



LOCAL GOVERNMENT UNIT-GENERAL SANTOS CITY

Hi-PERA

HIGH-PERSONAL EFFECTIVENESS THROUGH RESOURCE ALLOCATION

I. Executive Summary

High-Personal Effectiveness Through Resource Allocation or HI-PERA is an unconventional initiative on sound financial management of employees implemented in 2018 and improvingly sustained by the HRMDO of LGU-Gensan up to present. This has pioneered the radical move to revive, re-strengthen and innovate the ways to aid in the enduring problem of uncontrolled and deteriorating credit behavior of the employees. Local legislations have empowered and mandated HRMDO to take the lead in the implementation of One-ATM-ID-system, One-Bank-Loan Policy, consistent financial management skills training, and income expansion programs.

Hi-PERA is an integrated, holistic and inclusive intervention to instill discipline among financially struggling employees with compassionate gestures to help them cope with unending financial liabilities to loaning agencies and private lending individuals. It operates from the level of policy development to administration of interventions for the advantage of employees who sought to resolve their financial struggles.

II. Project Description

In 2017, verified reports have shown that a significant number of employees were seriously charged of complaints from money lending institutions and private individuals due to uncontrolled and deteriorating credit behavior. Employees have reportedly surrendered their payroll ATM as loan collateral, thus draining the proceeds of their salaries, bonuses and incentives. Subsequently, this has caused habitual absences, underperformance and low level of productivity that affected their individual performance in particular and the city government as a whole.

These circumstances have led local leaders to legislate policies to mitigate the growing number of employees who are at risk of not being able to rise to financial stability due to undesirable credit behavior. As such, Hi-PERA is designed to implement mechanisms to develop and sustain sound financial management skills of the regular employees through interventions such as one payroll ATM-ID system and one-bank-

loan policy; consistent financial literacy programs; sustainable savings facilities; and reliable income expansion programs.

With the aid of local legislation, the initial approach of Hi PERA is the implementation of an integrated ID-ATM system that combines biometrics scanning through facial recognition and ID-ATM confirmation. The administration has also called for prompt implementation of establishing exclusive partnership with a reputable banking institution under One-Bank Policy, granting salary loans to city government employees with longer terms of payments and lower interest rates. This is complemented by the efforts of HRMDO to sustain the consistent conduct of capacity building activities on financial management skills, introduction of accessible and reliable savings facilities offered by the banks, cooperatives and other financial institutions, and initiation of income expansion or livelihood literacy programs.

The practice has brought a quantum leap in the financial status of the affected employees that has direct positive effect on their work performance as demonstrated by the curve of improvement in their Individual Personal Commitment Ratings (IPCR's) since the onset of Hi-PERA implementation up to present. This is proven true by the recent study and analytics of the figures that make up the opposite trend in the decreasing number of employees with net salary lower than Php 5,000.00, and the increasing mean of IPCR ratings.

III. Implementation Procedures/Strategies



The program development and implementation follows the diagram above. It starts with a systematic process of policy development through a careful study of the problem to formulate and recommend solutions. This is raised in the level of the legislative bodies and political leaders who shall put these recommendations into policies through

executive orders, city ordinances, and resolutions. Upon legislation, concerned offices are mandated to implement the policy by administering interventions. The cycle continues with consistent monitoring and evaluation of the implementation by holding evaluative consultations such as focus group discussions to solicit feedback and use it in further improving and innovating the policies, for further legislations, future implementation, and subsequent feedback and evaluative consultations.

POLICY DEVELOPMENT – Probing the Problem & Formulating Solutions

The existing laws and policies that prohibit employees from draining the proceeds of their monthly salaries with the overlapping amount of debts from private individuals and institutions cannot stop them from finding and generating discrete monetary sources, employees are still able to circumvent ways to apply for loans from private individuals to tolerate such credit behavior for their advantage. One of the mechanisms employed by loaning agencies and private lending individuals to ensure collection of payments is to require creditors to deposit their payroll ATM from where their regular payments will be directly withdrawn from. This places them at the mercy of these lenders and stops them from accessing their salaries. Furthermore, these loan sharks allegedly collected more than the required payment putting their other monetary benefits at risks such as mid-year & year-end bonus, CNA incentives, and other allowances. As a negative upshots, affected employees have started demonstrating poor work performance and job efficiency as shown by their habitual absences and tardiness, lack of enthusiasm and interest to work, and low level of productivity.

