



INITIAL INSTITUTIONALIZATION OF RESULTS-BASED PERFORMANCE MANAGEMENT SYSTEM IN PUBLIC HIGHER EDUCATION: THE CAGAYAN STATE UNIVERSITY EXPERIENCE

Jaypee G. Alegado*

Abstract: *The search for means and ways to improve efficiency, effectiveness and productivity in the Philippine bureaucracy has been a great concern of the Aquino's administration. This search paved the way for the issuance of Administrative Order (AO) No. 25 creating an Inter-Agency Task Force on the Harmonization of the National Government Performance, Monitoring, Information and Reporting System. The Administrative Order establishes a unified and integrated Results-Based Performance Management System (RBPMS) across all the departments and agencies to rationalize, harmonize, streamline, simplify and unify the efforts of all the agencies towards the realization of the commitments in the Philippine Development Plan 2011-2016 and the Administration's five Key Results Areas (KRAs) under Executive Order (EO) No. 43, s. 2011 otherwise known as Aquino's Social Contract with the Filipino People.*

Using the IPO Model, the study surveyed the physical targets and budget of the university (input) and determined the extent of compliance of the university to Good Governance Conditions and the actual accomplishment of the physical targets (process). The output of the study is three-fold namely, the performance of the university along Good Governance Conditions and Major Final Output; identification of problems, issues and concerns in the implementation of RBPMS and; Identification of possible interventions to address the weaknesses of the university. Data were derived from the Management Accountability Report Card and Major Final Output Accountability Report Card duly validated by the Inter-Agency Task Force. Furthermore, survey instruments for client satisfaction, documentary analysis for the performance of the MFOs and focused group discussion for determining the problems, issues and concerns in the implementation of RBPMS were utilized.

Findings of this study reveal that the different stakeholders of the university embraced this government's directive as a welcome change and as an effective catalyst to further improve its commitment to public service. This is very well articulated in its performance along the realization of its Major Final Outputs (MFOs) and its substantial compliance to good governance conditions. The study concludes that CSU as a publicly financed higher education institution judiciously spent public resources based on its laudable organizational outcomes which are contributory to the realization of the Philippine Development Plan, Social Contract of the Aquino Administration to the Filipino people and higher education reform agenda of the Commission on Higher Education. Thus, RBPMS is a promising strategy to overhaul the performance of Philippine bureaucracy particularly the SUCs in the country.

Keywords: *Major Final Outputs, Performance Based-Bonus, Performance Based Incentive System, and Results-Based Performance Management System*

*Faculty Member, College of Business, Entrepreneurship and Accountancy, Cagayan State University-Andrews Campus, Tuguegarao City, Cagayan



INTRODUCTION

The Philippine bureaucracy has always been criticized to be inefficient and ineffective in translating into realizable outcomes the public expenditures of the government. To restore trust and confidence in the government, 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. It is the belief of the Aquino administration that by linking personnel incentives to the delivery of unit's performance and by recognizing and rewarding exemplary performance, service delivery by the bureaucracy can be improved. This is very essential nowadays as there is an urgent need to have a government bureaucracy that is truly performance driven.

In December 21, 2011, President Benigno Aquino issued Administrative Order (AO) No. 25 creating an Inter-Agency Task Force (IATF) on the Harmonization of the National Government Performance, Monitoring, Information and Reporting System. The order seeks to rationalize, harmonize, streamline, simplify and unify the efforts of all the agencies towards the realization of the commitments in the Philippine Development Plan 2011-2016 and the Administration's five Key Results Areas (KRAs) under Executive Order (EO) No. 43, s. 2011 otherwise known as Aquino's Social Contract with the Filipino People. The Administrative Order establishes a unified and integrated Results-Based Performance Management System (RBPMS) across all the departments and agencies with the Executive Branch incorporating a common set of performance scorecard to serve as a single source of information on the status of government performance.

To implement this, President Aquino issued Executive Order No. 80 directing the adoption of the Performance-Based Incentive System (PBIS) for government employees. This order is based on the principle that service delivery by the bureaucracy can be improved by linking personnel incentives to the bureau or delivery unit's performance, and by recognizing and rewarding exemplary performance to foster teamwork and meritocracy. The PBIS consists of the Five Thousand Pesos (P 5,000.00) across the board Productivity Enhancement Incentive (PEI) and the top-up Performance Based Bonus (PBB). The PBB shall be given to all government personnel in accordance to their contributions to the accomplishment of the department's overall targets and commitments.



In compliance to this mandate and to be eligible for the grant of PBB, the Cagayan State University as a public higher education institution has initially institutionalized the Results-Based Performance Management System in 2012 by crafting verifiable and credible indicators based on the pillars of RBPMS. After that, cascading was made to the faculty and staff of the different campuses as identified delivery units of the university. However, due to many impeding factors such as change in university leadership, absence of focal person to work on the PBB and lack of collective efforts to deliver the expected requirements, the university has been declared by Inter-Agency Task Force to be ineligible for the grant of 2012 PBB together with few other SUCs in the country. The ineligibility of the university is due to the letter of the management expressing its disinterest to participate in the implementation of this incentive.

With the new president in place, the university made a vigorous effort to make the university eligible for the 2013 PBB under the baton of the University Planning and Development Office. Collective actions were put in place and finally the University was made eligible for its grant in 2013. It is from this context that this study on the RBPMS has been conceptualized to ascertain how CSU as a state university has experienced the institutionalization of this government reform. This study unravels the accomplishments of Cagayan State University as regards its Major Finals Outputs (MFOs) and Performance Targets as specified in the Organizational Performance Indicators Framework (OPIF). It also articulates how the university contributes in the accomplishment of the President Aquino's Social Contract with the Filipino People and its compliance to the five (5) good governance conditions. As this uncovers an institutional experience, the validated accomplishments of the university from the IATF reflected in the MFO Accountability Report Card (MARC-1) and Management Accountability Report Card (MARC-2) were used as primary data.

