

Performance Based Bonus its Impact to the Level of Productivity of Teaching and Non-teaching Personnel at Calawitan National High School

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Abstract:- The study aimed to determine the impact of Performance Based Bonus to the level of productivity of the teaching and non-teaching personnel at Calawitan National High School, Calawitan, San Ildefonso, Bulacan. The descriptive method of research and the percentage formula was used in the study. The results show that almost half of the respondents were familiar on the basic details pertaining to the performance based bonus, financial reward given to employees based on their contribution to the accomplishment of their department's overall targets, PBB pushes the respondents to do their best in producing outputs and strive to make an effort in improving their skills, receive monetary incentives constructed on the organization's overall appraisal through salary percentage per plantilla item positions, majority of the respondents were more than five (5) years in the service and they never experienced to receive the highest PBB rating and some were not yet entitled to obtain the bonus for 2017 as they were still part of the newly hired employees. Performance Based Bonus significantly impact the level of productivity of the respondents as it created a positive environment to the organization in which high performers initiatively help low-performing colleagues to improve, where in the end encouraged teamwork.

I. INTRODUCTION

The impact of having a structured incentive programs have become one of the most important factors that employees are considering when entering an organization. For so many years, various methods have already been put into practice to encourage and motivate employees towards top performance. If a company expect overall loyalty, a well-defined performance evaluation and reward system must be established.

As defined, performance appraisal is the process of evaluating and documenting an employee's performance with a view to enhancing work quality, output and efficiency. It performs three important functions such as providing feedback to the individual or group contribution, identifying development needs and opportunities and helping improve salary and bonus reviews.

While it is true that incentive programs are drivers for an increase employee productivity, it is also important for an institution to understand human behavior. With respect to organizations, conceptions about the nature of man have also strongly influenced theories of human organizations and human organizations themselves (Knowles and Saxberg, 1967). For example, Taylor's (1993) view expressed in statements as: "The natural laziness of men is serious" or, "There is no question that the tendency of the average man (in all walks of life) is toward working at a slow, easy gait" has influenced organizational architecture in a way that organizations have placed emphasis on strong managerial control and bureaucratic hierarchy.

In relation to the statements above, it is also important to understand some of the pros and cons of incentive programs. Offering additional money or benefits for hitting certain performance milestones is generally an effective way of boosting productivity among employees. While not every employee is going to respond the same way to financial incentives, establishing a structure that recognizes people for delivering tangible results reinforces idea that good work will be rewarded. On the other hand, results-driven incentives can sometimes get out of control when employees find that their current level of performance is not sufficient to achieve the incentive milestone. In these cases, the reward system becomes negative as individuals look for ways to make their performance appear to be good even though their actual results are not aligned with the incentive target.

In the Philippine government setting, there is the Performance-Based Incentive System (PBIS) which is a new system of incentives for government employees that is being introduced in FY 2012 under Executive Order No. 80, wherein a top-up bonus is given to employees based on their performance and contributions to the accomplishment of their Department's overall targets and commitments, called as Performance Based Bonus (PBB). Under the PBB, units of Departments will be ranked according to their performance. The personnel within these units shall also be ranked. The ranking of units and personnel will be based on their actual performance at the end of the year, as measured by verifiable, observable, credible, and sustainable indicators of performance.

With this problem at hand, the researcher would like to determine whether the government incentive programs, specifically the Performance Based Bonus, has a great impact to the level of productivity of the teaching and non-teaching personnel at Calawitan National High School, Calawitan, San Ildefonso, Bulacan. The findings of this diagnosis paper aimed to help the government agencies such as the Department of Education to have an actual overview of the effects of PBB to the performance of its employees. The goal of the study was for the government to review and improve the current system about the topic at hand.

➤ *Statement of the Problem*

The researcher aimed to determine the impact of performance based bonus to the level of productivity of teaching and non-teaching personnel at Calawitan National High School.

Specifically, this sought to answer the following questions.

1. What is Performance Based Bonus?
2. How does Performance Based Bonus motivates government employees towards work?
3. Does Performance Based Bonus significantly impact the level of productivity of government employees?
4. What are the possible implications drawn in this study?