In the continuous search for solutions and initiatives to solve this gnawing problem among employees which is common to most of the LGU's, the PRAISE committee of LGU-Gensan got the chance to benchmark on the practices of other LGU's to improve the financial well-being of their employees. They fortunately encountered an innovative practice in LGU-Victoria City, Negros Occidental, wherein the ID's and ATM of the employees are in just one same card. The team was convinced that this practice is deterrent to the most common practice in being able to quickly get money from lending institutions or private lending individuals is to deposit one's ATM card as a collateral. The same idea was proposed in the front act of the HI-PERA program.

LEGISLATIVE ACTION– Legislation of Policies

While the employees can be blamed for availing of these types of loan, the city government felt the need to design and implement an effective intervention to prevent this deplorable practice, a matter which was raised in the level of the policy-making bodies in the city government.

By virtue of Executive Order No. 27 Series of 2017 by the City Mayor Ronnel C. Rivera, the implementation of a payroll ATM-ID and auto-savings program for the employees. The said ID-ATM card is under the partner government banks for the payroll of employees: Land Bank of the Philippines (LBP) and Development Bank of

the Philippines (DBP) who also took charge of the printing & production costs, thus reducing the expenses of the city government for ID production to over 1600 regular employees. (See Annex A- Executive Order No. 27 s. of 2017)

Also aiding on the problem on the uncontrolled credit behaviors of the employees, the Local Finance Board of LGU-Gensan, filed and passed the Local Finance Board Resolution No. 2018-17 for the establishment of exclusive partnership with the LBP in the implementation of One Bank Policy, consistent to the Executive Order No. 36, series of 2017. (See Annex B- Executive Order No. 36 s. of 2017 & Annex C- LFB Resolution No. 2018-017)

Furthermore, the City Council also enacted the City Ordinance No. 14 series of 2015 institutionalizing the establishment and administration of provident funds for the employees. This is seen to provide assistance to employees who may be needing financial resources for personal circumstances through a loan facility that shall be made available to the members. Consequently, under Executive Order No. 61 series of 2017, a board of trustees were instituted to administer the prudent use of the said provident fund. (See Annex D- City Ordinance No. 14 s. of 2015, Annex E- SP Resolution No. 830 s. of 2015, & Annex F- Executive Order No. 61 s. of 2017)

POLICY IMPLEMENTATION- Administrative Interventions

HRMDO was mandated to devise a holistic intervention that includes one-bank-loan policy, one-payroll ATM-ID system, capacity building on resource allocation, and income expansion or livelihood programs. This program is proven to be a practical way to aid in the growing number of employees who are at risk of not being able to rise financially stable amidst the cycle of drowning debts due to undesirable credit behavior.

The initial approach of Hi PERA is the implementation of an integrated ID-ATM system that combines biometrics scanning through facial recognition and ID-ATM confirmation. HRMDO pioneered and pursued the implementation throughout the whole city government overcoming various reactions from over 1600 regular employees. The purpose is to couple the use of the ATM card not only as a regular bank account but also as a confirming device for attendance. When the ATM becomes necessary for confirming the attendance in the biometric scanner, the employee is prevented from surrendering his ATM card to the loan shark.

HRMDO purchased and installed biometric scanners in every department for easy access for all employees. Employees' faces were enrolled in the scanners. Whenever an employee has to log-in and out, he/she will let the device scan his/her face. After positive identification by the machine, the employee will tap his/her ID-ATM card in the machine. Thus, the authentication is a two-way process. No confirmation using the ID-ATM will invalidate the log-in/log-out. This system was able to keep the employees from pawning their ATM cards. Attendance was monitored more closely

and employee loitering was avoided. The employee can keep his/her ATM and is able to withdraw his/her salary at any time.

To date, the system is in full scale implementation. The said ID-ATM cards are under the servicing government banks for the payroll of employees: Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP) who also took charge of the printing & production costs, thus reducing the expenses of the city government for ID production.

