

Exploring Feasibility of Implementing Performance-Based Bonus in Private Universities and Colleges

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Abstract: This study explores feasibility of implementing performance-based bonus in private universities and colleges, as long as the performance evaluation criteria used in the implementation of the said reward system of the delivering unit such as the SUCs, there is no doubt that the PUCs can also be qualified in receiving the said bonus. Research method used is descriptive-qualitative, Data gathering methods such as researcher- made interview schedule, use of online discussion and argumentations are also employed. The sources of data from several stakeholders which comprised of Administrative Orders, CHED Memorandum Orders, Implementation Guidelines, Discussions and argumentations of teachers both from public and private institutions, revealed that the criteria used in the evaluation of state universities in the implementation of the performance-based bonus in the public universities and colleges can be applied also in the private universities and colleges. The proposed performance-based bonus schema for the PUCs starts with the initiative of the private universities to have a lawmaker sponsor the said bill. After which the Performance targets should be enrolled and approved by the congress. The Major Final Output (MFO) will be generated depending on the targets set by the agency concerned and finally, the implementation of the said policy can be conceded.

Keywords: Performance-Based Bonus, State University and Colleges (SUC), Private University and Colleges (PUC), Implementing Performance-Based Bonus, Qualitative Research.

1. THE PROBLEM

INTRODUCTION:

“Performance-based bonuses for government employees to be instituted in 2013”. Outstanding government employees will receive performance-based bonuses (PBB) should their respective departments reach their targets, Budget Secretary Butch Abad said.

“We’re introducing next year a performance-based incentive system which rewards a performance bonus [to] teams in the bureaucracy who meet or even surpass their outcomes and commitments in line with the Aquino Social Contract,” he explained.

(Anna Mae Yu Lamentillo, GMA News September 3, 2012 1:48pm)

“But what about us?...” says one from the private sector. If the incentive is from the taxes of the people...are we in the private sector entitled to this incentives if we can meet or surpass the MFO (Major Final Output)?

It is the purpose of the researcher to look into the details of this incentive system which the Government of the Republic of the Philippines implemented, and to provide leverage for the private sector especially in the private schools, to somehow look into the possibility of adapting the incentive system, compare desired outputs and hopefully secure financial support from the government.

The Major Final Outputs or the goods and services delivered by a Department will now be measured on the basis of how the needs of citizens are efficiently and effectively addressed, i.e., “kung naramdaman ni Juan dela Cruz ang serbisyo ng gobyerno” (if the citizen sensed the services of the government). This is how the performance based bonus is anchored.

The Performance-Based Incentive System (PBIS) is a new system of incentives for government employees that which was introduced in FY 2012, per EO No. 801. Under this new system, employees may receive two incentives: the Performance-Based Bonus (PBB) and the Productivity Enhancement Incentive (PEI).

The PBB is a top-up bonus that is given to employees based on their performance and contributions to the accomplishment of their Department’s overall targets and commitments. This will be on top of the PEI current annual incentive distributed to employees across the board. The amount available for PEI bonuses will depend on savings incurred by the national government.

The PBB, which is the new bonus introduced via the PBIS, will be given to employees based on their contribution 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.

On July 20, 2012, President Aquino issued Executive Order No. 80 directing the adoption of the Performance-Based Incentive System for government employees beginning FY 2012. The system shall consist of the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB). EO No. 80 is premised on the following: First is the need to rationalize the current incentive system in government, which is generally characterized by across-the-board bonuses. Second is the necessity to strengthen performance monitoring and appraisal systems based on existing systems like the OPIF, the Strategic Performance Management System of the CSC, and the RBPMS. Third is the belief that service delivery by the bureaucracy can be improved by linking personnel incentives to the bureau or delivery unit’s performance and recognizing and rewarding exemplary performance.

On December 21, 2011, President Aquino issued Administrative Order No. 25 creating an Inter-Agency Task Force on the Harmonization of the National Government Performance Monitoring, Information and Reporting Systems in line with the Administration’s thrust to raise transparency and accountability in governance. AO 25 seeks to rationalize, harmonize, streamline, simplify, integrate, and unify the efforts of government agencies mandated to exercise broad oversight on performance of government agencies relative to the National Leadership’s Agenda, the Philippine Development Plan (or PDP) 2011-2016, agency mandates, commitments and targets. The AO aims to establish a unified and integrated Results-Based Performance Management System (RBPMS) across all departments and agencies within the Executive Branch.

Atheoretical Stance:

In qualitative designs, a suspension of all apriori and assumptions is an essential step prior to data gathering. Further there will also be suspension of the review of related literature and studies at the time that the study will be proposed. All this preliminary suspensions are geared towards the prevention of biases in the study. The study does not also present a theory or model since the study is qualitative in nature.

Philosophical Stance:

The study was conceptualized under the interpretive paradigm. Interpretivists reject the assumptions made by positivists regarding the nature of human beings and the ways of knowing about social phenomena. The interpretivists’ model of human beings carries with it the notion of choice, free will and individualism. Human beings are seen as active agents capable of monitoring their own behavior and they are able to use their speech to make comment on their performance and plan ahead. Further, human beings have consciousness which enables them to think and feel, and give them a sense of awareness (Haralambos, 1985). They do not react mechanically to an external stimulus. Human beings function by

making sense of all behavioural and physical objects in their environment (Erickson, 1986) that are perceived through their five senses (Harambalos, 1985). They interpret or make sense of a stimulus before deciding on an appropriate action. In short, human beings do not merely behave, but act. An action is considered to be more than a behavior as it is a physical act with meaning. A behavior is only the physical act (Erickson, 1986).

Once human beings have interpreted a particular stimulus they assume that their interpretation is real and that the qualities they have given to different entities are the actual qualities of those objects (Erickson, 1986). Responses to various stimuli will then be based on the attributes given to them. In this respect, human beings define both the stimuli and their responses to them. They impose meaning on the natural and social world by the way they organize and categorize their sensory experiences, and their actions are simultaneously defined and confined by these meanings. In order to function, human beings have to construct and live in a world of meaning (Harambalos, 1985, p. 544).

Meanings for the interpretivists are not static. They are constantly being created, changed, modified and developed through interaction. New meanings are negotiated in interactions between actors. According to Mead, one of the proponents of symbolic interactionism, this is done through taking the role of the other person (1934).

Finally, interpretivists use different criteria to judge the results of their studies. While positivists adhere to concepts of reliability and validity in their assessment of research findings, interpretivists adhere to concepts of reliability and validity in their assessment of research findings, interpretivists evaluate in terms of trustworthiness, which includes credibility, transferability, dependability and confirmability. According to Gephart (1999), ultimately, how valid a piece of interpretive research is depends on whether similar findings can be achieved when another researcher enters the same field using the same kinds of strategies as the first researcher.

Statement of Purpose:

The study aimed to explore the feasibility of implementing performance-based bonus in private universities and colleges. Findings served as a bases for a proposed scheme for private universities.

Specifically, it answered the following objectives:

1. Analyze the PBB policies with consideration of implementation in private institutions (PUCs);
2. Make a comparative analysis of the performance of selected State Universities and Colleges (SUCs) and Private Universities and Colleges (PUCs);
3. Clarify arguments and values relative to budget allocation, coverage and performance rating criteria; and
4. Design PBB scheme for PUCs

Significance of the Study:

The findings of the study will benefit the following:

Private Universities and Colleges. School administrators of private universities and colleges looks at performance-based bonus as a means of improving the working morale of employees not only in the government but also in the private schools. This study will further help them motivate their employees if ever this reward system can be implemented in their school.

