISE shall give emphasis on the timeliness of giving award or recognition. Aside from conferment of awards during the traditional or planned awarding ceremonies, the spirit of on-the-spot grant of recognition shall be institutionalized.
6. The PRAISE 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.

For this purpose, the System shall encourage the grant of non-monetary awards. Monetary awards shall be granted only when the suggestions, inventions, superior accomplishments and other personal efforts result in monetary savings which shall not exceed 20% of the savings generated.

7. At least 5 % of the HRD Funds shall be allocated for the PRAISE and incorporated in the Agency's annual work and financial plan and budget.
8. The PRAISE shall be institutionalized through the creation of a PRAISE Committee in all agencies of the government.
9. The PRAISE Committee shall preferably have the following composition:
 - 1) Head of agency or authorized representative who shall act as chairperson;
 - 2) Head of the financial unit or equivalent;
 - 3) Head of the planning unit or equivalent;
 - 4) Highest ranking employee in-charge of human resource management or the career service employee directly responsible for personnel management; and
 - 5) Two (2) representatives from the rank-and-file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one from the first level and one from the second level).
10. The head of agency or authorized representative shall be responsible in overseeing the System's operation and the Human Resource Management Unit shall serve as the System's Secretariat.
11. The PRAISE Committee shall ensure that productivity, innovative ideas, suggestions and exemplary behavior can be identified, considered, managed and implemented on a continuing basis to cover employees at all levels.

12. The PRAISE Committee shall be responsible for the development, administration, monitoring and evaluation of the awards and incentives system of the agency. The agency may, however, employ an external or independent body to assist the PRAISE Committee to judiciously and objectively implement the system of incentives and awards.
13. The PRAISE Committee shall establish its own internal procedures and strategies. Membership in the Committee shall be considered part of the members' regular duties.
14. All government agencies shall submit their Program on Awards and Incentives for Service Excellence (PRAISE) and its subsequent amendments to the Civil Service Regional Office. The Civil Service Regional or Field Office concerned shall provide technical assistance, if deemed necessary, to ensure proper implementation.
15. Establishment of a CSC-approved PRAISE shall be the basis of the grant of the Productivity Incentive Bonus (PIB), other awards and incentives and revocation of accreditation to take final action on appointments. The Annual PRAISE Report should be submitted by the agency to the Civil Service Commission Regional Office concerned on or before the thirtieth day of January to enable their employees to qualify for nomination to the CSC sponsored national awards.
16. Issues relative to awards and incentives shall be brought before the PRAISE Committee which shall address the same within fifteen (15) days from the date of submission.

This Circular repeals the provisions of MC 42, s. 1992, MC 48, s. 1992 and other issuances on Employees Suggestions and Incentive Awards Systems (ESIAS) which are inconsistent herewith.

Please be guided by the enclosed model in the preparation of your AGENCY PRAISE which shall be submitted to the Civil Service Commission Regional Office concerned for implementation by June 30, 2001.


CORAZON ALMA G. DE LEON
Chairman

Serbisyo Sibil: Isang Daang Taong Paglilingkod

AGENCY

PROGRAM ON AWARDS AND INCENTIVES FOR SERVICE EXCELLENCE (PRAISE) (A MODEL)

In line with the Revised Policies on Employee Suggestions and Incentive Awards System (ESIAS) provided under CSC Resolution No. **010112** and CSC MC No. 01 S. 2001, the Agency adopts the herein **Program on Awards and Incentives for Service Excellence (PRAISE)** to be referred to as **AGENCY PRAISE**.

I. BASIC POLICIES

- 1.1 Every department or agency shall establish its own **employee suggestions and incentive awards** system.
- 1.2 The System shall be designed to encourage creativity, innovativeness, efficiency, integrity and productivity in the public service by recognizing and rewarding officials and employees, individually or in groups for their suggestions, inventions, superior accomplishments and other personal efforts which contribute to the efficiency, economy, or other improvement in government operations, or for other extraordinary acts or services in the public interest.
- 1.3 The PRAISE shall adhere to the principle of providing incentives and awards based on performance, innovative ideas and exemplary behavior.
- 1.4 The PRAISE shall give emphasis on the timeliness of giving award or recognition. Aside from conferment of awards during the traditional or planned awarding ceremonies, the spirit of on-the-spot grant of recognition shall be institutionalized.
- 1.5 The PRAISE 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.

