

## Article

## Performance Management System and Overarching Productivity in the Identified Agencies in Cebu

Yancy Alinas\*

Aviama Jacaba

Zenaida Pangan

Gladys Quinonez

Roberto Bondoc

German Bacaltos

Peter John Pepito

Corresponding Author: yancyalinas@gmail.com

**Abstract:** The study delved into the intricacies of the Performance Management System (PMS) and its implications for overarching productivity among selected agencies in Cebu. Initial findings revealed a robust alignment between administrators and employees in understanding the facility's mission and vision, with mean scores of 4.12 and 4.04 respectively. The appraisal process was favorably viewed by administrators, securing a grand mean of 4.42, whereas employees gave a slightly lower score of 4.06. Feedback and reward systems showcased similar trends. However, when considering work effectiveness, professionalism, and task performance, employees exhibited high performance with mean scores ranging from 4.46 to 4.65. Despite these favorable metrics, the regression statistics indicated a weak relationship between PMS components and overarching productivity, suggesting that other external factors might be influencing productivity in these Cebu agencies.

---

**Keywords:** Performance management system, productivity, land transportation office

### Introduction

Performance management systems are becoming an integral component of the business world. According to Ateh et al. (2020) performance management is widely supported as a means of staff development and broadly characterized as recognizing, monitoring, and developing the performance of individuals and teams, as well as

Alinas Et al. (2023). Performance management system and overarching productivity in the identified agencies in Cebu. Copyright (c) 2023. Author (s). This is an open term of Creative Commons Attribution License (CC BY). [www.wjehr.com](http://www.wjehr.com)



**Copyright:** © 2023 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

aligning performance with the organization's strategic objectives. Frederico et al. (2021) also emphasized that performance management is a crucial part of any organization. This essential organizational process provides the framework for assessing an organization's progress toward its planned and targeted objectives, identifies areas of organizational strength and weakness, and facilitates future actions directed at enhancing organizational performance (Jamkhaneh & Ghadikolaie, 2022).

Moreover, Helmod & Samara (2019) suggested that effective performance management is essential to the success of businesses. It enables them to tie their employees, resources, and systems to their strategic objectives through formal and informal means (Kaufman, 2020). By managing the performances of teams and individuals to ensure the attainment of the organization's overarching objectives and goals, a competent performance management system contributes to the enhancement of the overall organizational performance (George et al., 2021). In addition, Armstrong (2004) proposes the following plan of action for effective performance management. Development of a strategy plan is crucial that is linked to an annual action plan, participation of all employees in the entire process to enhance buy-in, and consistent on-the-job training. Thus, firm must create a training program that guarantees employee participation in decision-making. According to Robinson & Ginder (2020) managers must recognize that excellent communication between themselves and their employees is an important performance tool. In addition to monetary incentives, non-monetary incentive schemes can be introduced to motivate employee productivity. The objective of performance management is to promote employee job satisfaction with the hope that this would lead to a rise in work output (Riyanto et al., 2021). Utilizing performance management systems can aid in compliance with industry standards. You will be able to compare your organization's performance to the compliance-required benchmarks and subsequently take corrective action if necessary (Clennan, 2021).

Agarwal (2021) emphasized that effective performance management systems enhance the constant communication between individuals and leadership teams. It enables the establishment of trustworthy channels of communication, providing employees the opportunity to voice concerns, debate barriers, and generate improvement ideas (Gode et al., 2020). With performance management software, organizations may monitor and enhance employee performance and engagement. It gives employees authority over their own personal growth and objectives (Ravid et al., 2020). In addition, it helps them connect their workers, resources, and systems with their strategic objectives through formal and informal methods. It also functions as a dashboard, alerting management to possible issues and indicating when modifications must be made to keep the firm on course (Hofmann & Erben, 2020). Performance management influences team

performance by assisting people leaders in fostering healthy relationships between team members and fostering a culture of feedback that encourages employees to collaborate more effectively (Khaw et al., 2022). Workplaces must integrate people, procedures, and systems to accomplish tasks. Individuals and teams will be more inclined to continue contributing to business success if they comprehend how and why their efforts impact organizational outcomes. Performance management influences organizational performance by assisting firms in fostering transparency, alignment, and collaboration so that all employees and teams collaborate to achieve a common objective. Performance management has developed with the evolution of enterprises (Fu et al., 2019). Nowadays, firms use their talent as a competitive advantage and place innovation and critical thinking ahead of execution. Workers were classified as high, medium, or low performers, and their contributions were evaluated based on output rather than results. These methods were designed to accommodate workplaces around the turn of the 20th century, yet work situations were drastically different at that time. Continuous performance conversations and feedback have replaced annual performance reviews and goal management as a result of this evolution. A continuous method enables leaders to collect real-time data and coach for continual improvement (Kanyangale & Chikandawa, 2022).