Employees. Teaching and non-teaching personnel need to gain awareness and understanding on the legal basis and evaluation criteria of performance-based bonus. With such knowledge, a self-imposed positive change on their work attitude is much more feasible for them.

Future Researchers. Future researcher/s will serve as a reference for their continuous pursuit of knowledge.

2. ANALYSIS OF PBB POLICIES

This chapter presents the analysis of PBB policies, the Performance-based Incentive System, the Performance-based Bonus, the eligibility criteria for SUCs, and the timeline for FY2014 implementation.

A. Performance-Based Incentives System (PBIS)

The Performance-Based Incentive System (PBIS) is a new system of incentives for government employees that is being introduced in FY 2012, per EO No. 801. Under this new system, employees may receive two incentives: the Performance-Based Bonus (PBB) and the Productivity Enhancement Incentive (PEI).

PBIS-covered government employees will still receive their Year-End and Mid-Year Bonuses, Cash Gifts, and CNA Bonuses. These bonuses are separate from the PBIS and are therefore unaffected by an employee's performance. For the PEI and PBB—which now fall under PBIS starting 2012—most government employees will receive the same or even much more than what they used to receive under the PEI in the previous years. We place this at 57 percent based on the approved distribution of the PBB, on the assumption that the agency meets the minimum performance standard. Only the minority of underperformers will get less: a PEI of 5,000, which will be given across-the board.

For the longest time, good performers in government received little to no recognition for their hard work. Majority of them receive as much in bonuses as their coworkers who underperform or do not take responsibility for their tasks.

Through the PBIS, the Aquino administration seeks to foster a culture of fairness and excellence in the bureaucracy, where good work is duly recognized, while poor output goes unrewarded.

The PBIS will be implemented in annual phases. FY 2012 is the pilot implementation year of the PBIS. What we intend to do in FY 2012 is to lay down the pre-conditions for a successful PBIS, such as setting clear and reasonable performance indicators and targets with the Departments. This allows the government to make a credible PBB system as well as a reasonably good validation system.

The AO25 Task Force will support Departments during the pilot implementation year, especially with respect to laying down targets based on the President's priorities.

FY 2013 shall be the Harmonization Phase, during which the Results-Based Performance Management System (RBPMS; see Section D) will be put in place, together with a Strategic Performance Management System (SPMS) prescribed by the Civil Service Commission. Thus, the guidelines on the PBB shall be updated to reflect, harmonize, and implement the two systems. Departments will then be expected to submit an improved set of performance targets and indicators.

In FY 2014, we can already expect the alignment of the Department targets with its smallest operational units. In addition to the FY 2013 good governance conditions, two or three more conditions should be met. A gradual increase from the FY 2013 bonus is likewise expected.

Regular, contractual, and casual officials and employees of Departments and Agencies of the National Government who occupy plantilla positions, who have an employer-employee relationship with these Departments and Agencies, and who have been in government service for at least four (4) months as of November 30, 2012 may be covered by the PBIS. The PBIS will be implemented in all Departments and Agencies of the National Government, State Universities and Colleges (SUCs) and Government-Owned or-Controlled Corporations (GOCCs). However, these institutions must first meet the eligibility criteria (see Section C) before they can qualify for the grant of PBB under the PBS. For SUCs, the implementation shall be coordinated with the Commission on Higher Education. For GOCCs who are covered by the GOCC Governance Act of 2011 (Republic Act No. 10149), the implementation of PBIS shall be led by the Governance Commission for GOCCs (GCG). GCG will issue separate guidelines for the adoption of PBIS in GOCCs.

The Congress, Judiciary, Constitutional Commissions and the Office of the Ombudsman are encouraged to adopt the PBIS in line with the provisions in EO No. 80 and the guidelines issued by the AO 25 Inter-Agency Task Force. Of these Constitutional Offices, only the Civil Service Commission and the Commission on Audit have officially opted into the PBIS and may therefore be eligible for the grant of the PBB.

Contractual and casual employees who have an employer-employee relationship with their respective Departments, Agencies, SUCs and GOCCs, who have been in government service as of November 30, 2012, and who have rendered at least four (4) months service during the year as of that date are eligible to receive the PBB under the PBIS.

Those with no employer-employee relationship with their respective National Government Departments and Agencies, SUCs and GOCCs are not covered by the PBIS. These include job order workers, consultants, and those hired under

contracts of service (Note: Contracts of service are different from contractual employees who hold plantilla positions). As such, they will not receive both the PEI and PBB under the PBIS.

Under the current implementation, regular, casual and contractual officials and employees of National Government Departments and Agencies, particularly the Constitutional Offices, who have not opted to adopt the PBIS may still receive other bonuses, including PEI, but not the PBB.

Performance-Based Bonus (PBB):

The PBB is a top-up bonus that is given to employees based on their performance and contributions to the accomplishment of their Department's overall targets and commitments. This will be on top of the PEI current annual incentive distributed to employees across the board. The amount available for PEI bonuses will depend on savings incurred by the national government.

The PBB, which is the new bonus introduced via the PBIS, will be given to employees based on their contribution 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.

The PBB or the Performance-Based Bonus is a component of the PBIS or the Performance-Based Incentive System. The PBB is a top-up bonus which will be given to employees based on their contribution to the achievement of their Department or Agency's targets and commitments in FY 2012. The other component is the PEI, which is provided to employees across the board, regardless of their actual performance.

The PBB is a new incentive given to government employees based on their performance. This is different from existing bonuses in government, which are given to employees across the board, regardless of their performance. The PBB was introduced by the Aquino Administration to reward and encourage exemplary performance among public servants in national government. The PBB, as introduced in 2012, is on top of the following bonuses currently provided to government employees: a) Mid-Year and Year-End Bonuses are the government equivalent of the 13th Month Pay of employees in the private sector. Like the 13th Month Pay, the total amount of the Mid-year and Year-end Bonuses are equivalent to their one month's salary, depending on their rank and salary grade. The Mid-year and Year-end Bonuses are given no earlier than May 1 and November 15, respectively; b) The Cash Gift is an across-the-board bonus of P5,000 given to each employee of the national government. It is released in two tranches: at the middle and end of the year, together with the Mid-year and Year-end Bonuses; 3) The Collective Negotiation Agreement (CNA) Bonus, meanwhile, is provided to employees of government agencies where there is an accredited employee's union, and where the agency and the union have entered into a Collective Negotiation Agreement (CNA). The CNA Bonus is funded by savings from the agency's maintenance expenditure items identified in their CAN. An agency can raise these savings through cost cutting and productivity measures—identified in their CAN; e) The PEI is an existing across-the-board bonus, given equally to government employees. Unlike the Mid-year and Year-End Bonuses and Cash Gifts, the amount given per employee is not fixed. Instead, the amount depends on the level of savings incurred and authorized by the national government to fund the PEI. Thus, the amount per employee has varied through the years.