II. METHODS AND SOURCES OF DATA

The researcher used the descriptive methods of research. To gather more data, the following instruments were utilized:

1. Research Paper
2. Internet
3. Survey Questionnaires
4. Interviews

1. When was the Performance Based Bonus (PBB) introduced?

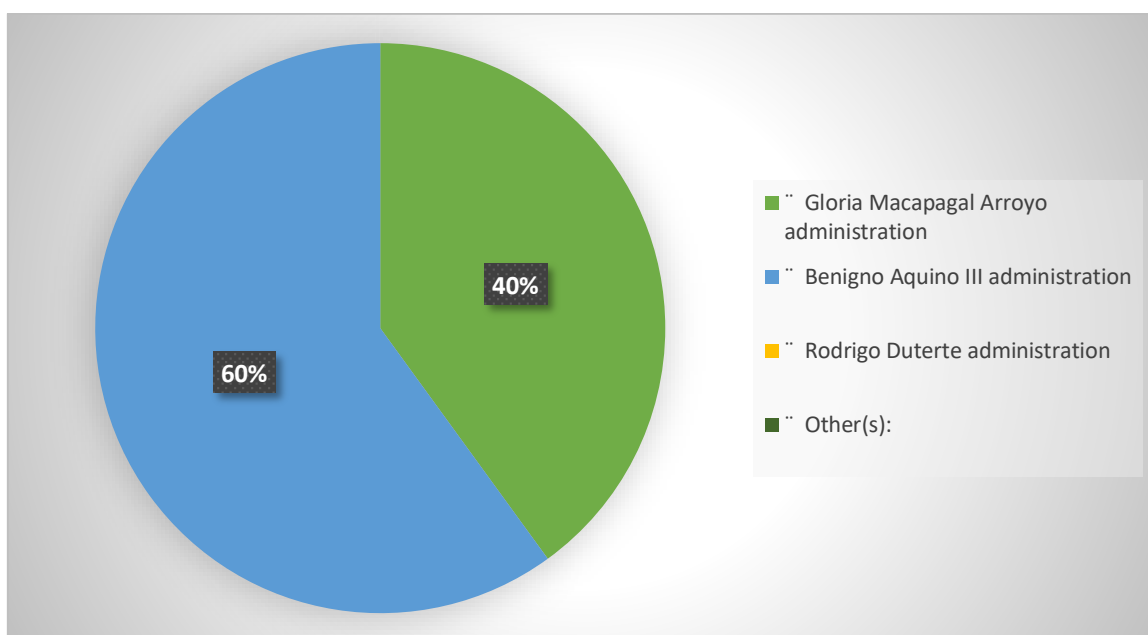


Fig 1:- Respondent's Awareness on the Implementation of Performance Based Bonus

➤ *Scope and Delimitations*

The research paper was confined at Calawitan National High School, Calawitan, San Ildefonso, Bulacan.

The respondents of the diagnosis paper were the teaching and non-teaching personnel of the subject school which was composed of 20 randomly chosen staffs. The results of this diagnosis paper are applicable only to the respondents of the study, to the researcher conducting the study, and to those researchers who will conduct the same study. The impact of performance based bonus to the level of productivity of teaching and non-teaching personnel at Calawitan National High School were investigated in this diagnosis paper.

III. PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

This part deals with the presentation, analysis and interpretation of the data collected from the responses of teaching and non-teaching personnel of Calawitan National High School about the impact of performance based bonus to the level of their productivity.

For the purpose of presenting the sources of data, the researcher used the percentage formula:

$$P = \frac{F}{N} \times 100\%$$

Where:

P = Percentage of interest and expectation

F = The number of frequency of the respondent answer

N = The number of respondent

Figure 1 shows that 60% of the respondents were knowledgeable as to when the performance based bonus was implemented which was during the term of Aquino administration. On the contrary, 40% answered that the PBB was approved during the presidency of Macapagal Arroyo. The result connotes that the basic details pertaining to performance based bonus such as the enactment of law was known almost only half of the respondents.