OBJECTIVES OF THE STUDY

Using the pillars of the Results-Based Performance Management System (RBPMS), this study aims to present the contribution of Cagayan State University towards the realization of the commitments in the Philippine Development Plan 2011-2016 and President Aquino's Social Contract with the Filipino People. In particular, the study has the following objectives:



1. Determine the performance of Cagayan State University (CSU) along the five (5) Good Governance Conditions (GCCs);
2. Ascertain the performance of CSU relative to the four (4) Major Final Outputs (MFOs);
3. Evaluate the performance of CSU in terms of Support to Operations (STO) and General Administration and Support Services (GASS) performance indicators;
4. Determine the contribution of the different campuses as delivery units to the realization of the university's targets and accomplishment;
5. Determine CSU's problems, issues and concerns in the initial institutionalization of Results-Based Performance through the Performance Based Bonus;
6. Identify interventions/mechanisms/strategies to address CSU's weaknesses under the PBB FY 2013.

STUDY FRAMEWORK

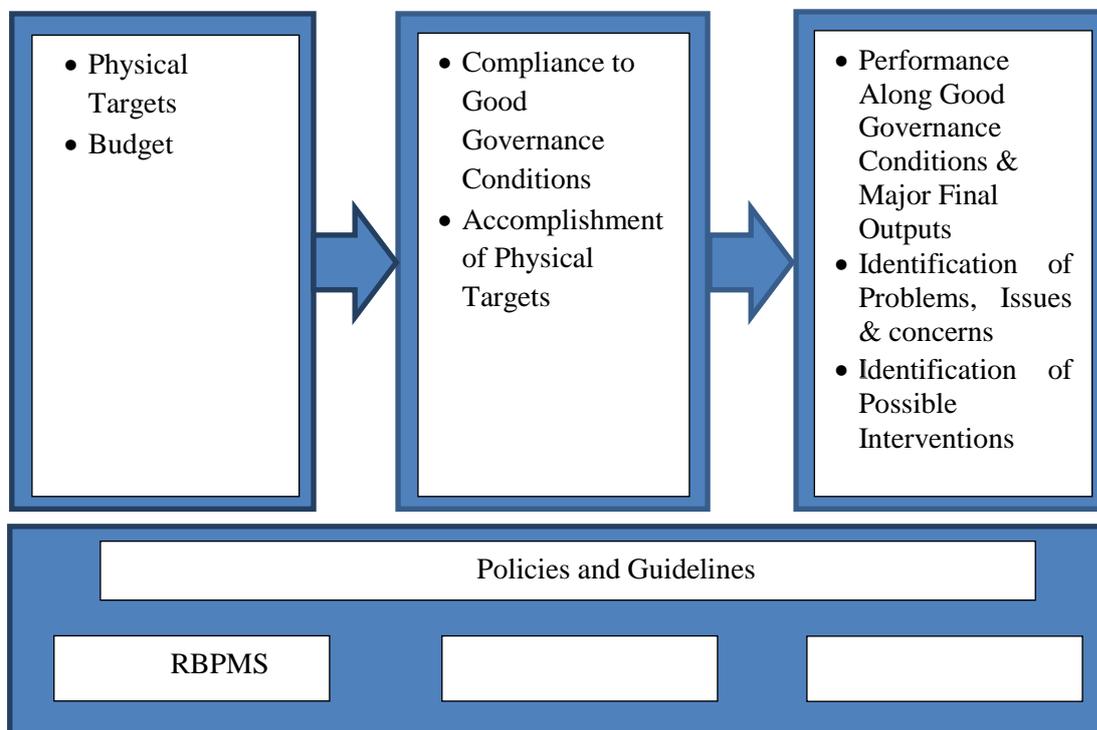


Figure 1 shows the Input, Process and Output Model of study. The inputs are the physical targets and budget allocation of the university whereas the process is the determination of the extent of compliance of the university to Good Governance Conditions and the actual accomplishment of the physical targets. The output of the study is three-fold namely, the performance of the university along Good Governance Conditions and Major Final Output;



identification of problems, issues and concerns in the implementation of RBPMS and; Identification of possible interventions to address the weaknesses of the university.

DATA AND METHODOLOGY

This study used the data from MFO Accountability Report Card (MARC 1) and Management Accountability Report Card (MARC-2) reflecting the 2013 Performance of the university. There are five data along Good Governance Conditions namely, transparency seal; liquidation of cash advance; PhilGEPS posting; Citizen's Charter and Submission of Statement of Assets, Liabilities and Net Worth (SALN). All of these data reflect the performance drivers of RBPMS which are (a) financial stewardship; (b) process efficiency; and (c) leadership, learning and growth.

On the other hand, the data on Major Final Outputs (MFOs) are along higher education services, advance education services, research services and extension services. Each of these MFO has three (3) performance indicators reflecting the QQT rule (quality, quantity and timeliness) prescribed to all SUCs in the country made through a joint undertaking by the Commission on Higher Education (CHED), Department of Budget and Management (DBM), and the Development Academy of the Philippines (DAP). Meanwhile, the data on STO determined two (2) things. One is the percentage of students and personnel who rate the non-academic services as good or better. The other is the percentage of faculty and personnel enabled to pursue studies/training. The identified STO of the university are Guidance and Counselling services, Library services, medical-dental services, registrar services, assessment services, and business services. In contrast, the data on GASS are along percentage of actual utilization of budget inclusive of income to total operating budget; percentage of financial statements and reports submitted to COA; and percentage of reports submitted to CHED within mandated time. Data for all these pillars of RBPMS are taken from the eight delivery units of the University namely, Andrews, Aparri, Carig, Lal-Lo, Lasam, Gonzaga, Piat and Sanchez Mira as revealed by the MFO Accountability Report Card (MARC-1).

