

Issues and concerns in the implementation of PBB at DepEd

Jennifer Monje

In July, 2012, the Aquino administration issued Executive Order (EO) 80 directing the adoption of a performance-based incentive system (PBIS) for government employees. The PBIS covers two bonuses: the productivity enhancement incentive (PEI) in the amount of PHP 5,000, which is given annually across the board, and the performance-based bonus (PBB), which is given annually to qualified government agencies and their employees. The system of bonuses is provided as incentive for exemplary performance of agencies and their employees to strengthen performance monitoring and appraisal system based on existing tools, improve service delivery, and motivate higher performance among the rank-and-file employees.

This *Policy Note* discusses the results of a process evaluation of the PBB program implementation at the Department of Education (DepEd).¹ The study

was conducted from July to August 2019 through key informant interviews (KIIs) and focus group discussions (FGDs) with select administrators from the DepEd central and regional offices, and teachers from eight elementary and high schools in Luzon, Visayas, and Mindanao. A total of 127 persons from the DepEd participated in this study.

PBB at the Department of Education

Each year, the DepEd, being the biggest agency in the Philippine bureaucracy, issues internal guidelines for the grant of the PBB. The DepEd internal guidelines are sent to each delivery unit, here defined as an individual school, office, bureau, service, and attached agency of the department. A point system ranks delivery units based on their major final outputs (MFOs). An individual school's key performance indicators (KPIs)—such as mean percentage score (MPS)—are different from those of the division offices (DOs), which may be about ensuring the budget is utilized correctly. Qualified to receive the incentive are DepEd employees and officials who hold plantilla positions, whether provisional, contractual, casual, or permanent, or who occupy a contractual

¹ This process evaluation is part of a bigger study assessing the PBB implementation in the Philippine bureaucracy. The study covered three sectors/groups, namely, DepEd; national government agencies and attached agencies, government-owned or -controlled corporations, constitutional commissions, and other executive offices; and state colleges and universities. Three separate process evaluations were conducted in view of the differences in the PBB implementation owing to the flexibility given to the agencies to suit the PBB system to the nature of their operations.

staffing pattern approved by the Department of Budget and Management; those who have existing employer-employee relationship with the DepEd; and those whose salaries are charged to the lump sum appropriation under Personnel Services.

For schools to qualify for the PBB, a series of assessments is conducted to evaluate teachers and officials, including supervisors and principals. In elementary school, the principal assesses teacher competence through several measures, which include classroom observations through a classroom observation tool, attendance in seminars and trainings, and follow-up of students at risk of dropping out through modes of verification, such as certificates and other pieces of evidence (for example, pictures with students and family members). All these activities are reflected in the teacher's Individual Performance Commitment and Review Form (IPCRF).

In high school, the head teacher evaluates his/her subordinates using the same standards in the IPCRF. The evaluation is validated by the principal. The principal is assessed, in turn, by the superintendent. The principal then submits an Office Performance Commitment and Review Form, a summarized report of the teachers' IPCRFs, including a report on budget utilization and liquidation of the maintenance and other operating expenses of the school to the designated school division office (SDO).

Since the start of the PBB scheme in 2012 until 2015, a DepEd employee could get a fixed bonus from as low as PHP 5,000.00 to as high as PHP 35,000.00. However, beginning 2016, employees could now receive variable amounts because the PBB has been pegged to a certain percentage of an employee's salary depending on the performance rating—50 percent for good delivery unit, 57.5 percent for better delivery unit, and 65 percent for best delivery unit.

Issues and concerns

Impact of performance incentives

The theory that giving of incentives improves performance has mixed results in the literature (Kohn 1993; Golembiewski 2001). In a study by Olken et al. (2014), incentives initially improved health indicators, particularly in underdeveloped areas, but there was no evidence of long-term or continuous improvements once incentives were discontinued. The World Bank (2014b), on the other hand, reported mostly positive effects of the incentive scheme for teachers. Most notably, teachers credited the PBB for increasing teamwork and unity within schools, better monitoring and management practices, and heightened trust in the bureaucratic process. For the most part, the results suggest that teachers believed the PBB is achieving its objectives.

