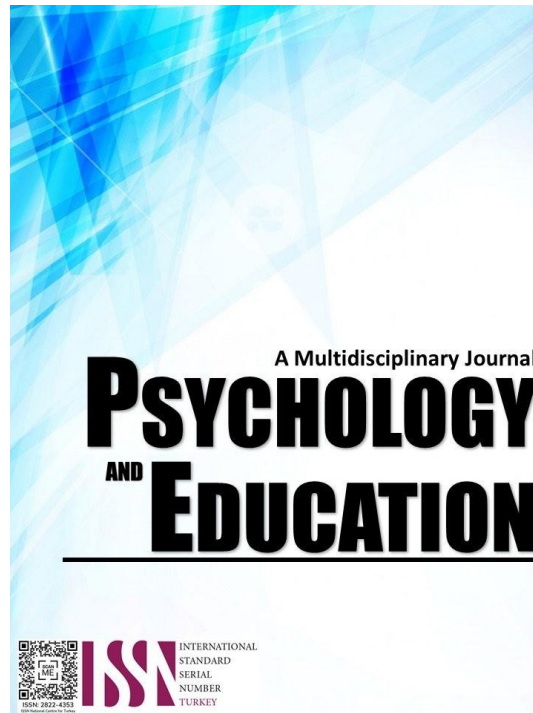


THE EXTENT OF IMPLEMENTATION OF THE PERFORMANCE MANAGEMENT SYSTEM ON EMPLOYEES' PERFORMANCE IN THE LOCAL GOVERNMENT UNIT



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The Extent of Implementation of the Performance Management System on Employees' Performance in the Local Government Unit

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Abstract

This study aimed to determine the extent of the implementation of the performance management system (PMS) and its effect on employee performance within the Local Government Unit (LGU) of Cabanglasan, Bukidnon. Using a descriptive research design, the study assessed the demographic profile of employees in terms of sex, age, educational attainment, length of service, monthly income, and civil status. Additionally, it explored how the PMS's nature, process, and effectiveness influenced employee performance, using a researcher-developed questionnaire. Data were analyzed through descriptive statistics, correlation analysis, and ANOVA. The findings showed that the majority of employees were female, in the middle-age group (41–50 years), and held at least a college degree. Most employees had less than five years of service and earned below PHP 25,000. The study revealed that the PMS had a high level of implementation across several areas, including performance management processes, effectiveness, and evaluation methods. However, no significant relationship was found between the employees' demographic profile and their perceptions of the PMS. Additionally, there were no significant differences in PMS perceptions based on demographic variables. The study concludes that a well-implemented PMS positively influences employee performance, but demographic factors such as age, sex, or educational level do not significantly affect employees' perceptions of PMS effectiveness. It recommends further enhancing the PMS by promoting transparency, addressing employees' concerns regarding the performance evaluation process, and ensuring that all employees, regardless of their demographic profiles, have equal opportunities for development.

Keywords: *Performance Management System, employee performance, Local Government Unit, employee evaluation, demographic profile, organizational development, Philippines*

Introduction

Many organizations today heavily rely on their workforce to drive growth and maintain competitiveness. Based on the resource-based view, employees are considered valuable resources and critical assets of the organization. Consequently, companies must develop strategies to recognize, motivate, monitor, evaluate, enhance, and reward employee performance. In this context, performance management and appraisal systems have become essential tools in helping firms achieve their productivity goals (Stevens & Joyce, 2000). The impact of human resource (HR) practices on employee commitment and performance largely depends on how employees perceive and assess these policies (Guest, 1999).

Human resources serve as the backbone of any organization. In the public sector, every agency is mandated to deliver responsive, courteous, and efficient service to the people (Civil Service Commission [CSC], 2007). To achieve these goals, government agencies must focus on nurturing and maximizing the potential of their personnel. Like any organization, without a committed and capable workforce, government institutions are likely to fall short of their mandates.

Performance management is one of the critical process's organizations must implement to meet their goals and objectives. Both individual and organizational performance management are applied within the civil service. The performance of each employee is as vital as the overall organizational performance. Recognizing its importance, the Philippine government, in line with its constitutional mandate and the provisions of the Revised Administrative Code of 1987, emphasizes the need for an efficient and effective performance management system (CSC, 2007).

A well-structured and systematic performance evaluation and development system can offer multiple benefits for the government sector (CSC, 2007). It can identify areas of improvement among civil servants, motivate continuous development, and assist organizations in assigning tasks based on individual competencies.

The devolution of substantial powers, responsibilities, and accountability from a highly centralized national government to hundreds of local government units (LGUs) marked one of the most significant reforms in the Philippines (Berman, 2011). Enacted through Republic Act No. 7160, or the Local Government Code of 1991, this legislation empowered local governments to perform various functions previously held by the national government. The provincial government workforce comprises both career and non-career civil servants. A study revealed that approximately 29% of local public employees are non-career officials, while 71% are career personnel. Furthermore, it was found that many LGUs in the Philippines suffer from (a) the absence of effective performance measurement systems, (b) the existence of numerous and overlapping performance indicators, and (c) limited awareness of these indicators among employees (Berman, 2011).