For this purpose, the System shall encourage the grant of non-monetary awards. Monetary awards shall be granted only when the suggestions, inventions, superior accomplishments and other personal efforts result in monetary savings which shall not exceed 20% of the savings generated.

- 1.6 At least 5 % of the HRD Funds shall be allocated for the PRAISE and incorporated in the Agency's annual Work and Financial Plan and budget.
- 1.7 The PRAISE shall be institutionalized through the creation of a PRAISE Committee in all agencies of the government.
- 1.8 The PRAISE Committee shall **preferably** have the following composition:
 - Head of agency or authorized representative who will act as chairperson;
 - Head of the financial unit or equivalent;
 - Head of the planning unit or equivalent;
 - Highest ranking employee in-charge of human resource management or the career service employee directly responsible for personnel management; and
 - Two (2) representatives from the career rank-and-file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one from the first level and one from the second level).
- 1.9 The head of agency or authorized representative shall be responsible in overseeing the System's operation and the Human Resource Management Unit shall serve as the System's Secretariat.
- 1.10 The PRAISE Committee shall ensure that productivity, innovative ideas, suggestions and exemplary behavior can be identified, considered, managed and implemented on a continuing basis to cover employees at all levels.
- 1.11 The PRAISE Committee shall be responsible for the development, administration, monitoring and evaluation of the awards and incentives system of the agency. The agency may, however, employ an external or independent body to assist the PRAISE Committee to judiciously and objectively implement the system of incentives and awards.
- 1.12 The PRAISE Committee shall establish its own internal procedures and strategies. Membership in the Committee shall be considered part of the members' regular duties and functions.

- 1.13 All government agencies shall submit their Program on Awards and Incentives for Service Excellence (PRAISE) and its subsequent amendments to the Civil Service Commission Regional Office. The Civil Service Commission Regional or Field Office concerned shall provide technical assistance, if deemed necessary, to ensure proper implementation.
- 1.14 Establishment of a CSC-approved PRAISE shall be the basis of the grant of the Productivity Incentive Bonus (PIB), other awards and incentives. The Annual PRAISE Report shall be submitted by the agency to the Civil Service Commission Regional Office concerned on or before the thirtieth day of January to enable their employees to qualify for nomination to the CSC sponsored national awards.
- 1.15 Issues relative to awards and incentives shall be brought before the PRAISE Committee which shall address the same within fifteen (15) days from the date of submission.

II. OBJECTIVES

2.1 General

To encourage, recognize and reward employees, individually and in groups, for their suggestions, innovative ideas, inventions, discoveries, superior accomplishments, heroic deeds, exemplary behavior, extraordinary acts or services in the public interest and other personal efforts which contribute to the efficiency, economy and improvement in government operations, which lead to organizational productivity.

2.2 Specific

- 2.1.1 to establish a mechanism for identifying, selecting, rewarding and providing incentives to deserving employees at the start of each year;
- 2.1.2 to identify outstanding accomplishments, best practices of employees on a continuing basis;
- 2.1.3 to recognize and reward accomplishments and innovations periodically or as the need arises;
- 2.1.4 to provide incentives and interventions to motivate employees who have contributed ideas, suggestions, inventions, discoveries, superior accomplishments and other personal efforts.

III. SCOPE

The System shall apply to all employees in the career and non-career service of this agency.