Despite the potential of performance management systems to positively support the organization and enhance both employee and organizational performance, in the context of Government Service and Insurance System this is still missing and need to revisit. The researchers believed without having performance management implemented in the organization, you won't be able to give clear feedback. We also believed that continuous performance management offers many benefits for businesses, including better employee engagement, increased productivity, and better retention. Thus, an effective performance management system plays a very crucial role in managing the performance in an organization by ensuring a cordial and a harmonious relationship between an individual employee and the line manager based on trust and empowerment.

## **Methodology**

To investigate the productivity and performance management system in the identified research environment, a quantitative methods research approach will be employed. This approach provides data collection and analysis methods to provide a comprehensive understanding of the research topic. The descriptive method of research was used in this study, which described data and the characteristics of the population under study. This method answered the questions who, what, where, when, and how. In particular, the present conditions of the respondents as regards to the extent of

employee's performance and productivity and perceived issues and concerns by the employees based on the existing performance management system. Data will be described and analyzed through data gathered using the research instrument.

## Results and Discussion

Table 1. Planning

Indicators	Administrator		Employees	
	Mean	VD	Mean	VD
I'm familiar with the mission and vision of this facility.	4	A	4	A
Clear and realistic targets and goals are set as a team.	4	A	4.75	SA
I understand the purpose of setting targets in performance management system	5	SA	3.51	A
I'm empowered with adequate resources to implement the set plans.	4	A	3.97	A
Performance reviews are scheduled at the beginning of the financial year.	4	A	3.82	A
I have a clear work plan that specifies success criteria.	4	A	4.17	A
Grand Mean	4.12	A	4.04	A

Table 1 presents the data the respondent groups perception in terms of planning. Based on the data gathered, the statement refers to I understand the purpose of setting targets in performance management system got the highest weighted mean of 5 which verbally described as strongly agree, while the remaining statements were rated with a weighted mean of 4.0 which verbally described as agree. Overall, administrators got a grand mean of 4.12 which verbally described as agree. Employees on the other hand, the statement refers to clear and realistic targets and goals are set as a team got the highest weighted mean of 4.75 which verbally described as strongly agree, while I understand the purpose of setting targets in performance management system got the lowest weighted mean of 3.51 which verbally described as agree. Overall, employees got a grand mean of 4.04 which verbally described as agree. According to Vilarinho et al. (2018) performance planning is crucial to administrators and employees to attain goals, objectives, and expected performance throughout the year. This indicates that administrators and employees have perceived the importance planning in the organization.

Table 2. Appraisal

Indicators	Administrator		Employees	
	Mean	VD	Mean	VD
I'm familiar with the performance appraisal guidelines	5	SA	4.10	A

Performance is evaluated based on my job description	5	SA	4.35	SA
I'm satisfied with the performance appraisal process	4	A	3.74	A
There is regular performance review	4	A	4.03	A
My head takes my performance appraisal discussion seriously	4	A	4.15	A
Performance appraisal process helps me to find out about my level of performance	5	SA	3.93	A
I get a chance to discuss my aspirations and work challenges during the performance appraisal discussion	4	A	4.14	A
Grand Mean	4.42	SA	4.06	A

Table 2 presents the data the respondent groups perception in terms of appraisal. Based on the data gathered, the statements refer to I'm familiar with the performance appraisal guidelines, performance is evaluated based on my job description, and performance appraisal process helps me to find out about my level of performance got the highest weighted mean of 5.0 which verbally described as strongly agree. While, the remaining indicators were rated 4.0 which verbally described as agree. Overall, administrators got a grand mean of 4.42 which verbally described as strongly agree. Employees on the other hand, the statement refers to performance is evaluated based on my job description got the highest weighted mean of 4.35 which verbally described as strongly agree, while the statement refers to I'm satisfied with the performance appraisal process got the lowest weighted mean of 3.74 which verbally described as agree. Overall, employees got a grand mean of 4.06 which verbally described as agree. According to Aguinis & Burgi-Tian (2021) appraisal is a formal opportunity to analyze your performance at work, which also offers you a chance to talk to your employer about your career plans. This indicates that appraisal can be useful for both administrator and employees to review progress and discuss wider work issues