This study seeks to explore the influence of performance management systems on employee performance. As Chan and Lyn (1991)

noted, organizational performance should be measured through indicators such as profitability, productivity, marketing effectiveness, customer satisfaction, and employee morale. Since employee performance directly correlates with organizational outcomes, enhancing it remains crucial.

In a related study, Miller (2007) proposed a comprehensive talent management framework covering planning, recruitment, performance evaluation, learning and development, career advancement, succession planning, compensation, and performance monitoring. Organizations must rethink their strategies for hiring, training, and rewarding employees to foster a competitive and productive workforce. Human resources undeniably play a pivotal role in organizational success. Thus, investing in employee development, motivation, and performance improvement has become a core management strategy. In various human resource applications, organizations consistently aim to nurture, inspire, and optimize the performance of their personnel (Gungor, 2011). Accordingly, performance management should be an integral part of any HR system, given its significant impact on employee and organizational performance.

Warren (1982) defined performance management as the systematic application of methods aimed at maximizing organizational effectiveness. However, traditional approaches often carry a negative connotation among employees, being perceived as control mechanisms imposed by management. A more progressive definition was offered by Weiss and Hartle (1997), describing performance management as "a process for establishing a shared understanding of what is to be achieved and how it is to be accomplished, as well as an approach to managing people that increases the likelihood of success" (p. 3). Despite this, the concept remains largely top-down and can be perceived as obligatory by employees, leading to disengagement (Coens & Jenkins, 2000).

Traditionally, performance management has been regarded as the responsibility of immediate supervisors (Barnes-Farrell, 2001; Cardy & Dobbins, 1994; Latham & Wexley, 1994). However, organizational changes—such as geographically dispersed workforces, expanded managerial responsibilities, limited supervisor expertise, and evolving employee expectations—have reduced the effectiveness of supervisors in managing performance. Often, supervisors lack the technical knowledge necessary to evaluate their subordinates credibly (Coens & Jenkins, 2000). Furthermore, modern employees increasingly desire a greater voice in decisions regarding their performance management (Mohrman et al., 1989).

Performance management systems are therefore critical determinants of an organization's long-term success or failure. Employees' dissatisfaction or lack of trust in these systems can lead to reduced engagement, which, in turn, hampers organizational performance and productivity. Understanding how human resource management (HRM) practices influence employee performance is essential for building stronger management systems that drive both employee and organizational success.

In support of these efforts, the Civil Service Commission issued Memorandum Circular No. 6, series of 2012, outlining the Guidelines on the Establishment and Implementation of the Strategic Performance Management System (SPMS) for government agencies. The SPMS seeks to align employee performance with organizational goals, ensuring that individual contributions are directly tied to the strategic plan. Furthermore, it complements the Results-Based Performance Management System initiated by the Office of the President, linking agency performance to broader societal outcomes. It also ties into the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB) under the Performance-Based Incentive System (PBIS).

Therefore, this study aims to determine the Extent of the performance management system on employees' performance in the Local Government Unit of Cabanglasan, Bukidnon, for the Calendar Year 2020.

Research Questions

This study attempted to determine the extent of the performance management system on employees' performance in the Local Government Unit of Cabanglasan, Bukidnon, for the Calendar Year 2020. Specifically, this study sought to answer to the following questions:

1. What is the demographic profile of the respondents in terms of: a. sex, b. age, c. educational attainment, d. length of experience, e. monthly income, and f. civil Status?
2. What is the Extent of Implementation of the performance management system in the Local Government Unit in terms of a. nature of the current performance management system, b. process of performance management, c. analysis of issues in performance management, and d. effectiveness of performance management systems and methods used in Evaluation?
3. Is there a significant relationship between the demographic profile of the respondents and the performance management system in the Local Government Unit?
4. Is there a significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to age, educational attainment, length of experience, monthly income, and civil Status?

Methodology

Research Design

This study employed a quantitative research method, specifically utilizing a survey questionnaire as the primary data collection tool. The questionnaire was designed to determine the extent to which the performance management system influenced the assessment of

employee performance among all permanent and casual employees of the Local Government Unit of Cabanglasan, Bukidnon.

The instrument was carefully developed by synthesizing various relevant indicators into a cohesive set of questions that the respondents answered. Through this method, the researcher was able to gather systematic and measurable data to analyze the effectiveness of the performance management system in place.

Respondents

This study was conducted among all permanent, temporary, casual, and co-terminus employees of the Local Government Unit (LGU) of Cabanglasan, Bukidnon, with the aim of determining the extent of the performance management system's influence on employees' performance. All personnel who met the criteria participated as respondents in the survey. As a result, the study employed a complete enumeration method, and no sampling procedure was necessary.