In 2011, the PEI was P10,000. This year it is P5,000. But this does not include other bonuses given throughout the year. Since the PBB will be given on top of the PEI, only the under-performing minority will be getting less, while the majority of performing employees will get the same amount as last year's PEI. Employees who demonstrate exemplary performance, on the other hand, will actually enjoy bigger bonuses.

Assuming, for example, that everyone achieves their respective targets, about 42.25 percent of employees will get a top-up PBB bonus of P5,000 in addition to their PEI of P5,000. This adds up to P10,000, which is the same amount received by employees in 2011.

Meanwhile, more than 50 percent of employees will receive bonuses higher than P10,000, since the PBB for better performers ranges from P7,000 to P35,000. This way, exceptional performers are given due recognition and reward, encouraging the rest of the bureaucracy to follow suit and aim for exemplary public service.

The amount will depend on the performance of each employee and the unit that he/she belongs to. This is to foster a culture of teamwork within each unit and within the department itself, especially if the latter has different kinds of outputs and services to deliver.

The Best Performer from the best-performing unit or “Best Bureau” will get a PBB of P35,000; the Better Performer from a “Better Bureau” will get P13,500; while the Good Performer from a “Good Bureau” will get P5,000. However, the minority of poor performers will get no PBB.

In other words, the PBIS provides the best rewards for the best people in the bureaucracy, amounting to a total of P40,000 with the PBB and PEI combined. Under the PBIS, however, underperformers will not be left empty-handed: they will still receive the P5,000 across-the-board PEI.

The PBB is not a holiday or Christmas Bonus. Instead, the PBB is based on an agency and employee’s actual performance. It is therefore a reward for good performance, not a gift or entitlement. Because an agency and its employees are going to be assessed based on their actual performance from January 1 to December 31, 2012, distributing the PBB will start in January of next year. However, agencies that have met at least 0 percent of their performance targets by November 30, 2012 (see Section C) may have their actual performance evaluated earlier. This will allow for the possible release of their employees’ PBB by end-December 2012.

Under the status quo, bonuses are given uniformly to all civil servants, regardless of their performance. In some cases, this incentive system has even been abused. To remedy this, the Aquino administration sought to introduce a new system that will focus on service delivery and reward the best in the bureaucracy through incentives that correspond with the performance of employees and their offices. In other words, having definite rewards for exemplary work can inspire public servants to perform better. This can even motivate their co-workers in their own units to perform well, too. Altogether, such a system is designed to encourage improved performance and better accountability, in line with ensuring the accomplishment of the Administration’s priority development agenda.

More importantly, however, the PBB seeks to transform the management of agency and employee performance to foster a culture of accountable public service, as well as produce concrete and visible improvements in the delivery of public goods and services. The ultimate aim of the PBB—besides institute in a genuine meritocracy in Philippine government—is to serve the Filipino public more effectively and efficiently.

For national agencies, both the PEI and the PBB shall be sourced from the Miscellaneous Personnel Benefits Fund (MPBF). For GOCCs, their PBB shall be sourced from their corporate funds.

In FY 2015, the PBB should have reached the Institutionalization Phase. The system will be fully developed by this time, so that there is full alignment of Department targets with individual targets. In addition to the FY 2014 good governance conditions, two or three more conditions should be met. A gradual increase from the FY 2014 bonus is also expected.

The PBB will be given to employees only after their departments and agencies have 1.) accomplished all PBIS eligibility criteria, 2.) met their performance targets, and 3.) submitted all their accomplishment reports to the AO25 Task Force before the deadline (see Section C).

The final deadline for such accomplishment reports will be in the first week of January 2013. However, agencies that have met their performance targets by November 30, 2012 (see Section C) may have their actual performance evaluated sooner, so that the government can facilitate the possible release of their employees’ PBB within December 2012.

Only employees belonging to agencies that have met their performance targets by November 30, 2012 (see Section C) can have their actual performance evaluated to facilitate the possible release of their employees’ PBB within December 2012.

However, if agencies do not meet this early deadline for the submission of accomplishment reports, then their final deadline will be in the first week of January 2013.

The PBB shall be given based on the performance ranking of delivery units and the individuals within these units. Agency heads are not allowed to diverge from the objective system of performance ranking under the PBIS. Otherwise, they defeat the very purpose of the PBIS.

B. ELIGIBILITY CRITERIA FOR SUCs:

Cascading of Performance Targets (Based on Form A)

Major Final Outputs (MFO)/Operations Performance Indicators (PIs):

I. Operations

1. Advanced and Higher Education Services

- Percentage of FTEs (Full-Time Employees) in mandated/priority programs
- Average percentage passing in licensure in mandated/priority programs
- Percentage of accredited programs among mandated/priority programs and relative to total
- Percentage of graduates in the mandated priority programs graduated within the prescribed period

2. Research Services

Levels I and II

1. Number of research-based teaching materials, analyses/essays/papers
2. Number of research outputs presented locally (within institution)

Levels III & IV

1. Number of outputs presented in regional/national/international fora/conferences
2. Number of outputs published in CHED accredited journals/internationally indexed journals
3. Number of research outputs patented/copyrighted
4. Ratio of R&D outputs to total number of full time graduate program faculty

All Levels

- Percentage of research projects conducted and completed on schedule

3. Extension Services:

- Number of person-days trained (man-hour) weighted by length of training
- Number of IEC materials/techno guides developed/used
- Number of beneficiaries served
- Number of LGUs/communities/other clientele assisted
- Number of technologies transferred/adopted
- Number of training and extension activities conducted on schedule

II. Support to Operations (STO):

- Percentage of poor/disadvantaged students served by support services for non-academic needs
- Personnel development and welfare support: number of personnel enabled to pursue studies/training and provided other support services
- Number of students/personnel provided with non-academic related services (e.g. Library Services, Medical/Dental Services, Guidance Services, ICT Services, etc.)

III. General Administration and Support Services (GASS):

- Percentage of internally generated income to total operating budget/cost

- Cost/amount of infrastructure projects and other physical facilities funded out of internally generated income

To qualify for the PBB, an agency covered by the PBIS must fulfill the following:

- a) Achieve at least 90 percent of Congress-approved performance targets set for the delivery of MFOs under the PIB/GAA of 2014 and the targets for support to operations (STO) and GASS;
- b) Rank eligible bureaus (delivery units) and the individuals within them; and
- c) Achieve at least 90% of each one of the priority program/project targets agreed with President under the five Key Result Areas of EO No. 43; and
- d). Satisfy 100% of the good governance set by the AO 25 Interagency Task Force (IATF) for FY 2014.
- e) Submit accomplishment reports on time.
 - a. For STO, the common target should be the establishment of a Quality Management System aligned with ISO standards or the continuing certification of one front line service, whichever is applicable. The agency can identify the second performance target according to the priority of the agency head.
 - b. For GASS, the Budget Utilization Rate (BUR), will consist of two measures:
 1. “obligations BUR” which shall be computed as obligations against all allotments issued for FY 2014, including the additional releases from special purpose funds; and
 2. “The disbursement BUR” as provided for in the 2013 PBB guidelines. (Report on Ageing of Cash Advances)

According to informant 1, the private school cannot be eligible because of the fact that the school in the first place is not a government funded school. Further informant 2, said the private school cannot be eligible because of the fact that they are not subject to Commission on audit (COA) rules especially in managing the finances. Informant 3, also stressed that the private school has its own financial management system different from what the government is implementing in the SUCs.