2. What is your understanding on PBB?

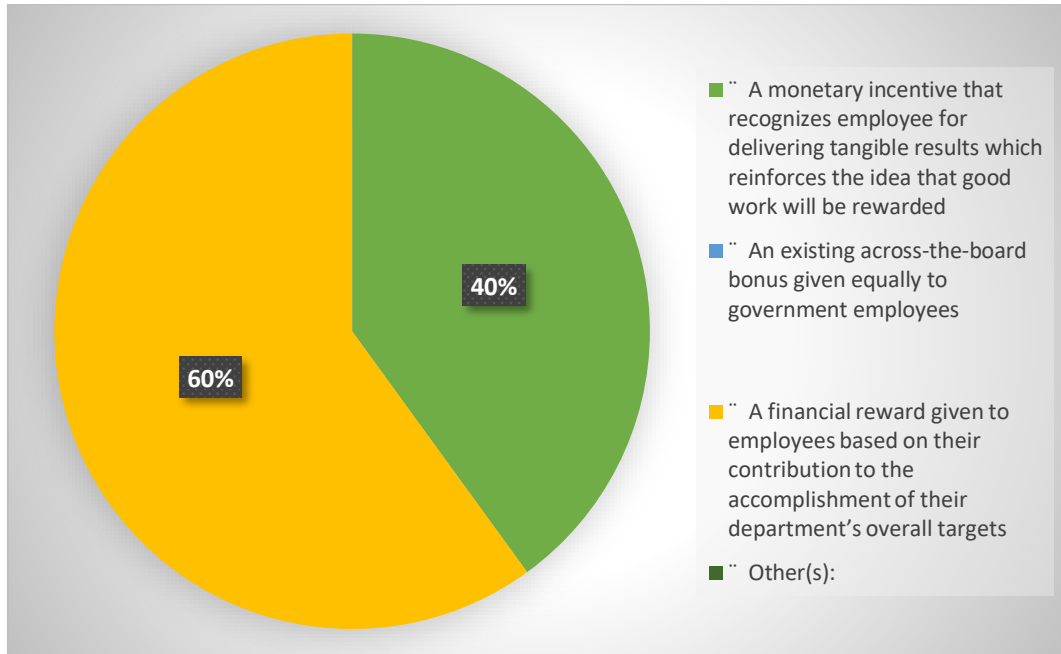


Fig 2:- Respondent's Understanding on Performance Based Bonus

As illustrated in Figure 2, 60% of the respondents said that PBB is a financial reward given to employees based on their contribution to the accomplishment of their department's overall targets. On the other hand, 40% believed that PBB is a monetary incentive that recognizes employee for delivering tangible results which reinforces the idea that good work will be rewarded. In factuality, both statements are acceptable definitions of performance based bonus. However, in the Philippine government setting, PBB was established during the presidency of Benigno Aquino III as monetary incentive as well as to foster a culture of teamwork within each unit and with the department itself as stated in the official gazette of the Philippines.