Survey instruments were administered to determine the client satisfaction along advance education services, extension services and support to operations. Documentary analysis was performed to ascertain the performance for higher education services, advanced education services, research services, extension services, support to operations and general



administration and support services. The documentary analysis and validation were conducted by the Inter-agency Task Force (IATF) and the CSU PBB Task Force. Finally, focus-group discussion and individual interview with faculty members, staff and administrators were conducted to ascertain the problems, issues and concerns as well as the possible interventions, mechanisms and strategies to address the CSU's weaknesses.

RESULTS

1. CSU's Compliance Along Good Governance Conditions

Under the guidelines for the grant of PBB 2013, an agency is eligible for its grant upon 100% compliance to good governance conditions/requirements set by the Inter-Agency Task Force (IATF). For 2013, the IATF set five good governance conditions based on the drivers of the RBPMS, namely (1) financial stewardship, (2) process efficiency; (3) leadership, training and growth. The financial stewardship requires three (3) things namely; maintain/update the University's Transparency Seal as mandated in Section 93 of the General Appropriations Act of 2013 or RA 10352; Maintain/update posting in the Philippine Government Electronic Procurement System (PhilGEPS) per RA 9184; and liquidation of all cash advances to officials and employees within the reglementary period covering transactions of FY 2013, per requirement of the Commission on Audit (COA). On the other hand, the process efficiency requires the university to update the Citizen's Charter to reflect improvements in service delivery a mandated by RA 9485 and post the Citizen's Charter in the university's website. Finally, the leadership or ethical dimension reflects compliance with submission and review of the Statement of Assets, Liabilities and Net Worth (SALN) of officials and employees per RA 6713.

Table 1 shows that CSU is compliant to all the five (5) major indicators of good governance conditions as validated by the Inter-Agency Task Force composed of NEDA, DBM, Office of the Executive Secretary, Department Finance, and Presidential Management Staff. On the whole, the compliance of good governance conditions is expected to be one of the by-products of the PBB.

Specifically, the university has substantial compliance to transparency seal. This means that the university has reflected its mandates, and the functions and contact information of its officials. It has also posted its statement of allotment and obligations for FY 2011-2012; financial accountability reports (FARs) for 2013; approved budget for 2013 and MFO targets;



major programs and projects classified according to 5 KRAs; program/project beneficiaries; project/program status; and annual procurement plan. All of these are located on the homepage of the university website and duly certified by the University President. The purpose of which is to make them accessible to the public for transparency purpose.

With respect to liquidation of cash advance, CSU shows compliance. Its compliance indicates that all cash advances granted to officials and employees for local and foreign travel, including special activities for 2013 have been liquidated. It also means that the university has remedied its financial deficiencies in FY 2012. Significantly, the Report on Ageing cash advances have been verified by the Resident Auditor and submitted to COA.

In terms of PhilGEPS posting, the university is also evaluated by the IATF to be compliant. The university's compliance indicates that all the transactions costing above 500,000 were posted in the PhilGEPS. The posting includes invitation to bid; requests for expression of interest; request for quotation; notices of award/bid results; actual approved/awarded contracts; and notice to proceed/purchase orders. It also indicates that the university has remedied its PhilGEPS posting deficiencies for FY 2012 transactions. All of these postings were issued and certified by the BAC Chair per campus and the Campus Executive Officers.

As to the implementation of Citizen's Charter, the university is assessed by Civil Service Commission and validated by the Inter-Agency Task Force to be compliant. Such assessment indicates that the university has updated its charter showing improvements (minimum of three) that resulted from the process review of service delivery. Example of which is the streamlining of procedures, shortening of turnaround time, reduction in the number of signatories. The university's compliance to Citizen's Charter also reveals that the University has uploaded its charter in the university website for ready access by its clientele.

The submission of SALN by the university is also evaluated to be compliant. This reveals that all the employees and officials of the university have submitted their 2012 SALN. Certification of compliance to this was signed by the Chairman of Review and Compliance as well as the University President and validated by the Office of the Ombudsman.



Table 1. CSU's Compliance Along Good Governance Conditions

Good Governance Conditions	Final Assessment
Transparency Seal	Substantially Compliant
Liquidation of Cash Advance	Compliant
PhilGEPS Posting	Compliant
Citizen's/Service Charter	Compliant
Submission of SALN	Compliant

Source: CSU Management Accountability Report Card (MARC-2)

2. CSU's Performance Relative to Major Final Outputs (MFOs)

Aside from compliance to good governance conditions, every agency has to achieve at least 90% of its targets for its Major Final Outputs (MFOs), Support to Operations (STO) and General Administration and Support Services (GASS) which were submitted to Congress. Under the PBB guidelines, the MFOs and Performance Targets (PTs) have to be consistent with what has been specified in the Organizational Performance Indicators Framework (OPIF) and consistent with the targets reflected in the approved OP Form 1 – Planning Tool and the Fiscal Year 2013 Approved Budget. It has also to reflect the agency's commitment to the President, which are supportive of the priorities under EO NO. 43 otherwise known as Aquino's Social Contract with the Filipino People.

A Major Final Output (MFO) is a good or service that the university is mandated to deliver to its clients through the implementation of programs, activities and projects. For Cagayan State University, the four MFOs are higher education services, advanced education services, research services and extension services. Each of the MFO has a performance indicator (PI) which has a characteristic of a performance i.e., quantity, quality, timeliness or cost that is to be measured and will illustrate the standard by which the university is expected to deliver its services. These PIs are verifiable, observable, credible and sustainable. In the case of SUCs in the country, the PIs have been standardized by the CHED, DAP and DBM in 2013 to reflect a shared outcome indicators for all publicly financed higher education.

The following data show the performance of the university along the four (4) MFOs.