Good Governance Conditions:

- Maintain/Update the Agency Transparency Seal;

According to informant 1, the private school does not adhere to what the President requires with regards to transparency because the school puts a limit to the access of these information

- Maintain/Update the PHILGEPS posting;

Informant 2, the private school has its own construction firm that takes care of the construction of buildings and structures and does not require posting to any government website for bidding purposes.

- Maintain/Update the Citizens Charter or its equivalent Service Charter, completing the reflection of 3 improvements in the front line services specified in the 2013 PBB guidelines

Informant 5 said that the private school already had its own practice of providing services efficiently to its clients but do not display these things in writing.

- Compliance with submission and review of SALN of officials and employees

“Statement of Assets, liabilities and net worth (SALN) is not required in the private employees and therefore, this cannot be done in the private schools”, according to informant 4

Eligibility and Ranking

RANKING	PERFORMANCE CATEGORY
Top 10%	Best Bureau/Office/ Delivery Unit
Next 25%	Better Bureau/Office Delivery Unit
Next 65%	Best Bureau/Office Delivery Unit

Informant 6 said that there is no need for the private school to rank itself because we are expected to deliver the best services everyday and evaluation is done all the time.

FY 2014 Implementation

Activity	Deadline
Submission of PBB Targets using Forms A, A1 and B to the IATF	On or Before May 15, 2014
Submission of Financial Reports to COA	On or before March 31, 2014
Submission of Financial Reports to COA (for BIG Agencies	On or before April 30, 2014
Submission of Certificate of Compliance with SALN	On or before July 31, 2014
Submission of Report on Ageing of Cash Advance Liquidation (with Nov. 15, 2014 as cut-off)	On or before December 1, 2014
Submission of Certificate of Compliance with PHILGEPS (with Nov. 15, 2014 as cut-off)	On or before December 1, 2014
ACTIVITY	DEADLINE
Submission of accomplishments using Forms A, A1, and B and Form 1.0	
a. With November 30, 2014 as cut off date	On or before December 10, 2014
b. With December 31, 2014 as cut-off date	On or before January 30, 2014

Remarks: Not applicable to private schools

In addition, agency performance in the scorecard will also hinge on the quality of good governance in each agency, particularly through these drivers: financial stewardship, or the judicious utilization of public resources and assets of the Government; internal process, which focuses on driving efficiency and seamlessness in work systems and processes to deliver services to the public; leadership, learning, and growth which focuses on the ethical behavior of senior officials and leaders that promote public trust, as well as the innovation arising from learning and growth conditions within the Department/Agency.

PBB Eligibility Criteria:

To qualify for the PBB, an agency covered by the PBIS must fulfill the following: a) Meet all Good Governance Conditions set annually by the AO 25 Taskforce (see succeeding items for more details); b) Achieve at least 90 percent of each performance target set for the agency (see succeeding items for more details); c) Rank eligible bureaus (delivery units) and the individuals within them; and d) Submit accomplishment reports on time.

EO No. 80 states that the Inter-Agency Task Force under AO No. 25 will set the good governance conditions for the PBB on an annual basis. The good governance conditions are based on the performance drivers of the Results-Based Performance Management System (RBPMS): financial stewardship, internal process, and leadership, learning and growth.

What are the Good Governance Conditions set by the AO 25 Task Force for fiscal year 2012?

For FY 2012, the AO 25 Task Force has set four good governance conditions, with three under financial stewardship and one under internal process. These are: the establishment of a Transparency Seal; posting of bid notices and awards on the website of Philippine Government Electronic Procurement System (PhilGEPS); liquidation of all cash advances to officials and employees; and establishment of a Citizen’s Charter or its equivalent.

Pursuant to Section 93 of the General Appropriations Act of 2012, all departments shall have a Transparency Seal on their respective websites that should contain the following information: 1. The agency’s mandates and functions, names of its officials with their position and designation, and contact information; 2. Annual reports required by National Budget Circular Nos.507 and 507-A issued on January 31, 2007 and June 12, 2007, respectively, for the last three years; 3. Their respective approved agency budgets and the corresponding targets for fiscal year 2012; 4. Major programs and projects, categorized along the five key results areas of the Aquino Social Contract, as identified by E.O.No. 43, s. 2011; 5. Program/projects beneficiaries as identified in the applicable special provisions; 6. Status of implementation and

program/project evaluation and/or assessment reports; and 7. Annual procurement plan, contracts awarded and the name of contractors/suppliers/consultants.

Departments and Agencies must ensure that all Invitations to Bid and awarded contracts are posted on the PhilGEPS website, pursuant to the Revised Implementing Rules and Regulations of the Government Procurement Reform Act (RA No. 9184).

Departments and Agencies must ensure the liquidation, within the reglementary period, of all cash advances granted to all officials and employees for the year. As stated in the rules of the Commission on Audit (COA), the liquidation of cash advances for foreign travels must be done within 60 days from travel, while the liquidation of cash advances for domestic travel must be made within 30 days from travel. The liquidation of cash advances for special activities must be done within 30 days upon completion of the project or activity as provided for in the liquidation authority.

For FY 2012, the Good Governance condition only covers the cash advances granted to national government officials and employees within the year for the purpose of local and foreign travel and special projects.

For FY 2012, the liquidation of outstanding cash advances due since FY 2011 or before is not yet included in the Good Governance condition. Nonetheless, COA requires Departments to liquidate such outstanding cash advances immediately.

Departments must comply with Section 6 of the Anti-Red Tape Act (ARTA, RA No. 9485), which provides that “All government agencies including departments, bureaus, offices, instrumentalities, or government-owned and/or controlled corporations, or local government or district units shall set up their respective service standards to be known as the Citizen’s Charter in the form of information billboards which should be posted at the main entrance of offices or at the most conspicuous place, and in the form of published materials written either in English, Filipino, or in the local dialect, that detail: (a) the procedure to obtain a particular service; (b) the person/s responsible for each step;(c) the maximum time to conclude the process; (d) the document/s to be presented by the customer, if necessary; (e) the amount of fees, if necessary; and (f) the procedure for filing complaints.

To qualify for the PBB, agencies must establish an equivalent of a Citizen’s Charter, such as a service guide or a service charter. For instance, the IRR3 of ARTA clarifies that “those performing judicial, quasi-judicial and legislative functions are excluded from the coverage of the Act, however, their respective frontline services are deemed included.”

By November 30, 2012, Departments will be validated on their compliance with the Good Governance conditions. This will be done through the submission of certifications to be signed by the Head of their respective Departments or Agencies and other accountable officials. TheAO25 Task Force shall also validate if Departments and Agencies have complied with their online posting requirements (e.g. Transparency Seal, PhilGEPS). Oversight agencies may also conduct spot-checking.

In order to qualify for the PBB, PBIS-covered Departments and Agencies must achieve at least 90 percent of each of their: 1) performance targets for their Major Final Outputs (MFOs), Support to Operations (STO) and General Administration and Support Services (GASS) submitted to Congress; and 2) Priority Program targets agreed with the President under the five Key Result Areas (KRAs) of the Aquino Social Contract, under E.O. No. 43 s. 2011.3 Section 1 of Rule I of the IRR

A performance target (PT) is a predetermined target level of performance (quantity, quality, timeliness and cost of an output) against which actual performance can be compared and for which a mean, deviation and trend line can be calculated over time.