3. How does PBB motivates you towards work?

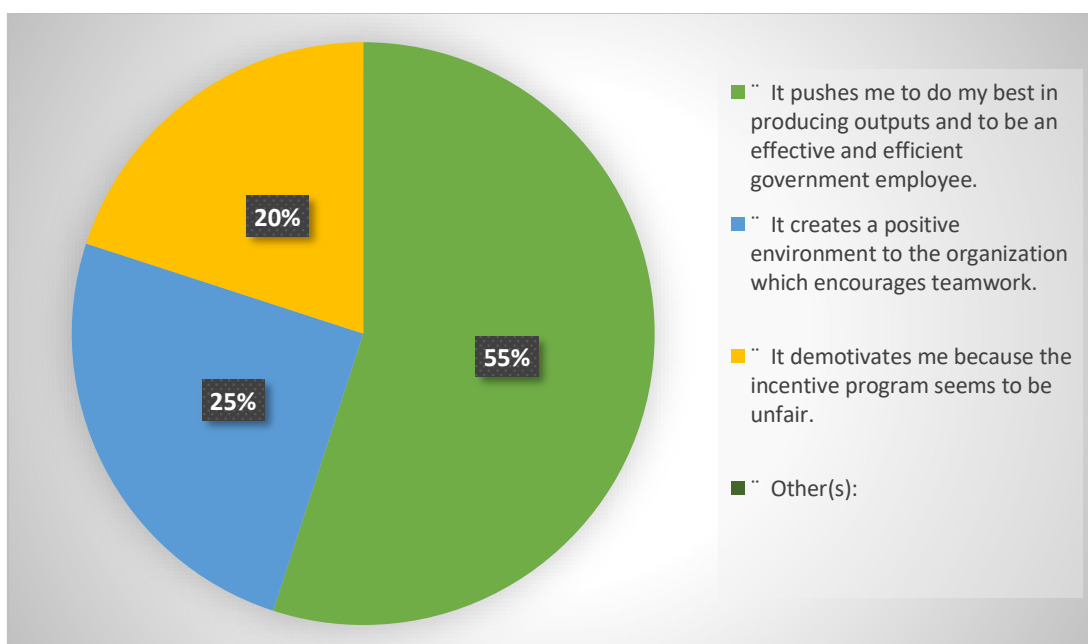


Fig 3:- Respondent's Motivation on Towards Performance Based Bonus

As presented in Figure 3, 55% of the respondents said that PBB pushes them to do their best in producing outputs and to be an effective and efficient government employees; 25% stated that it creates a positive environment to the organization which encourages teamwork; and 20% were demotivated because the incentive program seems to be unfair. This means that PBB as an incentive program still has a room for review, assessment and evaluation of its policies and guidelines.

4. What is the possible effect of PBB to government employees?

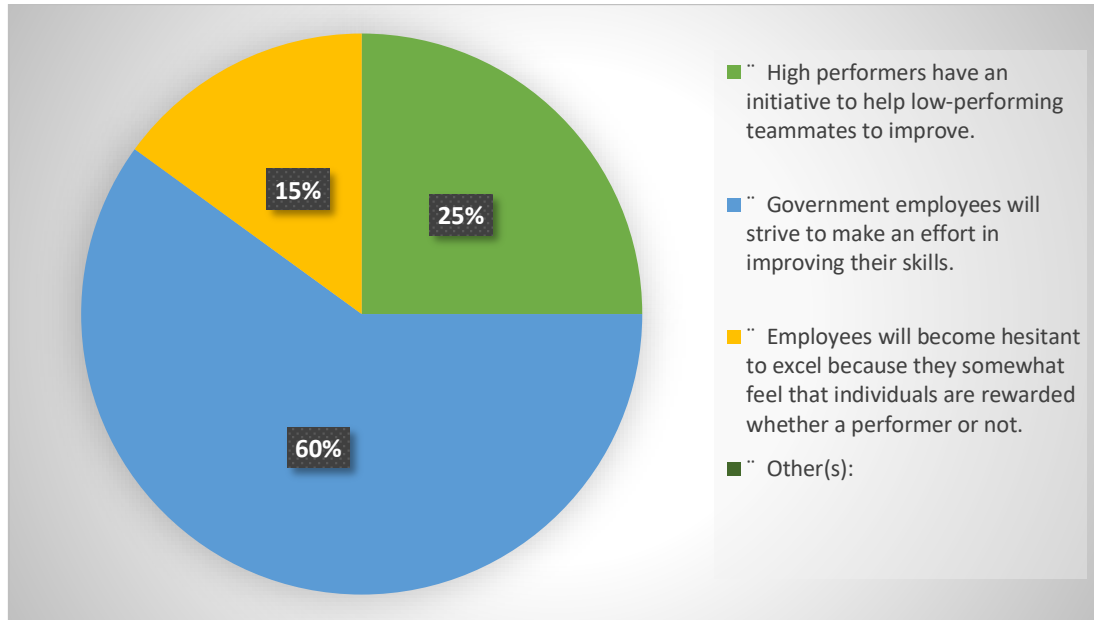


Fig 4:- The Effect of Performance Based Bonus to the Respondents

Figure 4 shows that most of the respondents believed that government employees will strive to make an effort in improving their skills because of the performance based bonus with 60% in rating; 25% said that high performers will have an initiative to help low-performing teammates to improve as the effect of PBB. Conversely, 15% of the respondents stated that employees will become hesitant to excel because they somewhat feel that individuals are rewarded whether a performer or not. In relation to the derived outcome, even though majority answered that employees will dedicate their efforts to enhance their skills, nearly half were willing to have a helping hand for the development of their colleagues due to the belief that everyone is benefited regardless of the individual performance.