Acting on the Local Finance Board Resolution No. 2018-17 for the implementation of One Bank Policy, consistent to the Executive Order No. 36, series of 2017, the search made from among the three (3) banks who submitted salary loan proposals: LBP, DBP & One Network Bank (ONB) has paved way to the selection of LBP as the exclusive bank partner that offers higher salary loan offer with lower interest rates and longer terms of payment. (See Annex C- Executive Order No. 36 s. of 2017 & Annex D- LFB Resolution No. 2018-017)

During the gradual implementation of one-ATM-ID system, HRMDO complemented the process by conducting capacity building activities on financial literacy such as the PERA training, an inhouse training conducted to new entrants, organizing savers' club, introducing affordable and effective ways to save money through saving facilities offered by the banks and other monetary resources that may lend on a lower and affordable interests such as GSIS, PAG-IBIG, SSS, etc. (See Annex E- Process Documentation of Financial Literacy Program)

Furthermore, acting on the City Ordinance No. 14 series of 2015 institutionalizing the establishment and administration of provident funds for the employees, concerned offices acted to allocate as seed money Php 1,000,000.00 as sourced out from the HRMDO's General Fund Account. This is purposely provided to create accessible and additional loan facility that shall be made available to the employees on a very low interests and convenient mode of payment. The appointment of the Board of Trustees under Executive Order No. 61 series of 2017 has instituted the said body to administer the prudent use of the said provident fund for which the board is now working on developing an Internal Rules and Regulations (IRR). (See Annex F- City Ordinance No. 14 s. of 2015, Annex G- SP Resolution No. 830 s. of 2015, & Annex H- Executive Order No. 61 s. of 2017)

The implementing organs of the city government remained steadfast to the noble purpose of the program. It did not rest from addressing all factors revolving around the issue. The program is complemented by local legislation of one bank policy and executive order implementing One-ID-ATM system. Coupled by relevant interventions to develop sound financial management skills of the employees, the pioneers of this program introduced various means to expand income sources and cope with the unending debts and interests. These include livelihood programs related to virtual business, stock market investments, life insurance, saver's club, among others.

The Hi PERA approach is expanded to include other strategies. As a complement to the ID-ATM system, HRMDO has been implementing other financial amelioration projects to uplift the employees' financial status. Employees have started enrolling to LBP's AutoSave program, a scheme that automatically sets aside a portion of an employee's salary to a savings account. Others have also joined cooperatives to expand their saving facilities.

The office has also organized a Saver's Club composed of LGU employees who are well-versed in financial management. They conduct seminars and workshop with fellow employees and share financial approaches with them. Related to this, HRMDO organized financial literacy seminars in partnership with well-known financial advisors from Manila, such as Mr. Ardy Roberto, an award-winning entrepreneur, author of several financial literacy books like "Pera Na Di Bitin". He is the husband of Ms. Miriam Quiambao, a former beauty queen and also a highly-regarded financial advisor in her own right. The employees who have the least net take home pays attended these financial literacy programs.

The program is also backed-up by supports from relevant financial institutions who may offer various ways to effectively manage financial resources through savings facilities, life and health insurances, and investment instruments. Among them are the Land Bank of the Philippines, Government Social Insurance System (GSIS), PAG-IBIG and various cooperatives including the General Santos City Employees Association. HRMDO continues to create opportunities to enrich the financial management skills of the city government employees.

POLICY REVIEW & EVALUATION- Feedbacks & Consultation

As a means to continuously assess and improve the aspects of the program, HRMDO regularly implement consultative mechanisms and systematic process to evaluate the effectiveness of the program. A consistent monitoring on the number of employees with net salaries close or equal to the threshold allowed by law is done every quarter, along with focus group discussions to document the challenges encountered and the progress in the implementation of the program.

IV. Project Result/Impact

Hi-PERA has brought about a quantum leap on the number of employees who remained indebted to financial institutions more than what their salaries can afford to pay. The number of employees with debts significantly reduced as the program implementation continued. Various exchange of best practices ideas with a growing number of visiting LGU's have proven that the program is a brave attempt to implement financial discipline among employees, with a blend of compassion to help them utilize strategies to cope with the struggles they encounter because of too much debts.

Moreover, the program continues to bring about significant effects not only to the personal financial management and development of the employees but their respective office performances also that are manifested with their improved motivation and inspirations to serve. It is evident that there is a positive change in the Individual

Performance Commitment Rating of concerned employees in the beginning of the Hi-PERA implementation and to date that the program is still being implemented.