A. MFO1 – Higher Education Services

Table 2.1. shows the university's performance relative to higher education services. Higher education services refer to all the undergraduate and post baccalaureate programs offered



in the university. The budget allocation of the university for this MFO for FY 2013 is 250,595 million. What has been accomplished using this budget? Insofar as PI-1 is concerned, CSU has a rating of 107%. The university targeted for 4,584 total number of graduates in mandated and priority programs but it has surpassed this target by accomplishing 4,912. This finding reveals that higher education services were performing well and that the students in the graduate program graduated from mandated and priority programs.

With respect to PI-2 (average percentage of passing in licensure examination by SUC graduates/national average % passing in board programs covered by SUC). It is sad to note that the university has not accomplished its target. It falls short of 1 % (89%) to meet the minimum requirement of achieving at least 90% of its targets. This PI is the lowest among the indicators of the university which makes it almost ineligible for the grant of PBB. Specifically, the six (6) programs that did not accomplish their targets are (a) agriculture (42%); (b) chemical engineering (71%); (c) chemistry (21%); LET-Elementary (87%); (d) LET-Secondary (86%); (e) Medicine (85%); and (f) Veterinary Medicine (65%).

For this reason, the IATF issued an exclusion order isolating the faculty members teaching in the foregoing programs. Since the directive is to exclude delivery units and highest ranking officials responsible for said deficiency, only people responsible for the foregoing academic programs who have not accomplished their targets from the different delivery units were excluded. Significantly, college deans as well as faculty members teaching professional and basic subjects from those programs were excluded. Ninety-three (93) faculty members in the entire university teaching in the said programs were excluded. For Andrews Campus, 12 faculty members identified teaching in BS in Secondary Education for the last three (3) years were excluded. Meanwhile, the number of exclusions in other campuses is as follows: Aparri Campus (2- BS in Elementary Education); Sanchez Mira Campus (7- BS in Agriculture); Carig Campus (20 – Chemical Engineering; Chemistry; Veterinary Medicine; Medicine; and Human Kinetics); Gonzaga (8 – BS Elementary and Secondary Education & BS in Agriculture); Lal-lo (17 – BS in Agriculture); Lasam (5 – BS in Elementary Education); and Piat (22 - BS Elementary and Secondary Education & BS in Agriculture).

With respect to PI-3, the university obtained a rating of 99%. It has targeted 81 for the percentage of graduates who finished their academic programs according to the prescribed timeframe but it has achieved 80%. This rating, however, is higher than its 2012



accomplishment of 78%. The data imply that majority of the students graduated on time. They finished their courses according to their expected timeframe.

Table 2.1. CSU's Performance relative to MFO1 – Higher Education Services

Maj Final Outputs	Department Budget FY 2013 ('000)	OVERALL RESULTS ASSESSMENTS				
		SERVICE RESULTS				
		Performance Indicators	FY 2012 Accomplishment	FY 2013 Targets	FY 2013 Actual Accomplishment	Rating
Higher Education Services	250,595	Total number of graduates in mandated and priority programs	3,923	4,584	4,912	107%
		Average percentage passing in licensure exams by SUC graduates/national average % passing in board programs covered by SUC	121%	124%	110%	89%
		Percentage of graduates who finished their academic programs according to the prescribed timeframe	78%	81%	80%	99%

Source: CSU MFO Accountability Report Card (MARC-1)/ UPDO data

B. CSU's Performance Relative to MFO2 – Advanced Education Services

The University's performance relative to Advanced Education services is illustrated in Table 1.2. Advanced education services refer to the graduate programs offered in the three (3) campuses of the university namely, Andrews, Aparri and Sanchez Mira. The accomplishment of the university in this MFO is way above its targets with its budget appropriation of 34,714 million. Specifically, the university has a rating of 143% for PI2-1 or the total number of graduates in mandated and priority programs. The university targeted for 127 graduates but it delivered 182. The increase in the number of graduates in the graduate school program may imply the attractiveness of the program and that majority of the graduates subscribed to the mandated and priority graduate programs.

With respect to PI2-2, the university has 101% rating because it has targeted for 95% of its graduates to be engaged in employment or whose employment status improved within one year of graduation and it accomplished 96%. This reveals that the graduates of the university in the graduate school are employable after finishing their graduate schooling. In short, their graduate degree programs were useful for their employment and promotion.



Relative to the percentage of students who rate the timeliness of education delivery/supervision as good or better, the university has a good rating of 101%. It has targeted for 85% but it was able to surpass its target as it has realized 88%. This accomplishment of the university along timeliness indicates that the graduate students are satisfied with the quality of instruction in the graduate program.

Table 2.2. CSU’s Performance relative to MFO2 – Advanced Education Services

Major Final Outputs	Department Budget FY 2013 ('000)	OVERALL RESULTS ASSESSMENTS				
		SERVICE RESULTS				
		Performance Indicators	FY 2012 Accomplishment	FY 2013 Targets	FY 2013 Actual Accomplishment	Rating
Advance Education Services	34,714	Total number of graduates in mandated and priority programs	145	127	182	143%
		Percentage of graduates who engaged in employment or whose employment status improved within one year of graduation	No data	95%	96%	101%
		Percentage of students who rate timeliness of education delivery/Supervision as good or better	No data	85%	88%	104%

Source: CSU MFO Accountability Report Card (MARC-1)/ Graduate School Data

C. CSU’s Performance Relative to MFO3 – Research Services

Table 1.3. presents the performance of Cagayan State University with respect to Research Services. As a university of higher learning, research is one of the mandated functions of all SUCs as the government sees the significant role of public higher education institution in the generation of knowledge. The rating of the university with respect to this MFO is overwhelmingly high as revealed in its ratings for the three (3) performance indicators with a budget allocation of 3,665 million.