Procedure

The study targeted all permanent, temporary, casual, and co-terminus employees of the Local Government Unit (LGU) of Cabanglasan, Bukidnon, with the objective of assessing the extent to which the performance management system influenced employee performance. All qualified personnel were included as respondents in the survey. Consequently, the study utilized a complete enumeration approach, eliminating the need for any sampling technique.

Written permission to conduct the study was obtained from the Municipal Mayor of Cabanglasan, Bukidnon, following the recommendation of the Dean of the Graduate School of Valencia Colleges (Bukidnon) Incorporated, located in Hagkol, Valencia City. Upon approval, the letter was endorsed to the various Department Heads to secure the cooperation and support of all employees involved.

After identifying all permanent, temporary, casual, and co-terminus employees as respondents, the approved request facilitated the necessary arrangements for data collection. Respondents were informed that all their responses would be treated with strict confidentiality.

The researcher personally distributed the questionnaires to the respondents, who were given two to three days to complete them. To ensure a 100% retrieval rate, the researcher personally collected the accomplished questionnaires from the employee-respondents.

Data Analysis

To determine the employees' demographic profile in terms of sex, age, educational attainment, length of service, income, and civil status, the study utilized frequency counts and percentages.

To assess the extent of the performance management system's influence on employees' performance in the Local Government Unit (LGU) of Cabanglasan, Bukidnon — specifically regarding the nature of the current performance management system, the process of performance management, the analysis of issues in performance management, and the effectiveness of performance management systems and evaluation methods — the weighted mean and standard deviation were employed.

The Pearson Product-Moment Correlation Coefficient was used to identify any significant relationships between the respondents' demographic profiles and their perceptions of the performance management system.

Additionally, Analysis of Variance (ANOVA) was applied to determine whether significant differences existed in the performance management system based on the respondents' demographic characteristics.

Results and Discussion

This section presents analyzes and interprets the data. The discussions presented are arranged according to the subproblems stated in the problem statement.

Table 1 presents the data on the respondents' demographic profiles regarding sex.

Table 1. *Demographic profile of the respondents in terms of sex*

<i>Sex</i>	<i>Frequency</i>	<i>Percent (%)</i>
Male	23	37.1%
Female	39	62.9%
Total	62	100.0%

As shown in Table 1, most of the respondents were female with a frequency of 39 or 62.9%, while males with a frequency of 23 or 37.1%. Females were more than one-third of the distribution.

Table 2 presents the demographic profile of the respondents in terms of age.

Table 2. *Demographic profile of the respondents in terms of age*

<i>Age</i>	<i>Frequency</i>	<i>Percent</i>
20 – 30 years old	5	8.1
31 – 40 years old	11	17.7
41 – 50 years old	20	32.3
51 – 60 years old	17	27.4
61 years old and above	9	14.5
Total	62	100.00

Table 2 shows that the majority of LGU employee respondents were in their middle age, specifically within the 41–50 age bracket, accounting for 20 out of 62 respondents or 32.3%. A smaller proportion were younger: 5 respondents (8.1%) were aged 20–30, and 11 respondents (17.7%) were aged 31–40. Additionally, 17 respondents (27.4%) belonged to the 51–60 age group, while 9 respondents (14.5%) were 61 years old and above.

This distribution suggests that while a significant number of LGU employees are in their middle to older age brackets, a notable portion are still relatively young and potentially energetic and capable. Nonetheless, Gurbuz and Dikmenli (2007) found that age-related differences in perceptions of performance management appraisal are statistically insignificant.

Table 3 presents the respondents' demographic profile regarding educational attainment.

Table 3. *Demographic profile of the respondents in terms of educational attainment*

<i>Educational Attainment</i>	<i>Frequency</i>	<i>Percent</i>
Elementary Level/Graduate	0	0
High School Level/Graduate	3	4.8
College Level/Graduate	51	82.3
Post Graduate	8	12.9
Total	62	100.0

Table 3 shows that the majority of LGU employee respondents were college level or college graduates, comprising 51 out of 62 respondents or 82.3%. A smaller proportion, 3 respondents (4.8%), had attained a high school level of education or were high school graduates. Meanwhile, 8 respondents (12.9%) completed postgraduate studies. Notably, none of the respondents had only reached the elementary level or were elementary graduates.

This distribution indicates that most LGU employees possess at least a college education, suggesting a relatively well-educated workforce. According to Gurbuz and Dikmenli (2007), employees with higher educational qualifications—such as a bachelor's degree or higher—tend to demonstrate greater cooperation, commitment, and integrity when participating in surveys, particularly when these surveys are aligned with their professional development.

Table 4 presents the respondents' demographic profile regarding the length of experience.