IV. DEFINITION OF TERMS

- **AGENCY** - refers to departments, agencies, bureaus of the national government, government-owned-and-controlled corporations with original charters, state universities and colleges and local government units.
- **AWARD** - recognition which may be monetary or non-monetary conferred on individual or group of individuals for ideas, suggestions, inventions, discoveries, superior accomplishments, exemplary behavior, heroic deeds, extraordinary acts or services in the public interest which contribute to the efficiency, economy, improvement in government operations which lead to organizational productivity.
- **CAREER** - positions in the civil service characterized by (1) entrance based on merit and fitness to be determined as far as practicable by competitive examination, or based on highly technical qualifications; (2) opportunity for advancement to higher career positions; and (3) security of tenure.
- **CONTRIBUTION** – any input which can be in the form of an idea or performance (See also Idea type and Performance type contribution).
- **DISCOVERY** – is the uncovering of something previously existing but found or learned for the first time which will improve public service delivery.
- **IDEA TYPE CONTRIBUTION**- refers to an idea, a suggestion or an invention or discovery for improvement to effect economy in operation, to increase production and improve working conditions.
- **INCENTIVE** – monetary or non-monetary motivation or privilege given to an official or employee for contributions, suggestions, inventions, ideas, satisfactory accomplishment or demonstration of exemplary behavior based on agreed performance standards and norms of behavior.
- **INVENTION** – the creation of something previously non-existent which will benefit the government.
- **NON-CAREER** – positions expressly declared by law to be in the non-career service; or those whose entrance in the service is characterized by (1) entrance on bases other than those of the usual tests of merit and fitness utilized for the career service and (2) tenure which is limited to the duration of a particular project for which purpose employment was made.

- **PERFORMANCE TYPE CONTRIBUTION** - refers to performance of an extraordinary act or service in the public interest in connection with, or related to one's official employment; or outstanding community service or heroic acts in the public interest; or sustained work performance for a minimum period of one year which is over and above the normal position requirement of the individual or group.
- **SUGGESTION** – idea or proposal which improves work performance, systems and procedures and economy in operations that will benefit the government.
- **SYSTEM** – the agency awards and incentives program for employees.

V. TYPES OF AWARDS

5.1. National Awards

The agency shall participate in the search for deserving employees who may be included in the screening of candidates for awards given by other government agencies, private entities, NGOs and other award giving bodies such as the:

- 5.1.1 **Presidential or Lingkod Bayan Award** - conferred on an individual for consistent, dedicated performance exemplifying the best in any profession or occupation resulting in the successful implementation of an idea or performance, which is of significant effect to the public or principally affects national interest, security and patrimony.
- 5.1.2 **Outstanding Public Official/Employee or Dangal ng Bayan Award** - granted to any public official or employee in government who has demonstrated exemplary service and conduct on the basis of his or her observance of one or more of the eight (8) norms of behavior described under Republic Act No. 6713 or the Code of Conduct and Ethical Standards for Government Officials and Employees.
- 5.1.3 **Civil Service Commission or the PAGASA Award** - conferred on a group of individuals or team who has demonstrated outstanding teamwork and cooperation, which resulted in the successful achievement of its goal or has greatly improved public service delivery, economy in operation, improved working conditions or otherwise benefited the government in many other ways.
- 5.1.4 **Other Awards** - given by other government agencies, private institutions or NGOs to an individual or team for contributions of an idea or performance that directly benefited the government.

5.2. Department or Agency Level Awards

The agency shall develop and initiate the search for deserving employees who may be included in the screening of candidates for awards to be given such as:

- 5.2.1 **Best Employee Award** - granted to an individual or individuals who excelled among peers in a functional group, position or profession. A cash award of not less than the amount provided under relevant existing laws shall be given to outstanding employees plus a certificate of recognition or other forms of incentives as the committee may decide, e.g., Best Division Chief, Best Secretary, Best Legal Officer, Best Driver, Best Utility Worker and other similar awards.
- 5.2.2 **Gantimpala Agad Award** - given outright to employees commended by clients for their courtesy, promptness, efficiency and dedication to duty.
- 5.2.3 **Exemplary Behavior Award** - based on the eight norms of conduct as provided under RA 6713 (Code of Conduct and Ethical Standards). The awardee will be automatically nominated by the agency PRAISE Committee to the Dangal ng Bayan Award.
- 5.2.4 **Best Organizational Unit Award** - granted to the top organizational unit which may be a section, division or office on the basis of meeting the organization's performance targets and other pre-determined criteria.
- 5.2.5 **Cost Economy Measure Award** - granted to an employee or team whose contributions such as ideas, suggestions, inventions, discoveries or performance of functions result in savings in terms of manhours and cost or otherwise benefit the agency and government as a whole. The monetary award shall not exceed 20% of the monetary savings generated from the contribution.
- 5.2.6 **Service Award** - conferred on retirees whether under optional or compulsory retirement schemes held during a fitting ceremony on or before the date of their retirement.
- 5.2.7 Such other awards which the agency may decide to give.

VI. TYPES OF INCENTIVES

The agency shall continuously search, screen and reward deserving employees to motivate them to improve the quality of their performance and instill excellence in public service. As such the following types of incentives shall be regularly awarded:

- 6.1 **Loyalty Incentive** - granted to an employee who has served continuously and satisfactorily the agency for at least ten (10) years. The recipient shall be entitled to a cash award of not less than Php 500.00 but not more than Php 1,000.00 per year during the first ten years. Succeeding awards shall be given every five years thereafter. Besides cash award, a lapel emblem/loyalty pin shall be given:

10 and 15 years	- Bronze
20 and 25 years	- Silver
30, 35 & 40 years	- Gold

Other tokens such as wrist watch, ring, and others.

- 6.2 **Length of Service Incentive** - given to an employee who has rendered at least three (3) years of continuous satisfactory service in the same position. The cash award shall be incorporated in the salary adjustments following the Joint CSC-DBM Circular No.1, s. 1990.
- 6.3 **Productivity Incentive** - given to all employees who have performed at least satisfactorily for the year covered in accordance with the agency's CSC-approved PES. This incentive shall follow relevant existing guidelines.
- 6.4 **Career and Self-Development Incentive** - granted in recognition of an individual who has satisfactorily completed a course or degree within or outside the country at one's own expense. A plaque of recognition may be given to qualified individuals during the agency's anniversary celebration.
- 6.5 **Other incentives** which the agency's PRAISE Committee may recommend on the basis of special achievements, innovative approaches to assignments, exemplary service to the public and recognition by an outside group of a particular achievement.

VII. FORMS OF AWARDS AND INCENTIVES

- 7.1. **Compensatory Time-Off** - granted to an employee who has worked beyond his regular office hours on a project without overtime pay.
- 7.2. **Flexiplace** – work arrangement allowed for qualified employee/s who has demonstrated responsibility, initiative, and capacity to produce output/result and accomplishment outside of the workplace subject to established guidelines.
- 7.3. **“Salu-salo” Together** – meal hosted by superiors or supervisors for employees who have made significant contributions.
- 7.4. **Personal Growth Opportunities** - incentives which may be in the form of attendance in conferences on official business, membership in professional organizations, books, journals, tapes, travel packages and other learning opportunities.
- 7.5. **Trophies, Plaques and Certificates**
- 7.6. **Monetary Award**
- 7.7. **Travel Packages**
- 7.8. **Other Incentives** - incentives in kind which may be in the form of merchandise, computers, pagers, cellular phones, reserved parking space, recognition posted at the Wall of Fame, feature in agency publication, and others.