Relative to PI3-1 which is measured in terms of the number of research studies completed in the last three years, the university has targeted for 112 but it was able to surpass this target because 142 research studies were completed for 2013. This makes the rating of the



university to be 127% which is way above its accomplishment in 2012 with only 70 completed researches.

On the other hand, the university has also registered a very good performance for PI3-2 because it obtained a rating of 182%. It has targeted 33% research output published in a recognized refereed journal or submitted for patenting/patented but it was able to deliver 55%. Again, this is a very overwhelming accomplishment because in 2012, 6% was only accomplished.

Finally, with respect to percentage of research projects conducted or completed on schedule, the university obtained a rating of 100%. Its 2013 target was 100% and it was able to deliver 100%. If this is to be compared to the university's performance in 2012, this accomplishment is very good because the timeliness for the completion of research projects for that year was only 53%. The 100% completion of research projects on schedule reflects the commitment and persistence of the faculty and administrative staff to complete their research tasks according to their timeframe.

Table 2.3. CSU's Performance relative to MFO3 – Research Services

Major Final Outputs	Department Budget FY 2013 ('000)	OVERALL RESULTS ASSESSMENTS				
		SERVICE RESULTS				
		Performance Indicators	FY 2012 Accomplishment	FY 2013 Targets	FY 2013 Actual Accomplishment	Rating
Research Services	3,665	Number of research studies completed in the last three years	70	112	142	127%
		Percentage of research output published in a recognized refereed journal or submitted for patenting/patented	6%	33%	60%	182%
		Percentage of research projects conducted or completed on schedule	53%	100%	100%	100%

Source: CSU MFO Accountability Report Card (MARC-1)/ RDET Data



There are numerous factors to which this very good performance in research can be attributed. One is the vigorous effort of the President and the Research division to beef up research by increasing funds for research and by allocating at least 5% of the income of each campus to fund its research undertakings. Another factor is the aggressive move of the university to obtain level 3 or 4 under SUC levelling and typology of higher education as reflected in the Institutional Sustainability Assessment (ISA) in which research plays a critical dimension. The third factor can be attributed to the PBB requiring each campus as a delivery unit to target specific number of researches within the year. With the forced raking of the campuses as a delivery unit, each campus becomes competitive to accomplish their targets to make a good rating for the grant of the PBB.

D. CSU's Performance Relative to MFO4 – Extension Services

Table 2.4 reveals the performance of the university along MFO4 which is the extension services with a budget of 3,191 million. As gleaned from the table, the university has obtained a rating of 143% upon realizing 2,419.50 number of persons trained weighted by the length of training.

Table 2.4. CSU's Performance relative to MFO4 – Extension Services

Major Final Outputs	Department Budget FY 2013 ('000)	OVERALL RESULTS ASSESSMENTS				
		SERVICE RESULTS				
		Performance Indicators	FY 2012 Accomplishment	FY 2013 Targets	FY 2013 Actual Accomplishment	Rating
Extension Services	3,191	Number of persons trained weighted by length of training	3,191	1,695	2,419.50	143%
		Percentage of trainees/clients who rate services rendered as good or better	No data	80%	80%	100%
		Percentage of persons given training or advisory services who rate timeliness of service delivery as good or better	No data	80%	80%	100%

Source: CSU MFO Accountability Report Card (MARC-1)/ RDET Data

Its target for 2013 was only 1,695 but its accomplishment doubled for the year. It has to be noted that the 2013 target of the university for 2013 is way below its actual accomplishment



for 2012 because there were numerous external funding generated for extension undertakings during that year. Inasmuch as the external funding for extension has not been as many as the previous year, the target was lowered for 2013 to make it realizable for the university to accomplish. This is to comply with the rule of continuous progression in targeting the different performance indicators.

In terms of its accomplishment to PI4-2, the university realized a rating of 100%. It targeted for 80% trainees/clients who rate services rendered as good or better and it was able to accomplish this target at 80%. This reveals that the extension training programs of the university have been rated good or even better. Thus, the clients were satisfied with the training programs delivered to the communities.

Meanwhile, the university has also obtained a rating of 100% as it has realized its target of 80% persons given training or advisory services who rate timeliness of service delivery as good or better. This finding implies that the extension programs of the university were delivered on time quickly responding to the needs of its clientele.

3. CSU's Performance Relative to Support to Operations and General Administration and Support Services

STO or Support to Operations refers to activities that provide technical and substantive support to the operations and projects of a Department or Agency. In the case of Cagayan State University, the STO include frontline offices such as guidance and counselling, library, registrar, medical dental, student services, business service and assessment service.

Table 3 reveals the university's performance along STO and GASS. STO was budgeted 16,904 million and the frontline offices were able to deliver a rating of 100% most especially along percentage of students and personnel who rate the non-academic services as good or better. These offices targeted for 80% and they were able to realize 80%. This data implies that the students and personnel were satisfied with the services delivered by the concerned offices. It is to be noted that the highest rating among STOs was obtained by guidance services followed by student services, library services and medical and dental services. The lowest rank is the registrar services due to the unfavorable ration between population and registrar's staff.

Another performance indicator of STO in which CSU has obtained a rating of 308% is the percentage of faculty and personnel enabled to pursue studies/training. The university



targeted for 25% but it has realized 77%. This reveals that for 2013, CSU has sent many faculty members and administrative personnel to trainings and seminars based on training needs analysis. This also means that human resource development is one of the major concerns of the university. Faculty and staff development is a priority program of the present administration because this is a major requirement under SUC levelling and Institutional Sustainability Assessment (ISA).

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.

With respect to this dimension, the university obtained a rating of 99% relative to the percentage of actual utilization of budget inclusive of budget to total operating budget. CSU targeted for 100% but it has only realized 99%. A 99% rating means that the university utilized its budget for FY 2013 efficiently and effectively. This can be supported by its accomplishments along the MFOs, STOs and GASS. Budget utilization Rate is measured by the ratio of cash and non-cash disbursement to allotment releases received by the university during the FY 2013 for maintenance and capital outlays.