Departments and Agencies have been asked to review the MFOs, performance indicators, and targets as declared in the Organizational Performance Indicator Framework (OPIF) Book of Outputs for FY 2012, and the key program and project targets related to the five Aquino Social Contract KRAs under EO 43.

A Department or Agency should select or prioritize three performance indicators for each MFO and indicate the target for FY 2012. The Head of Agency should also set the performance targets of support services belonging to STO and GASS.

Frontline service Departments which have key programs or projects with performance targets for FY 2012 agreed with the President shall also prioritize and feature those performance targets (for instance, 4.6million international tourist arrivals for the Department of Tourism; the construction of 41,000 classrooms in the case of the Department of Education). The

resulting targets corresponding to the MFOs, STO, GASS and key programs or projects shall be deemed the baseline commitment of the Department for 2012 to be cascaded to second level units.

A Major Final Output (MFO) is a good or service that a Department or Agency is mandated to deliver to external clients through the implementation of programs, activities and projects.

A performance indicator (PI) is a characteristic of performance i.e. quantity, quality, timeliness or cost that is to be measured and will illustrate the standard by which a Department is expected to deliver its services.

As specified in EO No. 80, PIs should be verifiable, observable, credible, and sustainable. For the FY 2012 PBB, Departments shall select or prioritize three PIs for each MFO to capture the dimensions of quantity, quality, and timeliness. In order for the people to better appreciate what a Department or Agency does, the strategic performance indicators should center on indicators for frontline services or services of the Department or Agency catering to the public.

STO or Support to Operations refers to activities that provide technical and substantive support to the operations and projects of a Department or Agency. For PBB in FY 2012, Departments and Agencies are asked to identify performance indicators and targets for these activities capturing the dimensions of quality and timeliness of services as specified by the Department Secretary.

General Administration and Support Service (GASS) refers to activities dealing with the provision of overall administrative management support to the entire operation of a Department or Agency. It includes activities such as general management and supervision, legislative liaison services, human resource development, and financial and administrative services. For PBB in FY 2012, Departments and Agencies are asked to identify performance indicators and targets for these activities capturing the dimensions of quality and timeliness of services.

Support services (or offices under STO and GASS) will not be left out since they will also have to set their own performance indicators and targets. Offices providing administrative and technical support to the units responsible for the delivery of the MFOs and the key programs and projects shall be given two performance indicators each, capturing the dimensions of quality and timeliness of services specified by the Department Secretary.

The performance targets of Departments and Agencies must be consistent with the FY 2012 budget approved by Congress and should not be lower than accomplishments in FY 2011.

The PBB shall be characterized by a system of ranking bureaus or delivery units and the personnel within these units according to their performance.

The performance incentives shall be based on two levels to consider: the delivery unit and individual contributions to the achievement of a Department's or Agency's targets. In categorizing groups, the Department Secretaries are authorized to rank or line up the bureaus and attached agencies under their respective Departments according to performance and determine whether they are eligible or not to receive the PBB.

Department Heads may also modify the ranking system among delivery units to best fit their operations or their respective functions. They can also use their existing personnel rating system to force-rank their employees within bureaus or delivery units.

Departments and Agencies shall submit their actual accomplishments of targets—as well as the accomplishments of their component bureaus or delivery units—to the AO25 Task Force. Failure to meet any of the PBB eligibility criteria (see previous section for details) within the deadline will render Departments and Agencies ineligible for the PBB in FY 2012.

Bureaus or delivery units will be forced-ranked according to their accomplishment of targets and will be categorized under the following groups: Best Bureaus (top 10 percent of ranked bureaus), Better Bureaus (next 25 percent), Good Bureaus (remaining 50 to 65 percent) and Poor Bureaus (bureaus that failed to accomplish 90 percent of their targets).

Within the bureaus or delivery units which are ranked as Best, Better and Good Bureaus, employees will be ranked according to their actual individual performance and categorized under the following groups: Best Performers (top 10 percent of ranked employees in a bureau), Better Performers (next 25 percent) and Good Performers (next 65 percent).

At the same time, individual employees who receive a rating of "Below Satisfactory" under the annual Performance Appraisal System of the Civil Service Commission will not receive any amount under the PBB. Meanwhile, employees in Poor Bureaus will not be eligible to receive any amount under the PBB, since their respective bureaus failed to meet the minimum performance criteria.

The amount of PBB will depend on the performance of each employee as well as the unit that he/she belongs to. The Best Performer from a Best Bureau will get a PBB of P35,000; the Better Performer from a Better Bureau will get P13,500; while the Good Performer from a Good Bureau will get P5,000. Of course, the minority of poor performers (employees in Poor Bureaus or those who get a Below Satisfactory rating in the Performance Appraisal System) will get no PBB.

Employee Performance Appraisal

Bureau/unit ranking	Best Top 10%	Better Next 25%	Good Up to 65%	Poor
Best Top 10%	P 35,000	P20,000	10,000	
Better Next 25%	P25,000	P13,500	7,000	
Good Up to 65%	P15,000	P10,000	5,000	
Poor				

This Performance-Based Bonus distribution matrix shows that the amount of the bonus that may be received by a qualified government employee is dependent on the performance of the bureau and of the individual employee.

The Secretary or Head of the Agency shall rank the qualified bureaus or delivery units. The Department Secretary or Head of Agency may task a Performance Management Group (PMG)—consisting of senior officials that directly oversee and observe the performance of bureaus or delivery units—to assist him in undertaking the forced-ranking of delivery units and individuals. Meanwhile, the heads of the bureaus or delivery units will be responsible for the ranking of the employees within these units.

The ranking of employees in bureaus or delivery units will be done by each unit head according to the actual and measurable performance of employees. Under the PBB, employee evaluations are designed to be objective and measurable, instead of subjective or dependent on an employee's personal relationship with his or her supervisor.

An employee can question the rating that they receive as a result of the rankings. The PBIS requires all departments and agencies to create grievance committees that will address possible questions or complaints by employees on their rankings.

If a rating issue cannot be resolved within the agency's grievance committee, it may be escalated to the AO25 Task Force that will evaluate the complaint and resolve the issue, whether at the level of its Secretariat, Technical Working Group or Task Force Principals, as the case may be.

The AO25 Task Force is chaired by the Department of Budget and Management and co-chaired by the Office of the Executive Secretary. Its members are the Department of Finance, the National Economic Development Authority, the Presidential Management Staff, the Civil Service Commission, the Career Executive Service Board, the Commission on Audit, the Office of the Ombudsman, the Governance Commission for GOCCs, the Commission on Higher Education, and the National Competitiveness Council (representing the private sector). The Development Academy of the Philippines serves as Secretariat and technical resource institution of the Task Force.

The Department Secretaries or Heads of Agencies shall be responsible for the implementation of the PBIS in their respective Departments or Agencies. To support the principals in the implementation of PBIS, Performance Management Groups (PMGs) should be convened at every Department or Agency.

After the pilot implementation in 2012, PBIS will be further refined based on the lessons, feedback and evaluation of the pilot implementation. After all, the objective in the pilot year is to put in place the pre-conditions for a successful PBIS, such as setting and agreeing on clear and reasonable performance indicators and targets with the Departments to ensure the credibility of the PBB as well as develop a reasonably good validation system.