Table 3. Feedback

Indicators	Administrator		Employees	
	Mean	VD	Mean	VD
I receive regular feedback from my head concerning my performance	4	A	3.89	A
Improvement plans are integrated during the feedback	4	A	3.83	A
The performance feedback data is used to set priorities in the next working phase	4	A	3.42	A
The feedback I receive helps me to understand my strengths and weaknesses	5	SA	3.79	A
My feedback is based on actual results	4	A	3.71	A

I perceive my career growing in this establishment.	4	A	3.62	A
There is a policy on training that is followed	5	SA	3.79	A
Grand Mean	4.26	SA	3.72	A

Table 3 presents the data the respondent groups perception in terms of feedback. Based on the data gathered, the statements refer to the feedback I receive helps me to understand my strengths and weaknesses and there is a policy on training that is followed got the highest weighted mean of 5, which verbally described as strongly agree. While the remaining indicators got rated with the lowest weighted mean of 4.0 which verbally described as agree. Overall, administrators got a grand mean of 4.26 which verbally described as strongly agree. Employees on the other hand, the statement refers to I receive regular feedback from my head concerning my performance got the highest weighted mean of 3.89 which verbally described as agree, while the statement refers to, performance feedback data is used to set priorities in the next working phase got the lowest weighted mean of 3.42 which verbally described as agree. Overall, employees got a grand mean of 3.72 which verbally described as agree. Azizi et al. (2021) emphasized that feedback helps organization managing and accessing the work that needs to be done and providing opportunities for professional growth and development. This indicates that respondent groups perceived that effective feedback is given to employees on their progress towards their goals, employee performance will improve

Table 4. Reward

Indicators	Administrator		Employees	
	Mean	VD	Mean	VD
There is a formal reward system in line with the performance appraisal policy in our establishment.	5	SA	4.17	A
I have been rewarded for surpassing my targets	5	SA	4.32	SA
Promotions and salary increments are based on performance appraisal	5	SA	3.97	A
The process of rewarding performance in our hospital is fair and objective	5	SA	4.11	A
My job group is fair based on the performance appraisal	5	SA	4.15	A
The reward system in our hospital is linked to the results of performance appraisal	5	SA	4.13	A
Employees who work hard are recognized and rewarded in our Establishment.	5	SA	4.01	A



Grand Mean	5	SA	4.12	A
------------	---	----	------	---

Table 4 presents the data the respondent groups perception in terms of reward. Based on the data gathered, all the indicators of reward were rated with 5.0 which verbally described as strongly agree. Overall, administrators got a grand mean of 5.0 which verbally described as strongly agree. Employees on the other hand, the statement refers to I have been rewarded for surpassing my targets got the highest weighted mean of 4.32 which verbally described as strongly agree, while the statement refers to promotions and salary increments are based on performance appraisal got the lowest weighted mean of 3.97 which verbally described as agree. Overall, employees got a grand mean of 4.12 which verbally described as agree. According to Akter et al. (2022) incorporating a rewards and recognition program helps increase employee engagement, leading to many benefits for the company, like increased productivity and retention. This indicates that respondent groups perceived that reward system in the organization influence employee productivity and retention.

Table 5. Work Effectiveness

Indicators	Employees	
	Mean	VD
Skill and proficiency in carrying out assignments	4.35	HP
Possesses skills and knowledge to perform the job competently.	4.51	HP
Skill at planning, organizing and prioritizing workload	4.35	HP
Holds self-accountable for assigned responsibilities; sees tasks through to completion in a timely manner	4.53	HP
Proficiency at improving work methods and procedures as a means toward greater efficiency	4.53	HP
Communicates effectively with supervisor, peers, and customers	4.61	HP
Grand Mean	4.48	HP

Table 5 presents the employees productivity in terms of work effectiveness. Data shows that the statement refers to communicates effectively with supervisor, peers, and customers got the highest weighted mean of 4.61 which verbally described as highly productive, while the statement refers to skills and proficiency in carrying out assignments and skill at planning, organizing and prioritizing workload got the lowest weighted mean of 4.35 which also verbally described as highly productive. Overall, employee's productivity in terms of work effectiveness got grand mean of 4.48 which verbally described as highly productive. According to Bremmer & Eisenhardt (2022) an effective worker doesn't just attempt to complete their tasks as quickly as possible, but works to come up with inventive solutions

to problems and continually improve their performance to achieve the best results. This indicates that employee's doing the right task, completing activities and achieving goals of the organization.