Along percentage of financial statements and reports submitted to COA, the university targeted for 100% and it has also delivered 100%. These reports are the required financial statements and reports for audit which include balance sheet, statement of income and expenses, statement of cash flows, statement of government equity and notes to financial statements. This 100% rating of CSU reveals that the university complied with all these reports as required by COA under Section 41 of Presidential Decree Number 1445.

Finally, in terms of percentage of reports submitted to CHED within mandated time, CSU targeted 95% and it has also delivered 95%. These reports include total number of graduates, licensure examination results and other reports required under Higher Education Information System (HEMIS) of the Commission on Higher Education.



Table 3. CSU's Performance Relative to Support to Operations and General Administration and Support Services

Major Final Outputs	Department Budget FY 2013 ('000)	OVERALL RESULTS ASSESSMENTS				
		SERVICE RESULTS				
		Performance Indicators	FY 2012 Accomplishment	FY 2013 Targets	FY 2013 Actual Accomplishment	Rating
Support to Operations (STO)	16,904	Percentage of students and personnel who rate the non-academic services as good or better	No data	80%	80%	100%
		Percentage of faculty and personnel enabled to pursue studies/training	No data	25%	77%	308%
General Administration and Support Services (GASS)	93,548	Percentage of actual utilization of budget inclusive of income to total operating budget	97.9%	100%	99%	99%
		Percentage of financial statements and reports submitted to COA	100%	100%	100%	100%
		Percentage of reports submitted to CHED within mandated time	90%	95%	95%	100%

Source: CSU MFO Accountability Report Card (MARC-1)/ UPDO data

4. Contributions of the different campuses as delivery units to the realization of the university's accomplishment

Under the PBB guideline, a two-raking stage shall be performed. Firstly, delivery units will be forced-ranked according to their accomplishment of targets and will be categorized under the following groups: Best delivery unit (top 10 percent of ranked delivery unit), Better delivery units (next 25 percent), Good delivery units (remaining 50 to 65 percent) and Poor delivery units (campuses that failed to accomplish 90 percent of their targets). It is the Performance Management Group (PMG) that is responsible to rank the delivery units according to their performance following a normal distribution. Following this distribution, CSU having eight (8) campuses has 1 best delivery unit, 2 better delivery units and 5 good delivery units.

After the forced ranking of the delivery units, employees within the delivery units shall be ranked as best, better and good performers according to their actual individual



performance. The grouping will be done as follows for the best and better delivery units: Best formers (top 15% of ranked employees in a delivery unit), better performers (next 30%) and good performers (next 55%). However, for the good delivery units, the grouping shall be as follows: Best formers (top 10% of ranked employees in a delivery unit), better performers (next 25%) and good performers (next 55-65%).

Table 4.1. illustrates the forced ranking of the eight (8) campuses of the university. It is very evident in the table that the best campus of the university is Andrews Campus while the two (2) better delivery units are Aparri and Sanchez Mira. The five (5) remaining campuses were adjudged good performing delivery units. Significantly, 636 employees in the entire university were eligible for the grant of the PBB.

After the forced ranking of the delivery units, employees from the best delivery units were further forced ranked based on their contributions to the university's performance. From Andrews Campus 27 employees were declared best performers, 54 were considered better performers and 99 were adjudged good performers totalling to 180 eligible employees. Significantly, the percentages of these employees belonging to best, better and good performers are 15%, 30% and 55% of its total population. The total population referred to is the number of employees who are only declared eligible in the campus considering that the names of employees teaching in the non-performing programs were excluded. This holds true to other campuses that had also employees identified for exclusion because of their non-performing programs. In Andrews campus, the best performers received a PBB amounting to P 35,000, the better performers received P 20,000 and the good performers P 10,000.

Aparri campus which is considered a better delivery unit has 16 best performers, 31 better performers and 57 good performers with a total of 104 eligible employees. On the other hand, Sanchez Mira having been rated as better delivery unit has 7 best performers, 14 better performers and 25 good performers with a total of 46 eligible employees. The amount received by the eligible employees based on their ranking are as follows: best performers (25,000), better performers (13,500) and good performers (7,000).

The five (5) remaining campuses have been adjudged good delivery units had the following eligible employees: Carig Campus – 16 best performers; 38 better performers and 100 good performers. Lallo Campus – 5 best performers; 11 better performers and 28 good



performers. Piat Campus – 5 best performers; 11 better performers and 27 good performers. Gonzaga Campus - 5 best performers; 13 better performers and 37 good performers. Lasam Campus 2 best performers; 4 better performers and 9 good performers. The amount received by the eligible employees based on their ranking are as follows: best performers (15,000), better performers (10,000) and good performers (5,000).

Table 4.1. Forced Ranking of the Different Campuses based

Campus	Rank	Classification
Andrews	1	Best Delivery Unit
Aparri	2	Better Delivery Unit
Sanchez Mira	3	Better Delivery Unit
Carig	4	Good Delivery Unit
Lallo	5	Good Delivery Unit
Piat	6	Good Delivery Unit
Gonzaga	7.5	Good Delivery Unit
Lasam	7.5	Good Delivery Unit

Source: UPDO Data

4.2. Details of the Forced Ranking per Campus and per Major Final Output

Table 4.2 reveals the contribution of the eight (8) delivery units to the total accomplishment of the university. Data reveal that Andrews Campus being the best campus has a total of 35 points followed by Aparri Campus with 44 points. The third ranking campus is Sanchez Mira with a total point of 50 followed by Carig Campus with a total point of 60. Lal-lo ranks fifth with a total point of 67 followed by Piat with a total point of 77. The last ranking campuses are Gonzaga and Lasam ranked as 7. It has to be noted that bigger campuses have higher ranks because they have the highest number of faculty, students and programs. Congruently, they also have higher capabilities and potentials to translate or deliver performance in the different MFOs which may even be higher than their planned targets.



