

Performance Management

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Why a Performance Management System (PMS)?



- What gets measured gets done
- If you don't measure results, you can't tell success from failure.
- If you can't see success, you can't reward it
- If you can't reward success you are probably rewarding failure
- If you can't recognise failure, you can't correct it.
- If you can't demonstrate results, you can't win public support (Osborne & Gaebler, 1992).



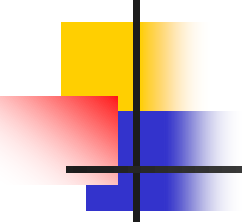
What makes PMS important?

- Ensure effective delivery of services
- Strengthen accountability systems
- Plug loopholes in implementation



Second Administrative Reforms Commission(2nd ARC)

- “Performance management is the systematic process by which the organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organizational mission and goals”.

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- A comprehensive performance management system is often missing in governmental organizations.
 - This is one of the reasons why these organizations focus more on outputs than on outcomes.
 - Performance management is strategic in that it is about broader issues, long term goals and integrated as it links various aspects of the business, people management, individuals and teams.



Processes of PMS - cyclic in nature

- Planning work and setting expectations
- Monitoring performance
- Developing the capacity to perform
- Rating performance
- Rewarding good performance



PMS – Conventional Tools

- Budgetary exercise, annual reports published by the Ministries/Departments, performance budgets and the outcome budget.
- Ministries and Departments of government have varying practices of periodically reviewing their organizational performance.
- Special studies are also commissioned from time to time.



Performance management and Performance Appraisal

- Performance appraisal is one component of the Performance management cycle and is the process of assessing an employee's performance in the current position.
- 'Appraisal' is an annual affair while performance 'management' is a year round activity.
- Appraisal focuses on ratings while 'management' focuses on the work, the stakeholders, service levels, productivity, motivation etc.

What does Performance Measurement track?



- processes - compliance to formal rules
- results - use of inputs, outputs produced or policy goals achieved or
- more complex ratios - efficiency, productivity, effectiveness or cost effectiveness
- Also involves the design of balanced and well calibrated key performance indicators, supported by a good Management Information System.

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The PMS process has two clear objectives

1. The Evaluation Objective

- Evaluating and assessing the readiness of an individual to accept higher responsibilities
- Apprise the individuals of their current competency level and need to improve by giving them feedback
- Link competency with compensation, rewards and career development.

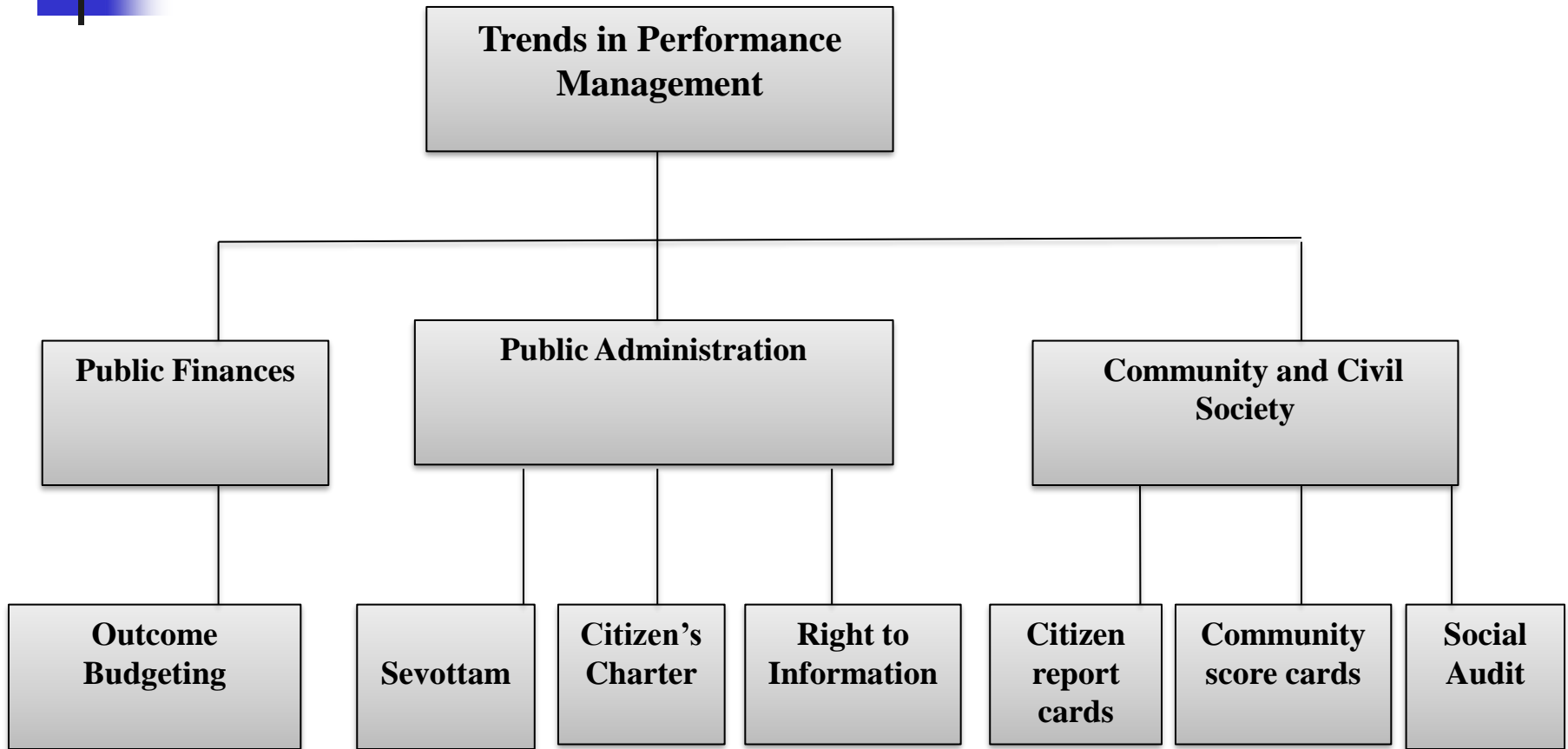
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2. The Development Objective