The AO25 Task Force will be supporting the Departments through the pilot implementation year, especially in the setting of targets based on the President's priorities.

FY 2013 shall be the Harmonization Phase, during which the Results-Based Performance Management System (RBPMS; see Section D) will be put in place, together with a Strategic Performance Management System (SPMS) prescribed by the

Civil Service Commission. Thus, the guidelines on the PBB shall be updated to reflect, harmonize, and implement the two systems. Departments will then be expected to submit an improved set of performance targets and indicators.

In FY 2014, we can already expect the alignment of the Department targets with its smallest operational units. In addition to the FY 2013 good governance conditions, two or three more conditions should be met. A gradual increase from the FY 2013 bonus is likewise expected.

In FY 2015, the PBB should have reached the Institutionalization Phase. The system will be fully developed by this time, so that there is full alignment of Department targets with individual targets. In addition to the FY 2014 good governance conditions, two or three more conditions should be met. A gradual increase from the FY 2014 bonus is also expected.

The PBIS is a system that is a component of the Results-Based Performance Management System (RBPMS), which is envisioned to be the single performance management system for the whole of the Executive Branch, in place of the multiple and disparate performance management systems that are currently being implemented.

The Administration's plan to establish the RBPMS stems from Administrative Order No. 25, which seeks to rationalize, harmonize, streamline, simplify, integrate, and unify the performance management systems and activities of oversight government agencies .

RBPMS stands for Results-based Performance Management System, which utilizes the Five Key Result Areas set by the President, the Organizational Performance Indicators Framework (OPIF) of the DBM and the PDP-Results Matrix (RM) of the NEDA as underlying frameworks. The RBPMS will incorporate a common set performance scorecard, and at the same time, create an accurate, accessible, and up-to-date government-wide, sectoral, and organizational performance information system. The RBPMS shall likewise be used as basis for determining entitlement to performance-based allowances, incentives, or compensation of government personnel.

The RBPMS consists of a set of comprehensive performance indicators that will cut across societal and sectoral performance, down to organizational and individual performance with reference to the Five KRAs under EO 43, the Results Matrix, and the Organizational Performance Indicators Framework.

It highlights citizen-focus and a culture of public service while linking the drivers of organizational performance, namely: financial stewardship; internal process efficiency; and leadership, learning and growth to higher level goals and desired outcomes.

The Major Final Outputs or the goods and services delivered by a Department will now be measured on the basis of how the needs of citizens are efficiently and effectively addressed, i.e., "kung naramdaman ni Juan dela Cruz ang serbisyo ng gobyerno".

In addition, agency performance in the scorecard will also hinge on the quality of good governance in each agency, particularly through these drivers: financial stewardship, or the judicious utilization of public resources and assets of the Government; internal process, which focuses on driving efficiency and seamlessness in work systems and processes to deliver services to the public; leadership, learning, and growth which focuses on the ethical behavior of senior officials and leaders that promote public trust, as well as the innovation arising from learning and growth conditions within the Department/Agency.

The RBPMS is being designed by the Inter-Agency Task Force on the Harmonization of the National Government Performance Monitoring, Information and Reporting Systems, created under Administrative Order No. 25 issued on December 21, 2011.

C. Since the performance indicators (PI) as listed in Annex A are also present in the private universities, therefore the requirements of the Policy can also be applicable in private schools based on criteria.

D. Thoughts from the social media

The following are the responses of the netizens regarding the topic about the performance based bonus posted in facebook as a means of gathering data through the web.

The point of discussion was posted using the following statement:

Attention Private Universities and Colleges!!!
Why do you think the Performance-Based Bonus (PBB) be implemented in the private schools? Please join our discussion. Kindly indicate if you are a faculty member, a staff or a student. Thank you

Some respondents from the social media responded:

April 3 at 8:02am · Like



Noeme Luces Of course green grass should not only on the other side of the fence...it should be for everybody. (a teacher from the public school).



Nemia Omagtang U deserve what public school personnel received. Ur product is the manifestation that u have performed beyond what is expected and public and private school has one common goal in education. (public school principal).

April 3 at 10:16am · Like

1. Equal pay for equal work is the concept of labor rights that individuals doing the

same work should receive the same remuneration. It is most commonly used in the context of sexual discrimination, in relation to the gender pay gap. Equal pay relates to the full range of payments and benefits, including basic pay, non-salary payments, bonuses and allowances. Some countries have moved faster than others in addressing the problem. Since President Kennedy signed the Equal Pay Act in 1963, it has been illegal in the United States to pay men and women working in the same place different salaries for similar work.

Early history:

As wage-labor became increasingly formalized during the Industrial Revolution, women were often paid less than their male counterparts for the same labor, whether for the explicit reason that they were women or under another pretext. The principle of equal pay for equal work arose at the same time, as part of first-wave feminism, with early efforts for equal pay being associated with nineteenth-century Trade Union activism in industrialised countries: for example, a series of strikes by unionised women in the UK in the 1830s. Pressure from Trade Unions has had varied effects, with trade unions' own patriarchal character sometimes promoting conservatism. However, following the Second World War, trade unions and the legislatures of industrialized countries gradually embraced the principle of equal pay for equal work; one example of this process is the UK's introduction of the Equal Pay Act 1970 in response both to the Treaty of Rome and the Ford sewing machinists strike of 1968. In recent years European trade unions have generally exerted pressure on states and employers for progress in this direction.

International Human Rights Law:

In international human rights law, the statement on equal pay is the 1951 Equal Remuneration Convention, Convention 100 of the International Labour Organisation, a United Nations body. The Convention states that:

Each Member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value.

Equal pay for equal work is also covered by Article 7 of the International Covenant on Economic, Social and Cultural Rights, Article 4 of the European Social Charter,^[7] and Article 15 of African Charter on Human and Peoples' Rights.^[8] The Constitution of the International Labour Organization also proclaims "the principles of equal remuneration for equal value".

The EEOC's four affirmative defenses allows unequal pay for equal work when the wages are set "pursuant to (i) a seniority system; (ii) a merit system; (iii) a system which measures earnings by quantity or quality of production; or (iv) ... any other factor other than sex." A pay differential due to one of these factors is not in breach of the Convention.

Another netizen stated:



Jerome Jun Panizales Jr. Your hardwork should be compensated.

April 3 at 9:07am · Like ·

2. Hardwork . A term that means different things to different people:

- Applying your ability with focus and intensity
- Any activity that you don't want to do
- Any activity that you find difficult and strenuous

Distinguishing these concepts sorta takes the fun out of arguing about them. Work is the opposite of Play. Hard work is the basis for everything worthwhile you will achieve in life. If work is applying your ability, then hard work is applying your ability with focus and intensity to the exclusion of other possibilities.

- Farming is hard work because you can't take a vacation in the summer.
- Extreme Programming is hard work because your customer, your group and your partner all direct your attention.
- Cheating on your spouse is hard work because you can never relax and just be yourself.
- Writing wiki is easy work, perhaps the easiest writing of consequence ever invented.

Meditation is a counter-example; it requires an extreme focusing of one's abilities to the exclusion of thought itself. Mastering it may be hard work but actually doing it isn't work at all. Many other counter-examples abound. Intensely playing games is a simple one. Does playing Quake qualify as hard work?