Table 4.2. Details of the Forced Ranking per Campus and per Major Final Output

CAMPUS	MFO 1			MFO 2			MFO 3			MFO 4			STO		GASS		Total	Rank
	PI ₁	PI ₂	PI ₃	PI ₁	PI ₂	PI ₃	PI ₁	PI ₂	PI ₃	PI ₁	PI ₂	PI ₃	PI ₁	PI ₂	PI ₁	PI ₂		
Andrews	2	3	6	1	1	3	1	2	1	2	0	0	3	2	6.5	1.5	35	1
Aparri	3	1	2	2	2.5	1	4.5	3	4	3	0	0	5	6	3	4	44	2
Carig	1	2	8	6	6	6	3	1	2	8	0	0	2	8	3	4	60	4
Gonzaga	7	5	5	6	6	6	7	7.5	7	4	0	0	4	4	8	7	83.5	7
Lallo	5	4	7	6	6	6	4.5	5	5	7	0	0	6	1	3	1.5	67	5
Lasam	6	8	3	6	6	6	8	7.5	8	5	0	0	7	7	3	7	87.5	8
Piat	4	7	4	6	6	6	6	6	6	6	0	0	8	5	3	4	77	6
Sanchez Mira	8	6	1	3	2.5	2	2	4	3	1	0	0	1	3	6.5	7	50	3

Source: UPDO Data

4. Problems, Issues and Concerns in the initial institutionalization of Results-Based Performance through the Performance Based Bonus

The initial institutionalization of the Performance Based Management System through the PBB has its lights and shadows. At the optimistic view, RBPMS can provide tremendous opportunities to improve performance in the university. However, at the pessimistic view, it can provide evils that may sow seed of animosity and lack of teamwork.

At an optimistic observation, the RBPMS is a good opportunity for the university to realize its mandate and to contribute in the sectoral goals of education. With performance measured in terms of the variance between targets and actual accomplishments, performance culture is making its way in the system of the employees. Everyone becomes aware of the jargon of PBB such as citizen's charter, PhilGEPS, transparency seal, MFO, STO, GASS, cascading, among others. In other words, it sensitizes them of the merit-based system and operations of RBPMS. Thus, performance culture is making its way in the system of the employees. This is unlikely as a mind-set and behavior of officials and employees before the initial implementation of the RBPMS. It has to be noted that performance culture and merit based incentive were not given emphasis because the giving of incentive was across the board like the grant of Productivity Enhancement Incentive (PES) through the Performance Evaluation System (PES) and the Year-end bonus.



With the initial implementation of the RBPMS, there is also a growing concern by the different operational units to improve their performance and accountability in line with accomplishing their targets/commitments to the university. At the top management beginning from the Vice Presidents, Directors and Division Chiefs, there is an evident manifestation of behavior welcoming merit based and target focused planning in their operations. Little by little, there is fostering of a culture of accountability public service, as well as delivery of concrete and visible improvements in the delivery of public goods and services. There is a good grasp among stakeholders that upholding a culture of accountability will ultimately provide better service to the students more effectively and efficiently. For example, there is monitoring of the accomplishment of targets relative to the different MFOs per campus and college. With the focus on Anti-Red Tape Act through the Citizen's Charter, there is also an introduction of innovative ways of providing prompt, quality and efficient services to the students during enrolment and examinations. A good case to support this is the provision of television in the lobby and queuing system which aims to ensure client satisfaction in the delivery of university's services for Andrews and Carig Campuses that have the lion's share of the enrolment in the university.

The growing concern and sensitization of the officials and employees of the university is indicative that commitment and genuine meritocracy is slowly sinking in the university. There is also a vivid manifestation that there is an increasing desire to improve the delivery of goods and services to the students and institute a culture of excellence in public service across the university. With the stakeholder's understanding to uphold common and collective action, a culture of teamwork within each unit and within the campus/college may not a far-fetched reality in the years to come. The only challenge here is how to sustain this budding performance culture to make it part of the way of life of the employees in the university.

On the other hand, the introduction of RBPMS in the university has its own demerits. Like any new thing introduced in the system, several employees also felt bad about it. When the campuses and employees have been forced ranked, Campus Executive Officers (CEOs) started to question the parameters for the forced ranking. This was even more felt when employees within the campus have been forced ranked. Some faculty and staff became emotional about their ranking and questioned the guidelines and procedures for the forced



ranking. Bickering and animosity between and among offices and individual employees ensued because everyone is comparing themselves to others. Worst experience was observed in the colleges when the exclusion order from the IATF was issued. The order was to isolate and exclude faculty members who belong to non-performing programs of the university. To resolve this issue, the Performance Management Team issued an order specifying that teachers teaching professional and basic subjects in the non-performing programs have to be excluded. The basis for exclusion must be the workload of the faculty members for the past three (3) years.

All of these problems and concerns regarding the PBB can be attributed to one thing. There is poor cascading at the operational level (campus and college) as to the latest updates and directives regarding the grant of PBB. In effect, the employees were misinformed and numerous misconceptions about the grant of the incentive were not given quick and reasonable answers. There was also less transparency in the rating from the colleges, campuses until the level of the University Performance Management Team (PMT). Employees criticized the college deans, CEOs, directors and the PMT to be biased, irrational and lacking in credibility in the forced ranking of their subordinates.

Moreover, the tax imposed to the PBB is criticized to be unfair, unreasonable and contrary to its own purpose. It is asserted that PBB as a reward for good performance must not be taxable. Instead of rewarding exemplary work and inspiring public servants to perform better, employees argue that it is not a good reward after all because they go home with very low net from the bonus they expect as a reward.