Aside from the financial benefit that the program gives to our employees because of increase in disposable income and effective saving measures, the ID-ATM system has improved strict time-keeping, kept the employees from pawning their ATM cards, and prevented the employees from loitering. Expeditious payroll preparation is also consistently sustained by HRMDO. The system is instrumental in the diligent and accurate monitoring of employees' attendance compared to the old system. The system affects all employees in the LGU and has been in full implementation since the first half of 2019.

The cutting-edge facial technology used in the system makes it an innovative way to effectively and efficiently monitor attendance and streamline the payroll process. This is a major step up from the previous daily time recording technology that uses finger recognition alone. Facial recognition is also much faster, taking just about a second to scan one's facial identity features, along with tapping of the ID-ATM card that lessens the queuing time. Finger scanning takes about four seconds to complete.

The city's core values of "Service Excellence" and "Commitment" are also enforced and empowered. Enforcing attendance and minimizing absenteeism is the performance indicator that the government primarily needs to focus. When employees are present and in their workplace, they can serve more customers. When attendance is closely monitored, absenteeism is reduced and interventions are more prompt because of systematic generation of attendance report. When employees have ready access to their ATM accounts, they worry less about their finances and focus more on giving quality customer service learning to be financially responsible. With this, employees wear a sense of pride with their ID-ATM cards with them at all time. This gives them an empowering feeling of financial freedom.

This innovation has also paved way to the notable achievements that contributed to winning the following individual and organizational awards in the field of HRMD:

1. "People Manager of the Year Award" for Ms. Leah Tolimao, the "Employer of the Year" award for the LGU of General Santos City, and the "People Program of the Year" award (Regional Level) for the HR Talent Management Program by the People Management Association of the Philippines (PMAP) organization during the 43rd PMAP Awards last July 2019.
2. Government Best Practice Recognition (GBPR) by Development Academy of the Philippines in 2020 and 2021;
3. 2021 CSC's Honor Awards Program (HAP) Dangal ng Bayan Regional Awardee;
4. 2021 Asia-Pacific Stevie Awards;
5. 2021 Stevie Awards for Women in Business;
6. 2021 HR Excellence in London; 2022 Stevie Awards for Great Employers in Las Vegas, USA; and
7. 2022 HR Excellence Philippines

The dynamism and sustainability of **Hi-PERA** are assured with the following legislations that paved way to its enforced implementation:

1. Executive Order No. 27, series of 2017: An Executive Order on the Implementation of a Payroll ATM-ID and Auto-savings Program for the Employees of the City Government of General Santos
2. Executive Order No. 36, series of 2017: An Executive Order Granting One Bank Loan per Employee-Borrower
3. Local Finance Board Resolution No. 2018-017: A Resolution Recommending to the Honorable City Mayor to Approve and Declare Land Bank of the Philippines as the Partner Bank in the Implementation of the One Bank Policy Pursuant to Executive Order No. 36, series of 2017
4. City Ordinance No. 14, series of 2015: An Ordinance Institutionalizing the Establishment and Administration of Provident Fund for the Employees of the City Government of General Santos City
5. Sangguniang Panlungsod Resolution No. 830, series of 2015: A Resolution Authorizing the Transfer of the Provident Fund Account in the Amount of Php 1,000,000.00 under the Human Resource Management & Development Office from the General Fund Account to Trust Fund
6. Executive Order No. 61, series of 2017: An Executive Order Creating A Board of Trustees and Designating Its Chairperson and Vice Chairperson Who Shall Administer Prudently the Provident Fund

Aside from force of the E.O. No. 27, s. of 2017, the ID-ATM system is implemented to form part of the mandated and legitimate procedures in compliance to payroll processing requirements. Its security mechanisms make it less vulnerable to breach in the reliable and validated Daily Time Records (DTR's) of all employees. To date, there are no known manual alternatives to bypass the system nor any serious reports indicating the inefficiency of this technology. The system can be sustained through the purchase of new ID-ATM scanners to replace unforeseen equipment breakdown in the future. Technology is also evolving and there will be newer, faster, and more capable ID-ATM scanners that will be developed in the future. Nonetheless, HRMDO continues to diligent monitor, update and upgrade this system to leave no room for erroneous reporting and recording of attendance.