Moreover, the evaluation tools do not capture what 'performance' and 'productivity' mean to teachers. The presence of clear guidelines at the outset of the PBB program in 2012, which articulated, among others, the national achievement test (NAT) scores as one of the parameters for evaluating teacher competence is a sound way of measuring performance—assuming that pupils' scores are directly linked to the teachers' performance who taught them (Atkinson et al. 2004). Over time, because of annual revisions of guidelines, it has become a challenge for teachers to correctly interpret the parameters of evaluation.

Program documents and FGDs with stakeholders also revealed that, except for some MFOs, such as prompt liquidation of funds downloaded to them, and the anecdotal claims of improved motivation of teachers, improved KPIs have not been documented. These include improved literacy and numeracy, which are development outcomes of concern for the DepEd. FGDs with teachers across the country also revealed

that some perceive PBB as compensation for their hard work. In the words of a respondent in Bicol, it is *“pasalingaya para sa mga guro, kumbaga kabayaran para sa mga hirap na ginawa ng mga teacher”* (“like a reward for all our hard work as teachers”). Thus, the incentive comes across as a reward for having done more, rather than for having done things better. Another commented that PBB is “a reward in exchange [for] the effort and obedience of the school in terms of compliance”.

Unsurprisingly, and consistent with the discovery of Kohn (1993) of organizational behavior of employees with regard to incentives, PBB seems to have a positive effect on tasks that are quantitative in nature, such as when teachers submit reports more promptly, or when more teachers comply with requirements compared to the previous years, but have no direct effect on the quality of performance. Teachers affirmed that PBB improved their motivation and morale. Majority of respondents asserted that PBB has improved their motivation for giving service to the Department or giving their all to their profession.

Implementation and governance

The absence of communication protocols, as well as an efficient manner of cascading information from the top of the bureaucracy to the teachers on the ground, threatens program understanding and implementation. School heads and principals are expected to cascade information that affect the PBB, such as what teachers could do to improve their ranking and how the school could improve its standing, among others. However, some school heads and principals themselves do not completely understand the PBB scheme.

In terms of implementation, teachers believe that the PBB scheme is ‘gamed’ by freeloaders who receive the same benefit even when they do not contribute at all

to the productivity of the agency as a whole. As such, there is a feeling of resentment among teachers who have performed well when they realized that their PBB payout is the same amount as those who received only a ‘satisfactory’ rating. They feel that there is no justice in a PBB that does not discriminate the quality of one’s performance. In fact, there are no sanctions for teachers that have received “satisfactory” ratings for two consecutive years in some regions. The only intervention being given by the school head is to constantly remind the concerned teacher. Alarmingly, there was also an instance when a principal had appeased teachers by telling them that a rating of ‘satisfactory’, the minimum requirement for the grant of the PBB, is usually enough.

Teachers also claim that workload correspondingly increased with the guidelines set by the PBB and teachers now work on tasks that are not necessarily theirs. To illustrate, some teachers who are members of the school bidding and awards committee are now tasked to fulfill liquidation activities, something that they cannot ignore since all schools have procurement activities. During busy periods when schools are trying to comply with requirements within the deadline, classes are inadvertently abandoned. In short, teachers who perform other school-related activities are taken away from actual teaching, which is their main task.

Moreover, some key performance indicators, such as NAT scores and dropout rates, are misreported. DepEd has set a 75-percent mean percentage score (MPS) on the NAT but despite the effort to spur productivity through the PBB incentive system, the DepEd is still unable to achieve this target. According to David et al. (2018), the MPS in the NAT is currently below 50 percent. Teachers and some top officials of the DepEd also argue that learners’ inability to achieve the MPS is not solely the teachers’ responsibility, though they

are supposed to be facilitators of learning. Critics argue that when only average learning outcomes among students continue to be posted, teachers should claim them as a matter of accountability. A worrisome practice arises when schools are less than straightforward in submitting these pieces of information to the SDO because NAT scores are crucial to agency eligibility.

The claim of zero simple dropout rate is a very contentious issue, where reporting of its status has sometimes been manipulated. Teachers in an agricultural region in Mindanao reported that they were unduly penalized for the high number of dropouts when the reason for dropping out of school was not teacher-related but economic-related. During harvest seasons when there is a high demand for manpower and farm activities cannot be delayed, able-bodied persons, including students, are required to work in the fields, resulting in school absenteeism for weeks at a time.