Table 4. *Demographic profile of the respondents in terms of length of experience*

<i>Length of Experience</i>	<i>Frequency</i>	<i>Percent</i>
Less than 5 years	19	30.6
5-10 years	8	12.9
11-20 years	12	19.4
21-30 years	12	19.4
30 years and above	11	17.7
Total	62	100.0

Table 4 shows that the majority of LGU employee respondents had less than five years of service in the local government unit, with 19 out of 62 respondents or 30.6%. This indicates that many of them were relatively new to government service. Meanwhile, 8 respondents (12.9%) had worked for 5 to 10 years. A total of 24 respondents had over a decade of experience: 12 individuals (19.4%) had served for 11 to 20 years, and another 12 (19.4%) for 21 to 30 years. Additionally, 11 respondents (17.7%) had been in service for more than 30 years.

Although a significant number of employees were relatively new to the organization, a greater proportion had more than 11 years of experience, indicating a strong base of long-serving personnel. These experienced employees are likely to have a deeper understanding of the performance management system. According to Gurbuz and Dikmenli (2007), employees who have previously participated in performance management evaluations tend to possess more relevant knowledge and experience, thereby enhancing the credibility and reliability of their responses in such assessments.

Table 5 presents the demographic profile of the respondents in terms of monthly income.

Table 5. *Demographic profile of the respondents in terms of monthly income*

<i>Monthly Income</i>	<i>Frequency</i>	<i>Percent</i>
Below – PhP 25,000.00	41	66.1
PhP 25,001.00 – PhP 40,000.00	8	12.9
PhP 40,001.00 – PhP 60,000.00	5	8.1
PHP 60,0001 - Above	8	12.9
Total	62	100.0

Table 5 shows that the majority of LGU employee respondents had a monthly income of below PHP 25,000.00, with 41 out of 62 respondents or 66.1%. A smaller percentage earned between PHP 25,001.00 and PHP 40,000.00, accounting for 8 respondents or 12.9%. Another 5 respondents (8.1%) had a monthly income ranging from PHP 40,001.00 to PHP 60,000.00. Meanwhile, 8 respondents (12.9%) reported earning PHP 60,001.00 and above.

This distribution indicates that most LGU employees fall within the lower income bracket. Despite this, income differentials may still play a role in job satisfaction. As noted by Mekkelholt and Hartog (1989), quasi-rents or wage differences have a positive, albeit modest, influence on employees' job satisfaction.

Table 6 presents the respondents' demographic profile regarding civil Status.

Table 6. *Demographic profile of the respondents in terms of civil Status*

<i>Civil Status</i>	<i>Frequency</i>	<i>Percent</i>
Single	6	9.7
Married	48	77.4
Widow/Widower	3	4.8
Separated	5	8.1
Total	62	100.0

Table 6 shows that the majority of respondents were married, accounting for 48 out of 62 individuals or 77.4%. A smaller number of respondents were single, with 6 individuals or 9.7%, while 5 respondents (8.1%) were separated, and 3 respondents (4.8%) were widowed.

This distribution suggests that most LGU employees are married, which may influence their perspectives on work-life balance, job stability, and long-term employment commitment.

Table 7 presents the Extent of Implementation of the performance management system in the Local Government Unit in terms of the nature of the current performance management system.

Table 7. *The extent of Implementation of the performance management system in the Local Government Unit in terms of the Nature of the Current Performance Management System*

<i>Indicator</i>	<i>Mean</i>	<i>SD</i>	<i>Qualitative Interpretation</i>
1. The organization operates a formal performance management system	3.90	0.694	High Extent
2. There is a performance management system in the organization	3.89	0.770	High Extent
3. The groups of employees operate a formal performance management system	3.82	0.690	High Extent
4. The employees set the performance goals/requirements	3.79	0.681	High Extent
5. The processes form a part of the performance management system	3.79	0.656	High Extent
6. There are determinants for job performance in the organization	3.69	0.882	High Extent
7. The techniques that are used in the organization to assess the performance	3.68	0.719	High Extent
8. The methods of performance appraisal form a part of the system	3.66	0.745	High Extent
9. Different approaches link the individual, office, and organizational objectives	3.63	0.752	High Extent
10. The performance management system operates differently for different groups	3.55	0.862	High Extent
Overall	3.74	0.597	High Extent

Legend: 5 (4.20–5.00) – Very High Extent; 4 (3.41–4.20) – High Extent; 3 (2.61–3.40) – Moderate Extent; 2 (1.81–2.60) – Low Extent; 1 (1.00–1.80) – Very Low Extent

Table 7 shows that the implementation of the performance management system in the Local Government Unit, in terms of the Nature of the Current Performance Management System, was rated to a great extent, with an overall mean of 3.74 and a standard deviation of 0.597. All indicators reflected the same extent of implementation. Among them, the indicator "The organization's formal performance management system" recorded the highest mean score of 3.90 with a standard deviation of 0.694. On the other hand, the indicator "The performance system works differently; different groups" received the lowest mean score of 3.55 and a standard deviation of 0.862.