VIII. PRAISE Committee

The PRAISE Committee at the central, regional and provincial office shall have the following specific responsibilities and composition. It shall be responsible for the development, administration, monitoring and evaluation of the awards and incentives system of the agency. As such, the Committee shall meet periodically to perform the following tasks:

- establish a system of incentives and awards to recognize and motivate employees for their performance and conduct;
- formulate, adopt and amend internal rules, policies and procedures to govern the conduct of its activities which shall include the guidelines in evaluating the nominees and the mechanism for recognizing the awardees;
- determine the forms of awards and incentives to be granted;
- monitor implementation of approved suggestions and ideas through feedback and reports;
- prepare plans, identify resources and propose budget for the system on an annual basis;
- develop, produce, distribute a System policy manual and orient the employees on the same;

- document best practices, innovative ideas and success stories which will serve as promotional materials to sustain interest and enthusiasm;
- submit an annual report on the awards and incentives system to the CSC on or before the thirtieth day of January;
- monitor and evaluate the System's implementation every year and make essential improvements to ensure its suitability to the agency; and
- address issues relative to awards and incentives within fifteen (15) days from the date of submission.

To implement the System effectively, the PRAISE Committee members are expected to possess positive attitude; be capable of implementing submitted ideas; open-minded; decisive; have high tolerance for stress or pressure; and actively participate in all committee meetings.

The head of agency or authorized representative shall be responsible in overseeing the System's operations and the Human Resource Management Unit shall serve as the System's Secretariat.

The agency may, however, employ an external or independent body to assist the AGENCYPRAISE Committee to judiciously and objectively implement the system of incentives and awards.

Central Office

- Agency Head or authorized representative (Undersecretary or Equivalent Positions);
- Head of the Financial Unit or Equivalent;
- Head of Planning Office or Unit or Equivalent;
- Highest ranking employee in charge of human resource management or the career service employee directly responsible for personnel management; and
- Two (2) representatives from the career rank-and-file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one first level and one from the second level).

Regional Office

A regional PRAISE Committee may be composed to screen and recommend eligible candidates for national and agency awards. The Regional PRAISE Committee may likewise grant informal awards based on the CSC-approved AGENCYPRAISE.

- Regional Director or his authorized representative;
- Head of the Financial Unit or Equivalent;
- Division Chief in-Charge of Training;
- Highest HRMO; and

- Two (2) representatives from the career rank-and-file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one from the first level and one from the second level).

Municipal, City or Provincial Level

- Governor/Mayor or authorized representative;
- Highest ranking employee in charge of human resource management or the career service employee directly responsible for personnel management;
- The Planning Officer;
- Budget Officer/Treasurer; and
- 2 representatives of the career rank- and- file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the accredited union (one from the first level and one from the second level).

State Universities and Colleges (SUCs)

- President/Vice-President or designated representative;
- Head of Financial Division or Unit or Equivalent;
- Head of Planning Division or Unit or Equivalent;
- Highest HRMO or the career service employee directly responsible for personnel management; and
- Two (2) representatives of the career rank-and- file employees from the academic and non-academic staff who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one from the first level and one from the second level).

Government-Owned or Controlled Corporations (GOCCs)

- Agency Head or authorized representative;
- Head of Administrative/Financial Division or Unit or Equivalent;
- Head of Planning Division or Unit or Equivalent;
- Highest HRMO or any officer/employee in-charge of personnel; and
- Two (2) representatives of the career rank-and-file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one from the first level and one from the second level).

IX. FUNDING

The agency shall allocate at least 5 % of the HRD funds for the PRAISE and incorporate the same in its annual Work and Financial Plan and budget.

X. EFFECTIVITY

The AGENCYPRAISE shall become effective after final evaluation by the CSC. Subsequent amendments shall likewise be submitted to CSC for evaluation and shall take effect immediately.

XI. COMMITMENT

I hereby commit to implement and abide by the provisions of this AGENCYPRAISE which shall be the basis for the grant of awards and incentives including Productivity Incentive Bonus.

The annual PRAISE Report shall be submitted to the CSC Regional Office concerned on or before the thirtieth day of January to enable our employees to qualify for nomination to the CSC-sponsored national awards.

AGENCY HEAD
(Signature over Printed name)

DATE

CSC Action:

I have evaluated the herein agency PRAISE and found it to be in accordance with the provision of CSC MC ____, s. 2001 and may now be implemented.

CSC Regional Director
(Signature over Printed Name)

(Date)