Finally, employees noted that the playing field for the PBB evaluation is prejudicial against the small delivery units. This comment was given by officials and employees from the small campuses. They assert that the playing field is not fair because big campuses which are considered big players could have the capacity to deliver based on the performance indicators per MFO. While performance of campuses are forced ranked based on the variance of their targets and actual accomplishments, the employees find it easier for the employees from big campuses to pool their resources and talents together to produce what they have commitment to the university targets. With very few faculty members and administrative staff in small campuses, these campuses find it difficult to realize their targets. This is not to mention that there is no complete staffing of these campuses as



evidenced by the over-loaded and multiple tasking/designations of faculty and administrative staff in these campuses.

B. Perceived Factors that Contributed to the Non-Accomplishment of the Excluded Programs

The validation made by IATF regarding the performance of the university is very rich with feedback regarding the non-performing programs of the university. As an input to improve the delivery of services in these programs, the factors for the low performance and the reasons for the persistence of these factors were surveyed. Results reveal that CEOs, college deans and faculty members attribute the poor performance of the College of Agriculture to its ageing faculty workforce. Majority of the faculty members teaching in this program across the university are due for retirement. The reason for the ageing faculty of agriculture is the poor faculty development program of the university. With the transformation of CSU as an academic institution, agriculture was relegated at the side. Priority was given instead to academic courses and the former banner or flagship program of the university was not given ample budget, attention and faculty support. The poor faculty back for the concerned program can also be accounted to the fact that there was no filling up of natural vacancy for faculty positions in the university for a substantial number of years. This factor explains the poor performance of the BS in Chemistry, BS in Chemical Engineering, Veterinary Medicine and College of Medicine. The management perceived the non-filling of faculty positions as a good source to generate savings because DBM released the budget of unfilled faculty positions in the past. The same savings taken from these unfilled positions were used by the university to pay the salary of part-timers. But in the long run, it neglected the faculty needs of the programs.

As for the poor performance of BS in Chemistry and BS in Chemical Engineering, the CEO, deans and faculty members attribute this concern primarily to poor laboratory, facilities and equipment. These programs are laboratory intensive courses and sad to note that they are not provided with the essential enabling environment to ensure quality teaching and learning for their students and teachers. Another factor for the lack of academic and administrative support may be attributed to the very few enrollees in these courses making them less subscribed courses in the university. As a matter of fact, enrollees and graduates of these courses are perennially low. This phenomenon is understandable considering that these courses are difficult being part of hard core sciences. With this fact, attention and



preference were given to oversubscribed courses which also delivered more money through fees in the university.

For the College of Teacher Education, a major factor for its poor performance is the poor admission and retention policy of the college. Access to public higher education has been the priority of past administration. It has also endeavoured to consistently increase enrolment for the past nine years because it provided increased income for the university. The down side of this policy direction brought oversubscribed courses like College of Teacher Education to be lenient with its admission and retention policy. Thus, the result of the Licensure Examination for Teachers greatly suffered for the past years.

5. Proposed Interventions/mechanisms/strategies to address CSU's weaknesses.

In view of the foregoing weaknesses of the university in its operations, the following proposed interventions are presented:

- a) Strengthen human resource development (training, hiring, staff development, etc.) for the present faculty work force of the College of Agriculture in the four (4) campuses. This is to address its problems regarding the ageing faculty members of the college. This is very important considering that agriculture is a flagship and mandated program of the university and a priority course identified by CHED;
- b) College of Teacher Education, Veterinary Medicine, Chemical Engineering and Chemistry must conduct intensive university based review sessions to its graduates in addition to the reviews that their students may avail externally. This is to address low performance in the board examinations.
- c) Phase out Bachelor of Science in Chemistry considering that it has poor rating in the board examination, two faculty back up and poor enabling structures to make the program perform better;
- d) Sustain good governance conditions by complying to the requirements set by regulatory bodies (e.g., SUC levelling, ISA and PBB) and implementation of ISO.
- e) Sustain performance of all delivery units by instituting periodic performance review, monitoring and evaluation across MFOs, STO and GASS.
- f) There must be one campus that shall carry the banner program of the College of Teacher Education and College of Agriculture which shall ensure the quality of the program and prescribing standards for other campuses to follow;



- g) Filling up of natural vacancy for faculty positions must be done periodically to address the faculty needs of the different academic programs of the university. This is to have an immediate replacement of retired and resigned faculty members of each college.

CONCLUSIONS

The initial implementation of RBPMS has been welcomed by the different stakeholders of Cagayan State University both with positive and negative experiences. Its eligibility for the grant articulates its compliance to the drivers of good governance and realization of its targets for FY 2013. At the organizational level, it has been proven to be a catalyst of change because almost all the targets for the different MFOs have been accomplished with high ratings. The challenge, however, is how to sustain this budding performance culture. At the level of individual employee in the different delivery units, there are numerous issues that cropped up such as fairness in the forced ranking employees, animosity, and poor cascading by the heads of operational units thus generating some misconceptions and misinformation about the details of the grant of PBB. But these things are controllable and understandable considering that it is the first time of the university to be eligible for the grant.

A very significant effect of the initial implementation RBPMS is that the accomplishments of Cagayan State University for FY 2013 are strongly linked to the Philippine Development Plan, Social Contract of the Aquino Administration to the Filipino people and higher education reform agenda of CHED. In this light, CSU as a public higher education institution meaningfully contributed to good governance in the Philippine bureaucracy through its substantial compliance to transparency seal, liquidation, PhilGEPs, Citizen's Charter and submission of SALN. The realization of all its targets in the different MFOs also articulate that CSU as a publicly financed higher education institution judiciously spent public resources based on the organizational outcomes it has delivered for FY 2013.

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