These findings suggest that the LGU is committed to ensuring accountability through a structured performance management system. As highlighted by the Civil Service Commission (CSC, 2007), a well-established and maintained performance management system can significantly benefit government agencies. Variations in implementation may be attributed to Republic Act 7160, which mandates that each government office or agency operates under distinct authorities, functions, and responsibilities.

Table 8 presents the Extent of Implementation of the performance management system in the Local Government Unit in terms of Performance Management.

Table 8 shows that only one indicator—"The current performance management arrangements were agreed with the union"—was rated at a moderate extent, with a mean of 3.13 and a standard deviation of 1.166. All other indicators reflected a high extent of implementation. Among these, the highest mean was recorded under the indicator "There is an overall rating for performance", with a mean of 3.94 and a standard deviation of 0.721.

Table 8. *The extent of Implementation of the performance management system in the Local Government Unit in terms of the process of Performance Management*

Indicator	Mean	SD	Qualitative Interpretation
1. There is an overall rating for performance	3.94	0.721	High Extent
2. The organization undertakes performance planning	3.73	0.813	High Extent
3. There is a performance planning that is carried out	3.71	0.773	High Extent
4. There is documentation of performance reviews	3.61	0.947	High Extent
5. The employee receives training in performance management techniques	3.58	0.915	High Extent
6. There are scheduled meetings in a year to discuss employees' performance	3.58	0.897	High Extent
7. There is a separate appraisal system for evaluation	3.58	0.821	High Extent
8. There is a trade union operating in the organization	3.52	1.036	High Extent
9. There is feedback given to the employees	3.42	1.017	High Extent
10. The current performance management arrangements were agreed with the union	3.13	1.166	Moderate Extent
Overall	3.58	0.670	High Extent

Legend: 5 (4.20–5.00) – Very High Extent; 4 (3.41–4.20) – High Extent; 3 (2.61–3.40) – Moderate Extent; 2 (1.81–2.60) – Low Extent; 1 (1.00–1.80) – Very Low Extent

Overall, the implementation of the performance management system in the Local Government Unit, in terms of the process of performance management, was rated to a high extent, with a composite mean of 3.58 and a standard deviation of 0.670.

Performance, as discussed by Coens and Jenkins (2002), is best understood by evaluating both overall outcomes and the performance management process itself. Performance evaluation involves identifying specific results within a defined period. Establishing an effective system that can accurately assess employee performance is essential, particularly for decisions related to tenure, transfer, promotion, and the provision of appropriate incentives in the public sector. In response to this need, the Civil Service Commission (CSC) has continuously developed and refined performance management systems aimed at promoting both individual efficiency and overall organizational effectiveness.

Table 9 presents the Extent of Implementation of the performance management system in the Local Government Unit in terms of analysis of issues in performance management.

Table 9 shows that among the indicators measuring the extent of implementation of the performance management system in the Local Government Unit with regard to analysis on issues in performance management, two were rated at a moderate extent. These are: "Identifying different situations employees find uncomfortable," with a mean of 3.34 and a standard deviation of 0.886, and "Employees identify psychological barriers to effective performance appraisal," with a mean of 3.35 and a standard deviation of 0.832. The psychological barriers noted include lack of confidence in the employee's capability and willingness to address performance issues, insufficient focus on performance-related problems, poor understanding of the appraisal process, and limited use of performance appraisal feedback.

All other indicators were assessed as implemented to a high extent. The indicator "The belief that tying incentives to performance motivates employees" received the highest rating, with a mean of 3.54 and a standard deviation of 0.674. This finding suggests that a reward system integrating both financial and non-financial incentives—such as recognition and appreciation—positively influences employee performance. As emphasized by Agwu (2012), such systems have a notable impact on enhancing organizational performance

through employee motivation.

Table 9. *The extent of Implementation of the performance management system in the Local Government Unit in terms of Analysis of Issues in Performance Management.*

Indicator	Mean	SD	Qualitative Interpretation
1. Believing that linking rewards to performance motivates employees	3.97	0.746	High Extent
2. The opinion on employee self-appraisal is highly beneficial	3.74	0.848	High Extent
3. The entire process can be carried out objectively	3.58	0.860	High Extent
4. The different stages of performance management were communicated with the employees	3.55	0.900	High Extent
5. There are ways/strategies introduced when identifying poor performers during the review sessions	3.47	0.918	High Extent
6. The causes for failure of performance appraisal system were discussed with the employee	3.44	0.917	High Extent
7. Reducing subjectivity and bias in the appraisal systems is being implemented	3.44	0.781	High Extent
8. Employees identify psychological barriers to effective performance appraisal	3.35	0.832	Moderate Extent
9. Identifying different situations employees find uncomfortable	3.34	0.886	Moderate Extent
Overall	3.54	0.674	High Extent

Legend: 5 (4.20–5.00) – Very High Extent; 4 (3.41–4.20) – High Extent; 3 (2.61–3.40) – Moderate Extent; 2 (1.81–2.60) – Low Extent; 1 (1.00–1.80) – Very Low Extent

Table 10 presents the Extent of Implementation of the performance management system in the Local Government Unit in terms of the Effectiveness of performance management systems and methods used in the Evaluation.