5. How does the PBB of each employee in an organization differs from one another?

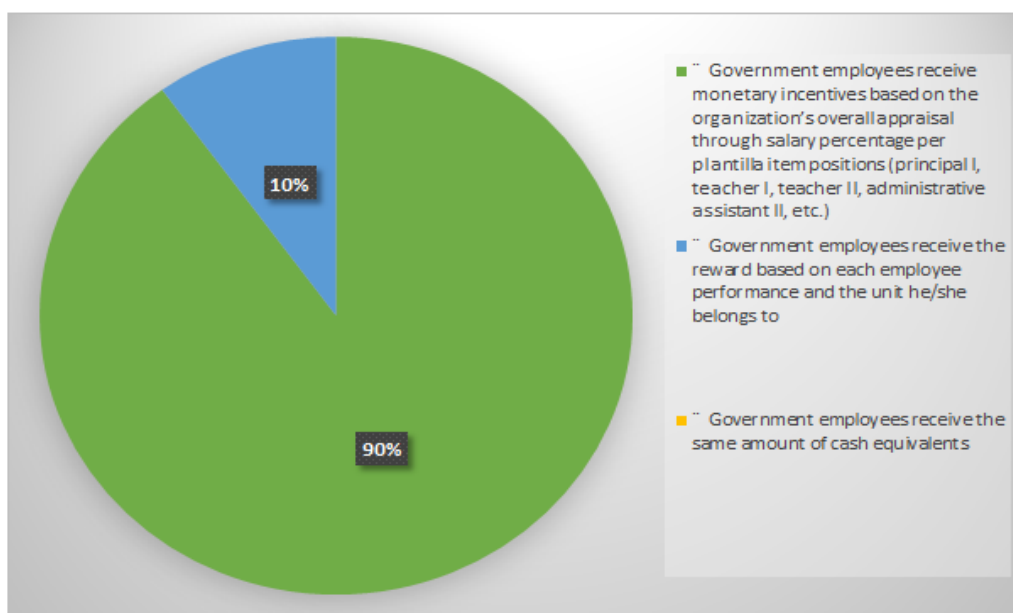


Fig 5:- Employee's Differences in Performance Based Bonus

Based on Figure 5, 90% of the respondents said that government employees receive monetary incentives constructed on the organization’s overall appraisal through salary percentage per plantilla item positions (principal I, teacher I, teacher II, administrative assistant II, etc.). The remaining 10% answered that government employees receive the reward based on each employee performance and the unit he/she belongs to. The overall result reveals that most of the respondents were aware on how the performance based bonus are granted to each personnel. This means that aside from the general evaluation of the organization as a whole, the amount obtained differs from each other in reference to the percentage of current position/salary of the staffs.