Work is the antithesis of leisure. When people play Ultimate Frisbee for fun, they're cooperative and pleasant. When people play for a cash prize, it ceases being fun, cooperative or pleasant and also ceases to be leisure. Work is that which is necessary, unpleasant and even downright evil. Work inspired the quote "This is your life, and it's ending one minute at a time."

Any attempt to make the terms work and leisure compatible is obfuscation and double-speak. It is no coincidence that talk about how to make work more "fulfilling" comes from management circles.

HardWork is the process of changing both the world and yourself so that at the end you and the world have become more connected: you've become more real to other observers in the world and they have become more real to you.

Hard Work is relegated to those things which are not worthwhile. It's relegated precisely to those activities which achieve less. Hard work is an indication that you should stop, stand back and look for alternatives. Not many things is really *hard* in the sense that they hurt you. Difficult, strenuous, intense maybe, but not painfully so. You may be the only person who's responsible for making your life happen, but that doesn't mean you have to kill yourself trying to live. Remember, if you're stuck between a rock and a hard place, learn to fly.

One response caught my attention: She quoted:



Cynthia Guevarra Both public and private schools have the same goal, that is producing highly qualified and globally competitive graduates, so what the public school personnel are enjoying, that will also be true to all private personnel who are also working towards the attainment of such desired goals.

April 3 at 11:12am · Like

3. Goal Setting

Involves the development of an action plan designed to motivate and guide a person or group toward a goal. Goal setting can be guided by goal-setting criteria (or rules) such as SMART criteria. Goal setting is a major component of personal-development and management literature.

Studies by Edwin A. Locke and his colleagues have shown that more specific and ambitious goals lead to more performance improvement than easy or general goals. As long as the person accepts the goal, has the ability to attain it, and does not have conflicting goals, there is a positive linear relationship between goal difficulty and task performance.

History:

Cecil Alec Mace carried out the first empirical studies in 1935.

Edwin A. Locke began to examine goal setting in the mid-1960s and continued researching goal setting for over thirty years. Locke derived the idea for goal-setting from Aristotle's form of final causality. Aristotle speculated that purpose can cause action; thus, Locke began researching the impact goals have on human activity. Locke developed and refined his goal-setting theory in the 1960s, publishing his first article on the subject, "Toward a Theory of Task Motivation and Incentives", in 1968. This article established the positive relationship between clearly identified goals and performance.

Concept:

Goals that are deemed difficult to achieve and specific tend to increase performance more than goals that are not. A goal can become more specific through quantification or enumeration (should be measurable), such as by demanding "...increase productivity by 50%," or by defining certain tasks that must be completed.

Setting goals affects outcomes in four ways:

1. Choice: goals narrow attention and direct efforts to goal-relevant activities, and away from perceived undesirable and goal-irrelevant actions.
2. Effort: goals can lead to more effort; for example, if one typically produces 4 widgets an hour, and has the goal of producing 6, one may work more intensely towards the goal than one would otherwise.
3. Persistence: someone becomes more likely to work through setbacks if pursuing a goal.
4. Cognition: goals can lead individuals to develop and change their behavior.

In business

In business, goal setting encourages participants to put in substantial effort. Also, because every member has defined expectations for their role, little room is left for inadequate, marginal effort to go unnoticed.

Managers cannot constantly drive motivation, or keep track of an employee's work on a continuous basis. Goals are therefore an important tool for managers, since goals have the ability to function as a self-regulatory mechanism that helps employees prioritize tasks.

The four mechanisms through which goal setting can affect individual performance are:

1. Goals focus attention toward goal-relevant activities and away from goal-irrelevant activities.
2. Goals serve as an energizer: Higher goals induce greater effort, while low goals induce lesser effort.
3. Goals affect persistence; constraints with regard to resources affect work pace.
4. Goals activate cognitive knowledge and strategies that help employees cope with the situation at hand.

Goal commitment

People perform better when they are committed to achieving certain goals. Through an understanding of the effect of goal setting on individual performance, organizations are able to use goal setting to benefit organizational performance. Locke and Latham (2002) have indicated three moderators that indicate goal setting success.

1. The importance of the expected outcomes of goal attainment, and
2. Self-efficacy—one's belief that they are able to achieve the goals, and
3. Commitment to others—promises or engagements to others can strongly improve commitment.

Expanding the three from above, the level of commitment is influenced by external factors. Such as the person assigning the goal, setting the standard for the person to achieve/perform. This influences the level of commitment by how compliant the individual is with the one assigning the goal. An external factor can also be the role models of the individual. Say if they strive to be like their favorite athlete, the individual is more likely to put forth more effort to their own work and goals.

Internal factors can derive from their participation level in the work to achieve the goal. What they expect from themselves can either flourish their success, or destroy it. Also, the individual may want to appear superior to their peers or competitors. They want to achieve the goal the best and be known for it. The self-reward of accomplishing a goal, is usually one of the main keys that keep individuals committed.

Goal–performance relationship:

Locke et al. (1981) examined the behavioral effects of goal-setting, concluding that 90% of laboratory and field studies involving specific and challenging goals led to higher performance than did easy or no goals.

Locke and Latham (2006) argue that it is not sufficient to urge employees to "do their best". "Doing one's best" has no external referent, which makes it useless in eliciting specific behavior. To elicit some specific form of behavior from another person, it is important that this person has a clear view of what is expected from him/her. A goal is thereby of vital importance because it helps an individual to focus his or her efforts in a specified direction. In other words, goals canalize behavior.

Another netizen, reiterated:



Jim S. Vidal As far as my analysis and observations are concerned, Private school teachers are very much deserving to receive the same benefits that the public school teachers are receiving. I can say that most teachers in private schools are more competent, efficient, and goal-oriented than those who are in public, and yet majority of them are not well-compensated therefore, in my opinion, they deserve the pbb bonus as well but matrices, criteria (that is genuinely objective) should be done as basis for the pbb so that Teachers should work hard not only to get the bonus but to meet the criteria for their own advancement.

4. Fairness

Fairness or **being fair** may refer to:

- Justice
- Equity (law), a legal principle allowing for the use of discretion and fairness when applying justice
- Social justice, equality and solidarity in a society
- Distributive justice, the perceived appropriateness of the distribution of goods, benefits, and other outcomes in a society, group, or organization (see also: teleology)
- Procedural justice, the perceived appropriateness of rules or procedures used to allocate goods, benefits, and other outcomes

Distributive justice:

Distributive justice concerns the nature of a socially just allocation of goods in a society. A society in which incidental inequalities in outcome do not arise would be considered a society guided by the principles of distributive justice. The concept includes the available quantities of goods, the process by which goods are to be distributed, and the resulting allocation of the goods to the members of the society.

Often contrasted with just process, which is concerned with the administration of law, distributive justice concentrates on outcomes. This subject has been given considerable attention in philosophy and the social sciences.

In social psychology, distributive justice is defined as perceived fairness of how rewards and costs are shared by (distributed across) group members.^[1] For example, when workers of the same job are paid different salaries, group members may feel that distributive justice has not occurred.

To determine whether distributive justice has taken place, individuals often turn to the distributive norms of their group.^[1] A norm is the standard of behaviour that is required, desired, or designated as normal within a particular group. If rewards and costs are allocated according to the designated distributive norms of the group, distributive justice has occurred.