Table 10 illustrates that the indicator "There is a formal system for evaluation of performance management practices in the organization" achieved a mean score of 3.85 with a standard deviation of 0.743, signifying a high extent of implementation. This finding suggests that the Local Government Unit (LGU) has effectively established a structured system for evaluating performance management practices. All other indicators within this variable also recorded high mean values, indicating consistent implementation across various aspects of performance evaluation. Collectively, these results underscore the LGU's commitment to effective performance management systems and evaluation methods. The overall mean score of 3.71 and a standard deviation of 0.647 further confirm a high extent of implementation in this area.

Table 10. *The extent of Implementation of the performance management system in the Local Government Unit in terms of Effectiveness of Performance Management Systems and Methods Used in Evaluation.*

Indicator	Mean	SD	Qualitative Interpretation
1. There is a formal system for evaluation of performance management practices in the organization	3.85	0.743	High Extent
2. There are specific processes used to evaluate the performance	3.85	0.743	High Extent
3. The strategies of the organization have been linked to the performance appraisal system	3.76	0.783	High Extent
4. The extent of effectiveness has the organization's performance management processes proved the overall performance effectiveness of the organization	3.73	0.705	High Extent
5. The approach used to improve the effectiveness of the organization's performance management process	3.68	0.696	High Extent
6. The aspects of performance management have introduced change	3.66	0.723	High Extent
7. Changes in the performance management system are carried out in the next rating period	3.65	0.791	High Extent
8. Attrition rate is being computed in the organization after performance appraisal	3.65	0.704	High Extent
9. The trends suggest that quality with attrition during the post-appraisal phase	3.53	0.695	High Extent
Overall	3.71	0.647	High Extent

Legend: 5 (4.20–5.00) – Very High Extent; 4 (3.41–4.20) – High Extent; 3 (2.61–3.40) – Moderate Extent; 2 (1.81–2.60) – Low Extent; 1 (1.00–1.80) – Very Low Extent

These findings align with previous studies emphasizing the importance of structured performance management systems in enhancing organizational effectiveness. For instance, Ngwenyama (2014) highlighted that a well-implemented performance management system is crucial for improving employee performance and organizational outcomes. Similarly, Dizon et al. (2018) found that the Results-

Based Performance Management System (RPMS) significantly contributed to the effective management of human resources in the Department of Education Division of Gapan City, Philippines.

Table 11 tests a significant relationship between the demographic profile of the respondents and the performance management system in the Local Government Unit.

Table 11. *Test of a significant relationship between the demographic profile of the respondents and the performance management system in the Local Government Unit.*

Variable	Point Biserial Correlation Coefficient (r)	P-value	Interpretation
Sex	0.058	0.654	Not Significant
Age	-0.080	0.539	Not Significant
Educational Attainment	0.104	0.419	Not Significant
Experience	0.018	0.892	Not Significant
Income	-0.025	0.845	Not Significant
Civil Status	-0.022	0.865	Not Significant

Table 11 shows that none of the demographic variables were found to have a statistically significant relationship with the implementation of the performance management system in the Local Government Unit (LGU). Specifically, sex ($r = 0.058$, $p = 0.654$), age ($r = -0.080$, $p = 0.539$), educational attainment ($r = 0.104$, $p = 0.419$), length of experience ($r = 0.018$, $p = 0.892$), income ($r = -0.025$, $p = 0.845$), and civil status ($r = -0.022$, $p = 0.865$) all registered p-values greater than 0.05, indicating no significant correlation. Thus, the null hypothesis is retained.

The result of the study negated with the findings of Tessema, M.T., Ready, K.J., & Embaye, A.B. (2013) entitled “The Effect of Employee Recognition, Pay, and Benefits on Job Satisfaction: Cross Country Evidence. Journal of Business and Economics, 4 (1), 1-12. They found demographic profile had no significant difference on the perceptions and outcomes of performance related policies in many cases.

This implies that the demographic profile of the respondents does not affect or influence the performance management system in the Local Government Unit (LGU).

Table 12 shows the significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to sex.

Table 12. *Test of significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to sex.*

Variable	Mean	t	p-value	Interpretation
Male	3.60	-0.45	1.654	Not Significant
Female	3.67			

Table 12 shows that there is no significant difference in the performance management system in the Local Government Unit when respondents are grouped by sex, with a t-value of -0.45 and a p-value of 0.654. This finding affirms on the context of hiring employees in the LGU, the principles of equal opportunity prohibits gender-based discrimination. This means that the LGU should not favor or discriminate against any candidate based on their gender when making hiring decisions.