6. How many years are you already in the government service?

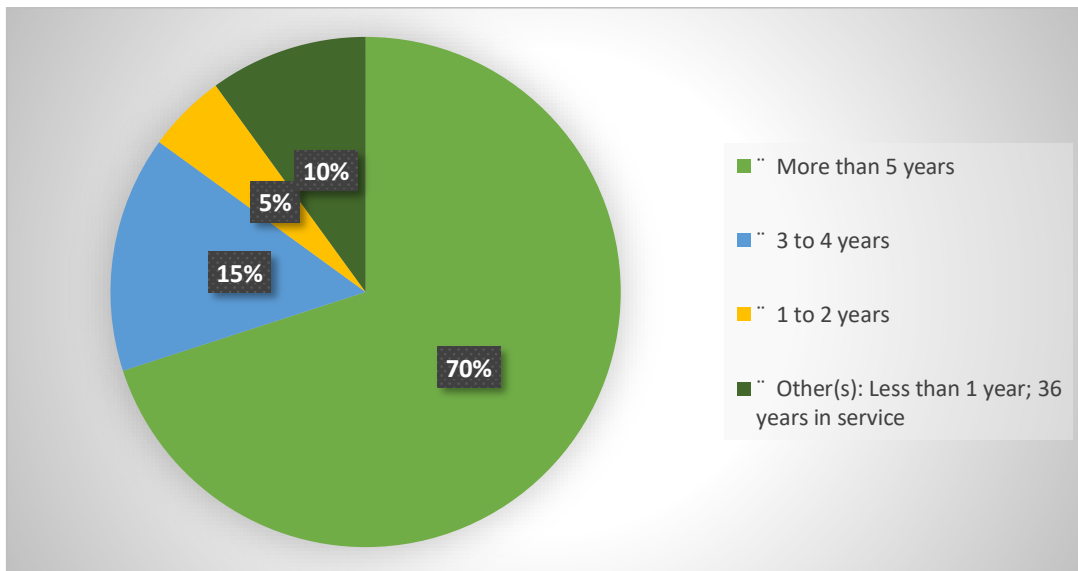


Fig 6:- Respondent’s Years in Government Service

As illustrated in Figure 6, majority of the respondents were more than five (5) years in the service with 70% in ratio; 15% were three (3) to four (4) years; 10% were divided into two categories wherein the respondents served the government for less than a year and 36 years, respectively; and 5% said that they were in the service for one (1) to two (2) years. The result connotes that most of the respondents have already enjoyed the performance based bonus as a government incentive program for over five (5) years.

7. In the last five years, how many times did you receive a highest PBB rating?

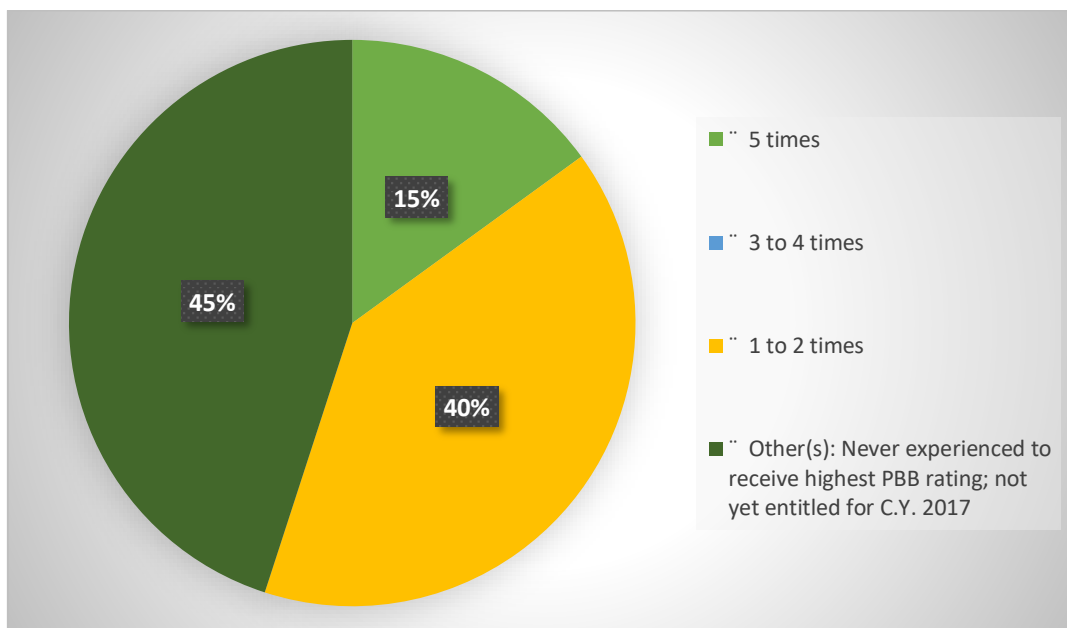


Fig 7:- Respondent’s Frequency of Highest Performance Based Bonus in the last Five Years

As presented in Figure 7, 45% of the respondents said that they never experienced to receive the highest PBB rating and some were not yet entitled to obtain the bonus for 2017 as they were still part of the newly hired employees. On the other hand, 40% revealed that they have been rated as one of the highest performers for at least once or twice. The remaining 15% stated that they have already enjoyed PBB as an evaluation reward for no less than five (5) times. Despite the fact that performance based bonus was created to be an instrument to push all government employees to do their best to become effective and efficient, nearly half revealed that they never had the maximum monetary incentive rating.