Table 6. Professionalism in the Workplace

Indicators	Employees	
	Mean	VD
Behaves in a manner consistent with the company's mission, vision and values	4.42	HP
Has an attitude of helpfulness toward co-workers	4.5	HP
Complies with company policies and procedures	4.33	HP
Represents the company in a positive manner when interacting with customers	4.57	HP
Follows through with tasks and responsibilities in an appropriate and timely manner	4.49	HP
Demonstrates respect for the work and ideas of others	4.46	HP
Grand Mean	4.46	HP

Table 6 presents the employees productivity in terms of professionalism in the workplace. Data shows that the statement refers to represents the company in a positive manner when interacting with customers got the highest weighted mean of 4.5 which verbally described as highly productive, while the statement refers to complies with company policies and procedures got the lowest weighted mean of 4.33 which also verbally described as highly productive. Overall, employee's productivity in terms of professionalism in the workplace got grand mean of 4.46 which verbally described as highly productive. Mukhtar et al. (2020) emphasized that having a professionalism in the workplace can ensure a positive first impression, successful interpersonal relationships and a lasting reputation within your organization. This indicates that employee's display professionalism in the workplace.

Table 7. Task Performance

Indicators	Employees	
	Mean	VD
Managed to plan work and submit on time.	4.82	HP
Able to carry out work efficiently.	4.63	HP
Keeping skills up-to-date.	4.46	HP
Continually sought new challenges in work.	4.63	HP
Actively participated in meetings and/or consultation	4.60	HP
Always kept in mind the work result I needed to achieve	4.76	HP
Grand Mean	4.65	HP



Table 7 presents the employees productivity in terms of task performance. Data shows that the statement refers to Manage to plan work and submit on time got the highest weighted mean of 4.82 which verbally described as highly productive, while the statement refers to keeping skills up-to-date got the lowest weighted mean of 4.46 which also verbally described as highly productive. Overall, employee's productivity in terms of task performance got grand mean of 4.65 which verbally described as highly productive.

According to Zulkarnian et al. (2022) task performance can be defined as the effectiveness with which an employee performs activities that contribute to the organization's technical core, either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services. This indicates that employees perform and demonstrate their knowledge, understanding and proficiency in relation to their work responsibilities.

Table 8. Significant Relationship

<i>Regression Statistics</i>				
Pearson R	0.136			
Coef of Determination	0.018			
Adjusted R Square	-0.025			
Standard Error	0.087			
	<i>Coef</i>	<i>Std Error</i>	<i>t Stat</i>	<i>P-value</i>
Work Effectiveness	0.0211	0.1001	0.2112	0.8334
Professionalism in the workplace	-0.0737	0.0719	-1.0259	0.3086
Task Performance	-0.0197	0.0663	-0.2966	0.7677

Table 8 presents the data in terms of significant relationship on the performance management system and employees' productivity. Findings shows that there was a weak relationship on PMS and EP. Moreover, performance management accounts 1.8% work effectiveness, professionalism in the workplace and task performance. Performance management is negatively correlated with professionalism in the workplace and task performance. In addition, the negative adjusted r square describes that the identified factors of performance management are not determinants of work effectiveness.

## Conclusion

Productivity is a measure of organization performance that indicates how efficiently people, industries convert inputs, such as labor and capital, into outputs, such as goods or services. This research assessed the relationship of performance management system and employee's productivity in identified government offices in Cebu City during in

the Fiscal Year 2022 as basis for Action plan. Findings showed that reward management were implemented as perceived by the respondent groups which garnered the highest rating, while planning garnered the lowest ratings. Results also showed that employees doing their work-related responsibilities, which garnered the highest rating of productivity Findings shows that there was a weak relationship on performance management system and employees' productivity. Therefore, one of the important factors of employee productivity is not PMS, instead their line of responsibilities as an employee.