Lastly, teachers complain about the arbitrary release dates of the PBB bonus. For teachers who look forward to receiving the PBB as additional income, the uncertainty of the date of release has harbored frustration. Some teachers have given a different meaning to the PBB, which for them means *“paasa buwan-buwan”* (giving false hope every month).

Organization

To facilitate ranking and evaluation, a Performance Review and Evaluation Committee (PREC) was established to oversee PBB implementation at the level of the division (D-PREC), region (R-PREC), and national (N-PREC). D-PRECs, R-PRECs, and the N-PREC were headed, respectively, by an assistant schools division superintendent, assistant regional director, and undersecretary. Membership to these committees is comprised of the planning officers of the division,

region, and central offices; accountants, chief finance officer, or member of the budget division; education I and II supervisors; principal representatives from both elementary and secondary schools; and representatives from parent-teacher association, employee union, and employees' welfare and benefits organization.

Assisted by a secretariat, the PRECs' tasks were to implement the performance review and evaluation using guidelines provided by the DepEd central office to ensure the reliability, completeness, and correctness of data to be used as bases for the grant of the bonus (DepEd Order No. 12, s. 2013).

In 2018, an organizational reform to oversee PBB implementation was set up. Now called the performance management team (PMT), each governance level has its own PMT—the central office PMT, the regional office PMT, schools' division office PMT, and school PMT—in charge of compliance to the requirements of the PBB. Each PMT is accountable to the Performance Management Committee, composed of the secretary of the DepEd, all undersecretaries and assistant secretaries, representatives from the association of DepEd directors and accredited national union, and a secretariat, composed of the bureau of human resources and organizational development, and the planning service.

Recommendations

The implementation of the PBB scheme at DepEd may be improved through the following courses of action:

Mandate a focal person in each school

The focal person, when present in the delivery unit, can be relied upon to provide crucial information to teachers. However, not all schools have a PBB focal person, nor do they understand their roles or have had these roles clearly explained to them in case a school has a focal person. Some of them conduct their



Teachers' workload correspondingly increased with the guidelines set by the performance-based bonus scheme. This has inadvertently burdened the teachers with new tasks and taken teachers away from actual teaching, which is their main task. Photo: Bro. Jeffrey Pioquinto, SJ/Flickr

own research to gather information regarding the PBB and carry out their jobs efficiently. Mandating a school-level focal person that directly communicates and coordinates with the regional office PBB focal person to explain all the parameters of teacher evaluation may reduce teacher anxiety about not meeting identified goals.

Exact greater accountability from the front-liners

Teachers who interact with learners on a daily basis and who are potential producers of learner successes, no matter how small, should be fully supported both financially and morally. Thus, when teachers consistently perform only satisfactorily year after year, they should not merely merit a 'strict talking

to' by school heads or principals. A mechanism must be put in place to address problems regarding low or unacceptable teacher performance.

Strengthen grievance protocols in school PMTs

Schools and some SDOs are ill-prepared in handling grievances when confronted with real problems of not receiving PBB, such as when documents are lost or when negligent personnel forget to include some teachers' names in the PBB ranking. PMTs, thus, must adhere to a standardized grievance process whereby legitimate grievances are addressed early on at the school level without having the need to elevate them to the higher level.

Maintain the current design of the IPCR/OPCR

Every year, the PBB requirements issued by the Inter Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems changes. While revisions are needed on account of system-wide reform, constant changes may be confusing. Since 2017, the weight of KPIs for schools, SDOs, regional offices, and central office has not changed, which suggests that the parameters of evaluation could be on their way to becoming standardized and simplified. This will hopefully address the issue of confusion regarding implementation guidelines raised by some teacher-respondents. 📄

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Contact us

Address: Research Information Department
Philippine Institute for Development Studies
18/F Three Cyberpod Centris - North Tower
EDSA corner Quezon Avenue, Quezon City

Telephone: (+63-2) 8877-4000

Email: publications@mail.pids.gov.ph

Website: www.pids.gov.ph

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The author is a consultant at PIDS and assistant professor at the Pamantasan ng Lungsod ng Maynila. The views expressed are those of the author and do not necessarily reflect those of the PIDS or any of the study's sponsors.