8. Among the choices provided below, where did you spend most of your PBB?

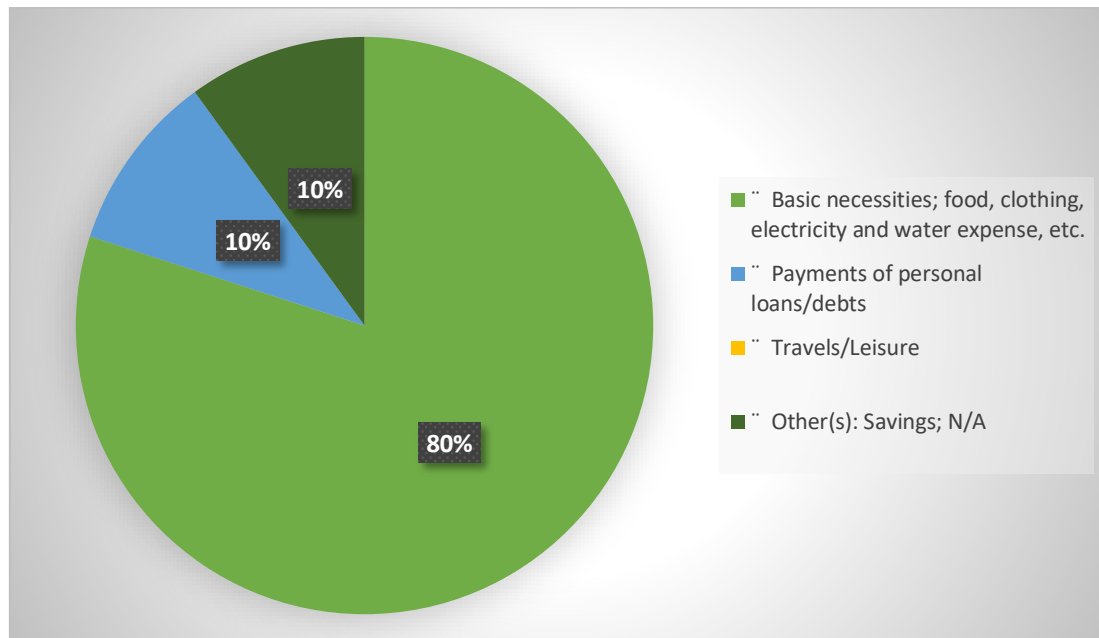


Fig 8:- Respondent's Choice to Spend their Performance Based Bonus

In relation to all the data gathered, Figure 8 reveals that 80% of the respondents answered that their PBB was spent primarily on necessities; food, clothing, electricity and water expense, etc. On the contrary, the respondents said that the monetary incentive was mainly allotted in payments of personal loans/debts and in savings, both with 10% in rating. Given the circumstance that all the employees were receiving monthly salary, majority of the performance based bonus was consumed still for basic needs and payments of arrears. Only a portion has responded that their PBB was placed into savings.

IV. SUMMARY, CONCLUSION AND RECOMMENDATION

A. Summary

In every organization, a clearly defined incentive program must be established to formalize the approaches on how employees were recognized for meeting the group's goals and objectives. To be effective, incentives must be considered viable and valuable for the associated workload.

For this reason, the researcher would like to know the impact of performance based bonus to the level of productivity of teaching and non-teaching personnel of Calawitan National High School located at San Ildefonso, Bulacan. As have been mentioned, a good reward system motivates employees to push and challenge themselves achieve higher degrees of productivity. Coming up with the

conclusions, the researcher conducted a survey that will give adequate answers to support the topic at hand. The replies of the respondents made it possible for the researcher to recognized that PBB was indeed an effective driver to push each employee do their best in producing valuable outputs for them to contribute to the accomplishment of their department's overall targets. However, the study also revealed that there are some demotivated employees because they feel that the program was unfair.

Moreover, it is incredibly ironic that majority of the respondents disclosed that their performance based bonus was merely allotted to pay for their basic needs such as foods and clothing, as well as for repayment for personal loans. Ideally, it is best if portion of the monetary reward will be placed in a savings account since they were already receiving monthly salary as government employees. Surprisingly, out of the 20 respondents, only 10% answered that PBB was converted into a deferred consumption.

B. Conclusions

Based on the findings, the researcher has come up with the following conclusions:

- Performance Based Bonus was part of the Performance-Based Incentive System (PBIS) which was a new system of incentives for government employees that was being introduced in FY 2012 under Executive Order No. 80, wherein a top-up bonus was given to employees based on their performance and contributions to the

accomplishment of their Department's overall targets and commitments. Under the PBB, units of Departments will be ranked according to their performance. The personnel within these units shall also be ranked. The ranking of units and personnel will be based on their actual performance at the end of the year, as measured by verifiable, observable, credible, and sustainable indicators of performance.