This result is in consonance with the findings of Aguinis, H. (2019). He emphasized that many demographic variables - including sex - often do not show statistically significant difference in how employee perceive or respond to performance management systems, assuming the systems are implemented fairly and transparently. He added that when performance management system is perceived as fair and objective, demographic profiles to include sex tend to have little to no influence on employee toward it or its effectiveness.

Research-backed discussion support that gender-based biases are more often introduced through implementation flaws, not inherent to the system itself.

Table 13 shows the significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to age.

Table 13 shows that when the respondents are grouped by age, there is no significant difference in the performance management system in the Local Government Unit, with an F-value of 0.403 and a p-value of 0.719. This means that the overall impact of age on performance is complex and likely influenced by organizational culture, job type, and individual characteristics, HR practices, and leadership styles. Further, age diversity can create both opportunities and challenges within teams, impacting collaboration, communication, and overall performance.

These findings align with the previous studies entitled “Perceived Effectiveness of a Performance Management System”, published in the Journal of Contemporary Management supports the findings of this study. The findings indicated no statistically significant differences in perceptions based on age, suggesting that age does not play a crucial role in how employees perceive performance

management system effectiveness.

Table 13. *Test of significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to age*

Variable	Mean	F	p-value	Interpretation
20 – 30 YO	3.61			
31 – 40 YO	3.72			
41 – 50 YO	3.65			
51 – 60 YO	3.71			
61 Years Old and Above	3.43			
SS between		0.403	0.719	Not Significant
DF between		4		
MS between		0.138		
SS within		19.554		
DF within		57		
MS within		0.343		

Therefore, the organization can consider that age diversity may not necessitate differentiated approaches in the implementation of performance management system.

Table 14 shows the significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to educational attainment.

Table 14. *Test of significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to educational attainment.*

Variable	Mean	F	p-value	Interpretation
Elementary Level/Graduate	0			
High School Level/Graduate	3.26			
College Level/Graduate	3.66			
Post Graduate	3.69			
SS between		0.693	0.350	Not Significant
DF between		2		
MS between		0.231		
SS within		19.646		
DF within		59		
MS within		0.333		

Table 14 shows that when the respondents are grouped according to their highest educational attainment, no significant difference was found in the performance management system in the Local Government Unit, with an F-value of 0.693 and a p-value of 0.350. While educational attainment can play a role in the LGU employees, it's not the sole determinant. This shows that a significant portion of LGU employees, particularly those in positions of leadership are college graduates and possess career service eligibility. Also, the LGU adheres to the qualification standards set by the Civil Service Commission (CSC) for government positions, ensuring fairness, and promoting merit-based recruitment.

These findings relate with the previous studies authored by Aguinis, H. (2019), a leading scholar in the performance management system, and his book covers extensive empirical evidence and studies on how performance management systems are perceived and function across different demographic including education level. He added that it is stated or implied that educational attainment does not significantly difference on the perception on outcomes of performance management, depending on how the system is implemented and measured.

Table 15 shows the significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to length of experience.

Table 15 shows that when the respondents are grouped according to their length of experience, no significant difference was observed in the performance management system in the Local Government Unit, with an F-value of 1.748 and a p-value of 0.152. This means that while length of experience can be considered in certain contexts within the LGU, it's not a direct determinant of performance. Performance is primarily assessed based on individual work quality, efficiency, and timelines.

The findings were supported by a study of Torneo, Ador R. and Mojica, Brian C. (2019), analyzed the implementation of Strategic Performance Management System across several national agencies found that employee's perception of the SPMS is influenced more on their roles and familiarity with the systems than by their length of experience. For instance, supervisory personnel tended to have more favorable view of SPMS, likely due to their involvement in setting performance targets and implementing the system within their units. In contrast, administrative and technical staff exhibited varying levels of agreement, often stemming from concerns about

transparency, objectivity, and trust in the evaluation process.

Table 15. *Test of significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to the length of experience*

Variable	Mean	F	p-value	Interpretation
Less Than 5 Years	3.61			
5 – 10 Years	3.41			
11 – 20 Years	3.99			
21 – 30 Years	3.48			
30 Years and Above	3.60			
SS between		1.748	0.152	Not Significant
DF between		4		
MS between		0.549		
SS within		17.910		
DF within		57		
MS within		0.314		

These findings also suggest that the length of experience does not significantly affect employees' perceptions of performance management system. Instead factors such as role within the organizational level of engagement with the systems and clarity of communication play more substantial roles in shaping these perceptions.

Table 16 shows the significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to monthly income.