## References

- Agarwal, A. (2021). Investigating design targets for effective performance management system: an application of balance scorecard using QFD. *Journal of advances in management research*, 18(3), 353-367.
- Ateh, M. Y., Berman, E., & Prasojo, E. (2020). Intergovernmental strategies advancing performance management use. *Public Performance & Management Review*, 43(5), 993-1024.
- Bhatti, K. K., & Qureshi, T. M. (2007). Impact of employee participation on job satisfaction, employee commitment and employee productivity. *International review of business research papers*, 3(2), 54-68
- Balouei Jamkhaneh, H., & Safaei Ghadikolaei, A. H. (2022). Measuring the maturity of service supply chain process: a new framework. *International Journal of Productivity and Performance Management*, 71(1), 245-288.
- Blau, P. (2017). Exchange and Power in Social Life.
- Blau (1964): exchange and power in social life. *Schlüsselwerke der Netzwerkforschung*, 51-54.
- Clennan, K. K. (2021). *Employee innovation to promote employee engagement* (Doctoral dissertation, Montana State University-Bozeman, Norm Asbjornson College of Engineering).
- Cropanzano, R. & Mitchell, M.S. (2005). Social Exchange Theory: An Interdisciplinary Review. *Journal of Management*, 31(6), 874-900.
- Cropanzano, R., Anthony, E.L., Daniels, S.R. & Hall, A.V. (2017). Social Exchange Theory: A Critical Review with Theoretical Remedies. *Academy of Management Annals*, 11(1), 479-516.
- Chernyak-Hai, L., & Rabenu, E. (2018). The new era workplace relationships: Is social exchange theory still relevant? *Industrial and Organizational Psychology*, 11(3), 456-481. <https://doi.org/10.1017/iop.2018.5>
- Chen, C.C. (1995). New Trends in Rewards Allocation Preferences: A Sino-U.S. Comparison. *Academy of Management Journal*, 38(2), 408-428.

- Cook, K. S., Cheshire, C., Rice, E. R., & Nakagawa, S. (2013). Social exchange theory. *Handbook of social psychology*, 61-88.
- Delamater, J. (2006). Handbook of Social Psychology (Handbooks of Sociology and Social Research).
- Emerson, R.M. (1976). Social Exchange Theory. *Annual Review of Sociology*, 21, 335-362.
- Frederico, G. F., Garza-Reyes, J. A., Kumar, A., & Kumar, V. (2021). Performance measurement for supply chains in the Industry 4.0 era: a balanced scorecard approach. *International journal of productivity and performance management*, 70(4), 789-807.
- Foa, E.B. & Foa, U.G. (1980). Resource Theory. *Social Exchange*, 77-94.
- Fu, K. J., Hsieh, J. Y., & Wang, T. K. (2019). Fostering employee cooperation behavior in the federal workplace: Exploring the effects of performance management strategies. *Public Personnel Management*, 48(2), 147-178.
- George, S., Al Jaber, M. K., Salem, M. J., & AlSaad, A. J. (2021, December). The Impact of Management by Objectives on Employee Behaviour and Performance. In *2021 International Conference on Decision Aid Sciences and Application (DASA)* (pp. 176-181). IEEE.
- Gode, H. E., Johansen, W., & Thomsen, C. (2020). Employee engagement in generating ideas on internal social media: A matter of meaningfulness, safety and availability. *Corporate Communications: An International Journal*, 25(2), 263-280.
- Helmold, M., & Samara, W. (2019). *Progress in performance management*. Springer International Publishing.
- Heath, A.F. (1976). Rational choice & social exchange.
- Hofmann, F., & Jaeger-Erben, M. (2020). Organizational transition management of circular business model innovations. *Business strategy and the environment*, 29(6), 2770-2788.
- Kaufman, B. E. (2020). The real problem: The deadly combination of psychologisation, scientism, and normative promotionalism takes strategic human resource management down a 30-year dead end. *Human Resource Management Journal*, 30(1), 49-72.
- Kanyangale, M. I., & Chikandiwa, C. T. (2022). Performance Management and the COVID-19 Pandemic: Framework for an Agile Performance Management System for the South African Higher Education Institution. *Acta Universitatis Danubius. Œconomica*, 18(5).
- Khaw, T. Y., Teoh, A. P., Abdul Khalid, S. N., & Letchmunan, S. (2022). The impact of digital leadership on sustainable performance: A systematic literature review. *Journal of Management Development*, 41(9/10), 514-534.
- Ravid, D. M., Tomczak, D. L., White, J. C., & Behrend, T. S. (2020). EPM 20/20: A review, framework, and research agenda for electronic performance monitoring. *Journal of Management*, 46(1), 100-126.

- Robinson, C. J., & Ginder, A. P. (2020). *Implementing TPM: The North American Experience*. Productivity press.
- Redmond, M. V. (2015). Social Exchange Theory. In M. V. Redmond, Social Exchange Theory (Vol. 5). Iowa: English Technical Reports and White Papers.
- Riyanto, S., Endri, E., & Herlisha, N. (2021). Effect of work motivation and job satisfaction on employee performance: Mediating role of employee engagement. *Problems and Perspectives in Management*, 19(3), 162.
- Shuck, M.B., & Wollard, K.K. (2009). A Historical Perspective of Employee Engagement: An Emerging Definition. *COERC 2009*, 133.