- Calawitan National High School (CNHS) teaching and nonteaching personnel through Performance Based was motivated to strive harder both in exerting efforts to improve their skills and in producing valuable outputs to become effective and efficient government employees.
- Performance Based Bonus significantly impact the level of productivity of CNHS staffs as it created a positive environment to the organization in which high performers initiatively help low-performing colleagues to improve, where in the end encouraged teamwork.
- Aside from the positive feedback on the grant of PBB to CNHS personnel, it is undeniably true that some were demotivated since the rating was based only on the overall performance of the organization from where they belong. Individual performance was also put into considerations however, the monetary incentives were distributed through salary percentage per plantilla item positions. Whether you were a performing teacher I and the other is an inefficient teacher III, both will receive the same percentage of rating.

C. Recommendations

Based on the findings and conclusions, the researcher would like to recommend the following:

- Research more about performance based bonus. Some of the CNHS teaching and nonteaching staff have lack of knowledge on the background of PBB even the most basic information such as to when the incentive program was introduced. Government employees can visit government website, for instance, the Official Gazette of the Republic of the Philippines for thorough understanding.
- Be optimistic towards work. It may be true that in all organizations, incompetent coworkers exist, but it does not give you passes to follow the same path. As a high performer, an employee must lead the department to become a very effective and efficient division. Continuously spread positivity which motivates and encourages each member of staff to achieve the maximum level of productivity.
- Let your boss know. Being in a group consist of different individuals with wide varieties of personality, it is your responsibility to inform your immediate superior regarding the whereabouts of the organization. You have to let your boss know both the constructive and destructive position of the department so he/she can act appropriately to fix whatever needs to be fixed.
- Remind yourself you are a government servant. In factuality, all government institutions have its flaws and weaknesses, but the pride of being a government employee is immeasurable. Always remember that you are in fact working for the people.

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APPENDICES

"The Impact of Performance Based Bonus to the Level of Productivity of Teaching and Non-teaching Personnel at Calawitan National High School"

Name (Optional): _____

(T)Teaching/(N)Non-teaching: ____

Please read carefully and answer the following questions by ticking the box of your answer, if not given, write your answer on the space provided for other(s).

1. When was the Performance Based Bonus (PBB) introduced?
 - Gloria Macapagal Arroyo administration
 - Benigno Aquino III administration
 - Rodrigo Duterte administration
 - Other(s): _____
2. What is your understanding on PBB?
 - A monetary incentive that recognizes employee for delivering tangible results which reinforces the idea that good work will be rewarded
 - An existing across-the-board bonus given equally to government employees
 - A financial reward given to employees based on their contribution to the accomplishment of their department's overall targets
 - Other(s): _____
3. How does PBB motivates you towards work?
 - It pushes me to do my best in producing outputs and to be an effective and efficient government employee.
 - It creates a positive environment to the organization which encourages teamwork.
 - It demotivates me because the incentive program seems to be unfair.
 - Other(s): _____

4. What is the possible effect of PBB to government employees?

- High performers have an initiative to help low-performing teammates to improve.
- Government employees will strive to make an effort in improving their skills.
- Employees will become hesitant to excel because they somewhat feel that individuals are rewarded whether a performer or not.
- Other(s):

5. How does the PBB of each employee in an organization differs from one another?

- Government employees receive monetary incentives based on the organization's overall appraisal through salary percentage per plantilla item positions (principal I, teacher I, teacher II, administrative assistant II, etc.)
- Government employees receive the reward based on each employee performance and the unit he/she belongs to
- Government employees receive the same amount of cash equivalents
- Other(s):

6. How many years are you already in the government service?

- More than 5 years
- 3 to 4 years
- 1 to 2 years
- Other(s):

7. In the last five years, how many times did you receive a highest PBB rating?

- 5 times
- 3 to 4 times
- 1 to 2 times
- Other(s):

8. Among the choices provided below, where did you spend most of your PBB?

- Basic necessities; food, clothing, electricity and water expense, etc.
- Payments of personal loans/debts
- Travels/Leisure
- Other(s):
