

## **Effects of Performance-Based Bonus on Employees' Productivity and Motivation in a State College, Philippines**

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**ABSTRACT** Productivity in the workplace is imperative. Employees as an asset in every organisation need to be rewarded for their meritorious services. This study analyses the effects of Performance-Based Bonus on employees' productivity and motivation and identifies challenges that hamper the implementation. Using descriptive research, the test of significant difference was computed using Chi-Square to test the responses of two groups of respondents. The researcher concluded that a Performance-Based Bonus is a positive driver towards employees' motivation and productivity. The amount of Performance-Based Bonus granted to qualified employees significantly impacts an employee's motivation. Proactive institutional drive leads to affirmative performance, while challenges are associated with a systemic lapse in planning, monitoring, and implementing programs, projects, and activities and a lack of human resources. To enhance and/or sustain PBB compliance, SUCs must strengthen the institution's mechanism in planning, monitoring, and evaluating targets and develop methods to improve performance and replicate tested good practices from other SUCs on PBB implementation.