Types of distributive norms:

Five types of distributive norm are defined by Forsyth:

1. **Equity:** Members' outcomes should be based upon their inputs. Therefore, an individual who has invested a large amount of input (e.g. time, money, energy) should receive more from the group than someone who has contributed very little. Members of large groups prefer to base allocations of rewards and costs on equity.
2. **Equality:** Regardless of their inputs, all group members should be given an equal share of the rewards/costs. Equality supports that someone who contributes 20% of the group's resources should receive as much as someone who contributes 60%.
3. **Power:** Those with more authority, status, or control over the group should receive more than those in lower level positions.
4. **Need:** Those in greatest needs should be provided with resources needed to meet those needs. These individuals should be given more resources than those who already possess them, regardless of their input.
5. **Responsibility:** Group members who have the most should share their resources with those who have less.

In organizations

In the context of organizational justice, distributive justice is conceptualized as fairness associated with outcomes decisions and distribution of resources. The outcomes or resources distributed may be tangible (e.g., pay) as well as intangible (e.g., praise). Perceptions of distributive justice can be fostered when outcomes are perceived to be equally applied (Adams, 1965).

Outcomes:

Distributive justice effects performance when efficiency and productivity are involved (Cohen-Charash & Spector, 2001). Improving perceptions of justice increases performance (Karriker & Williams, 2009). Organizational citizenship behaviors (OCBs) are employee actions in support of the organization that are outside the scope of their job description. Such behaviors depend on the degree to which an organization is perceived to be distributively just (Cohen-Charash & Spector, 2001; Karriker & Williams, 2009). As organizational actions and decisions are perceived as more just, employees are more likely to engage in OCBs. Perceptions of distributive justice are also strongly related also to the withdrawal of employees from the organization (Cohen-Charash & Spector, 2001).

Distributive justice and wealth:

Distributive justice considers whether the distribution of goods among the members of society at a given time is subjectively acceptable.

Not all advocates of consequentialist theories are concerned with an equitable society. What unites them is the mutual interest in achieving the best possible results or, in terms of the example above, the best possible distribution of wealth.

In policy positions:

Distributive justice theory argues that societies have a duty to individuals in need and that all individuals have a duty to help others in need. Proponents of distributive justice link it to human rights.

Many governments are known for dealing with issues of distributive justice, especially countries with ethnic tensions and geographically distinctive minorities. Post-apartheid South Africa is an example of a country that deals with issues of re-allocating resources with respect to the distributive justice framework.

E. Arguments

Performance-based Bonus a.k.a PBB was one of the hottest point of discussion, not only in mass media, forums and even in the social networking sites. Also on GMA news online, the following are among the many discussants who joined the discussion:

ricelander • 2 years ago

This incentive system works well in the private sector where performance is easily quantifiable and orientation pretty clear-cut---profit. It does not work well in the public sector. In government, performance is not easily measurable given that its orientation, public service, is often in the realm of the quantum. What counts for public service? What do you measure? Number of new roads built? Number of CCT beneficiaries? number of indigents served? number of school buildings erected? number of pigs distributed for livelihood? number of scholars? Then, who would do the counting? Profit on the other hand is a simple mathematical equation derived from very specific, countable variables. As it is, it will end up in palakasan (influence peddling) and consequently demoralization.

William • 2 years ago

This Performance based bonus will have many complaints especially in government sector, it is easy to get an outstanding performance specially if you are close and friends with your rater, and very unfair to those who work their heart out to meet the mission and accomplish the goals yet they we're just given VS by their rater. so i guess Mr. President think about it first because it is so unfair to those who really work, yet they will be the one to received less PBB.

Aw-Aw Lina William • 2 years ago

correct...alam mo naman...playing favorites...isa pa kung ang rater di like ang tauhan, husay!

(correct...you know...playing favorites...one more thing if the rater does not like his subordinate, that's good!)

2pac • 2 years ago

edi ung mga gus2ng mkakuha ng malaking bonus eh tataasan lng ung performance rating ng kawani nla na dikit sa knla..palakasan lng tlga..kwwa ka d2 pag pinag initan ka ng bisor mo..this is very open to corruption and abuse..

(those who would like to receive big bonus may raise the performance rating of their workers who are close to them...its indeed influence peddling..you'll be at the mercy of your supervisor)

Joseph • 2 years ago

It will always be a palakasan (influence peddling)and sipsipan(sucking up). I've been there.

virus • 2 years ago

magandang balita para sa mga kawani ng gobyerno.. (that's good news to government employees)

Influence Peddling:

Influence peddling is the illegal practice of using one's influence in government or connections with persons in authority to obtain favours or preferential treatment for another, usually in return for payment. Also called traffic of influence or trading in influence. In fact, influence peddling is not necessarily illegal as the Organisation for Economic Co-operation and Development (OECD) has often used the term "undue influence peddling" to refer to illegal acts of lobbying. [1] However, influence peddling bears the stench of corruption that may de-legitimise democratic politics with the general public.

3. SUMMARY

The arguments of compensation experts regarding team incentive systems are clear: team incentive systems, in some form, are generally necessary to facilitate optimal team performance (e.g., Geber, 1995; Gross, 1995; Team Pay Case Studies, 1997). Unless "teamwork" is recognized by the organization with rewards, team members will not perceive their work within teams to be valued by the organization. Many organizations which use teams have not accepted A guide to this

argument, however, believing that team incentive systems are ineffective or team incentive unnecessary. Hence, the introduction of team incentive systems in the systems workplace has lagged behind the introduction of teams, with surveys finding only 20 to 35% of organizations which use teams have some form of team incentive system (HRFocus, 1993, 1994a&b; Management Services, 1996; Pastrenak, 1994). 29

4. RECOMMENDATION

Although many questions concerning team incentives need answering, this paper hopes to provide a starting point for researchers and practitioners alike who are interested in implementing team incentive systems or investigating ways in which their effectiveness may be improved. When examining the "guidelines" regarding the effectiveness of each of the seven types of team incentive systems presented in this paper, the reader may have become aware of some emerging themes. To date, it appears that two basic factors need to be considered when choosing a team incentive system, namely team interdependence concerns (both between and within teams) and team type (i.e., part or full-time). For example, organizations with high interdependence within full-time teams should consider implementation of team goal-based or team skill incentive systems with equal reward distributions among team members. Those with low interdependence among full-time teams might consider a team discretionary bonus system with equitable distribution among team members. These are just a few examples of systems which would be effective in different situations. Using this paper as a guide, organizations can more effectively identify and choose a team incentive system that encourages high performance. Researchers can also use the present paper as a guide for future investigations. For example, boundary conditions for the effectiveness of different team incentive systems, other than team interdependence and team type factors, must be identified and examined. Additional factors which may affect the usefulness of different team incentive systems include: the composition of teams (e.g., same or mixed gender teams; same or mixed occupation teams, and so on); organizational context factors (e.g., type of industry, size of organization); and team pressures (e.g., time pressure, stress), to name a few. Researchers may also continue to gather evidence for the effectiveness of team incentive systems, by demonstrating the positive effects of such systems on team performance and organizational productivity. As the use of teams grows, such evidence will become increasingly important to ensure selection of an incentive system which ensures maximal team performance.

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