Table 16. *Test of significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to monthly income*

Variable	Mean	F	p-value	Interpretation
Below PHP 25,000.00	3.67			
PHP 25,001.00 – PHP 40,000.00	3.58			
PHP 40,001.00 – PHP 60,000.00	3.41			
PHP 60,000.01 and Above	3.72			
SS between		0.369	0.775	Not Significant
DF between		3		
MS between		0.126		
SS within		19.730		
DF within		58		
MS within		0.340		

Table 16 shows that when the respondents are grouped according to their monthly income, there is no significant difference in the performance management system in the Local Government Unit, with an F-value of 0.369 and a p-value of 0.775. This emphasize that monthly income is not only a factor that influence the performance of LGU employees, it also considers other factors like work-life balance, and leadership play a role. In addition, other factors, such as autonomy in decision-making, good leadership, also play a crucial role in employee motivation and job satisfaction.

The above findings were backed up BInghay, Gumiran, and Binghay (2003) which analyzed various demographic variables, which may include income levels, did not exhibit a significant difference with performance management system practices. While this study does not explicitly state the impact of income levels on the effectiveness of PMS of the lack of significant association between most demographic variables and PMS practices suggest that income may not play a pivotal role in the implementation or effectiveness of performance management system within the organization.

Table 17 shows the significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to civil status.

Table 17 shows that the performance management system in the Local Government Unit, when the respondents are grouped according to civil status, has no significant difference, with an F-value of 0.179 and a p-value of 0.910. This means that there is no evidence in this study to say that civil status is a significant of work performance of employees in the LGU.

These findings coincide with the study of Nwangzu, Chiyan Lucky (2017) revealed no significant differences in perceived organizational justice and perceived organizational support between married and unmarried employees, including that marital status did not influence these aspects of work performance and attitudes.

On the other hand, another study supported the results of the findings of this study. According to Babao, Mariza R. and Lomarda, Elpedio Y. (2025) found that these were no significant difference when the employees were grouped according to various demographic

factors, including marital status. This suggests that marital status did not influence the performance levels of employees in this context.

Table 17. *Test of significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to civil Status*

Variable	Mean	F	p-value	Interpretation
Single	3.68			
Married	3.63			
Widow/Widower	3.85			
Separated	3.55			
SS between		0.179	0.910	Not Significant
SS within		19.923		
DF between		3		
DF within		58		
MS between		0.062		
MS within		0.343		

The results of Tables 12 to 17 provide evidence not to reject the null hypothesis, as there is no significant difference in the performance management system in the Local Government Unit when the respondents are grouped according to age, educational attainment, length of experience, income, and civil status.

In overall the study highlights the importance of work environment, leadership styles, supervision, and work-life balance are more significant determinants of employee performance. Poor work environments, inadequate supervision, and lack of work-life balance can negatively impact employees motivation and productivity. In addition, demographic profile might be related to certain aspects of work ethics but not necessarily to the overall level of work performance.

Conclusions

In light of the findings, the following conclusions were drawn:

The workforce of the Local Government Unit was predominantly composed of female employees. Most respondents were within the middle-age group, suggesting that the majority were still relatively young and highly capable. In terms of educational attainment, a significant number had completed a college degree. The majority had less than five years of service, indicating that many employees were relatively new entrants to government work. Their income levels mostly ranged from below to PHP 25,000.00, implying that most occupied first-level positions. Additionally, most of the employees were married.

The extent of implementation of the performance management system was found to have a positive impact on employees' performance. The greater the extent of the system's implementation, the higher the level of performance as perceived by the employees.

Furthermore, the demographic profile of the respondents was found to have no significant influence on the performance management system within the Local Government Unit. Thus, employees' demographic characteristics such as sex, age, educational attainment, length of experience, income, and civil status were not related to their perceptions of the performance management system.

Based on the conclusions and recommendations of the study, the following suggestions are presented:

It is recommended that the Local Government Unit (LGU) of Cabanglasan, Bukidnon, consider reorganizing its structure to enhance or update the current staffing pattern. Such a reorganization may help increase employee compensation and further motivate employees to exert greater effort and commitment toward organizational goals.

A review of the performance management system, particularly the existing arrangements with the employees' union, may also be considered. Fostering an environment of transparency and open communication could enhance the system's effectiveness. It would be beneficial to identify situations where employees may feel uncomfortable and to explore strategies for addressing psychological barriers to effective performance appraisal. These efforts may involve clarifying the performance appraisal process, providing avenues for regular performance feedback, and offering continuous training programs to support employees in improving their work outputs.

It is also suggested that management-related activities be made accessible to all employees, irrespective of personal characteristics such as sex, age, or civil status, as these factors were found to have no significant influence on performance.

Moreover, any initiatives aimed at evaluating or enhancing employee effectiveness may be designed without differentiation based on demographic profiles, ensuring inclusivity and fairness in employee development efforts

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