As mandated in the City Ordinance No. 14, series of 2015, Sangguniang Panlungsod Resolution No. 830, series of 2015, & Executive Order No. 61, series of 2017, the city government is currently strategizing on the establishment and use of the provident fund to provide additional financial amelioration for employees especially for purposes related to settlement of debts in easy and affordable terms. This is among the key components of Hi-PERA that will contribute to its sustained implementation. The appointed board of trustees are now working to craft the implementing rules and regulations on how to effectively and efficiently utilize the fund on its mandated purpose.

HRMDO will continue to deliver training services related to financial management skills. It will sustain the income expansion programs and the promotion of accessible and reliable saving facilities for all employees. This established practice has been going on for a number of years already, and has continuously received positive feedbacks from the employees. As such, it remains a measure of the office's performance for the current and the succeeding administrations to sustain and even improve this sound financial management skills development program.

Innovation never stops. HRMDO continues to explore other innovative ideas to further develop the program through benchmarking to other agencies, research and development activities, focus group discussions, consultative assemblies, and establishment of widened linkages and networks.

The impact of the program is empirical with the figures presented built on its positive effect to the performance and services of the government employees and their office in particular, and the city government as a whole. When it is proven true in the organizational level, the program can be further valued by looking into the personal level of appreciation by the employees themselves. The transcript and thematic analyses of the focus group discussions and surveys conducted to concerned employees will help show how Hi-PERA continues to be appreciated both to the organizational and personal level.

Furthermore, it is also interesting to look into how visiting government and private agencies appreciated the program during their respective benchmarking activities, along with the academic institutions that have organized fora on best practices in HRMD with HRMDO personnel of LGU-Gensan as resource persons. Among these are the following:

1. Local Government Unit-Cebu City
2. Local Government Unit-Polomolok, South Cotabato
3. Provincial Government of South Cotabato- Human Resource Management Office
4. Local Government Unit-Talusan, Zamboanga Sibugay
5. Local Government Unit-Palimbang, Sultan Kudarat
6. Department of Education- Regional Office
7. Bangsamoro of Autonomous Region of Muslim Mindanao- Ministry of Finance, and Budget and Management
8. Civil Service Commission- National Office
9. Civil Service Institute- 2022 Public Sector HR Symposium
10. Development Academy of the Philippines- Development of Public Sector Productivity Specialists Foundation Course
11. Development Academy of the Philippines- Command and General Staff Course (CGSC) Class 71
12. General Santos City Water District
13. Mindanao State University-General Santos City
14. Notre Dame of Dadiangas University- MPA Class
15. Notre Dame of Marbel University- MPA Class

II. Annexes

- Annex A Executive Order No. 27, series of 2017: An Executive Order on the Implementation of a Payroll ATM-ID and Auto-savings Program for the Employees of the City Government of General Santos
- Annex B Executive Order No. 36, series of 2017: An Executive Order Granting One Bank Loan per Employee-Borrower
- Annex C Local Finance Board Resolution No. 2018-017: A Resolution Recommending to the Honorable City Mayor to Approve and Declare Land Bank of the Philippines as the Partner Bank in the Implementation of the One Bank Policy Pursuant to Executive Order No. 36, series of 2017
- Annex D City Ordinance No. 14, series of 2015: An Ordinance Institutionalizing the Establishment and Administration of Provident Fund for the Employees of the City Government of General Santos City
- Annex E Sangguniang Panlungsod Resolution No. 830, series of 2015: A Resolution Authorizing the Transfer of the Provident Fund Account in the Amount of Php 1,000,000.00 under the Human Resource Management & Development Office from the General Fund Account to Trust Fund
- Annex F Executive Order No. 61, series of 2017: An Executive Order Creating A Board of Trustees and Designating Its Chairperson and Vice Chairperson Who Shall Administer Prudently the Provident Fund
- Annex G Hi-PERA Narrative/Accomplishment Reports
- Annex H IPCR Rating of Hi-PERA Beneficiary Employees
- Annex I Process Documentation of Financial Literacy Programs

See Google Drive Link: https://drive.google.com/drive/folders/1wpvEB-bErutwiHc42wG9XJo8szeQjRPv?usp=share_link

Submitted by:

(sgd)

KENJAVE MARK T. PARLERO

Acting Division Chief/ HRMO III
HR Academy

Approved By:

(sgd)

ATTY. ROSENDO A. ROQUE

Acting Department Head, HRMDO