- Counselling the subordinates to improve their performance and upgrade their competencies
- Motivate subordinates through recognition and support
- Build rapport between superior and subordinate
- Diagnose individual and organizational competencies, so that actions can be taken on problem areas
- Define the training requirements based on individual competencies.



Trends in Performance Management





Public Finance

- Outcome budget, as a performance management tool, helps in better service delivery, decision-making, evaluating programme performance and results.
- It is a progress card on what various ministries and departments have done with the outlays announced in the annual budget.



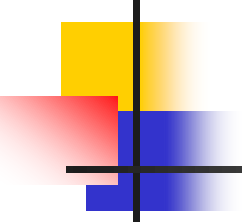
Public Administration

- **Sevottam:** The Department of Administrative Reforms and Public Grievances has introduced a model for benchmarking ‘Excellence in Public Service Delivery’. This is a framework for organizations to assess and improve the quality of service delivery for the citizens.
- **Citizen’s Charter:** a declaration by the agency or department providing public service to specify the standards of service delivery and avenues for redressing grievances.
- **Right to Information (RTI) Act** - new paradigm in accountability – citizens have access to information which is under the control of public authorities

Civil Society Initiatives in Performance Management in Government



- **Citizen's Report Card (CRC):** surveys that solicit user feedback on the performance of public services to enhance public accountability.
- **Community Score Card (CSC):** community based monitoring tool to extract social and public accountability and responsiveness from service providers
- **Social Audit (SA) :** mandatory process of transparency whereby records are placed by government officials or elected representatives for public scrutiny.

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- Performance management tools by themselves do not create sustained high performance. It is important to create an environment conducive for effective and efficient performance with a system of rewards and punishment, besides building capacity at all levels of government to get results.

Performance Monitoring and Evaluation System(PMES) - 2009



- Takes a comprehensive view of deliverables through:
- Design of Results Framework Document (RFD)
 - beginning of the year by each department with the approval of the minister concerned
- Monitor progress against agreed targets -During the year-after six months
- Evaluate performance against agreed targets – end of the year

Results Framework Documents (RFDs)

- Section 1: Ministry/department's Vision, Mission, Objectives and Functions
- Section 2: *Inter se* priorities among key objectives, success indicators and targets
- Section 3: Trend values of the success indicators
- Section 4: Description and definition of success indicators and proposed measurement methodology
- Section 5: Specific performance requirements from other departments that are critical for delivering agreed results
- Section 6: Outcome/ impact of activities of department/ministry.

Thrust on Monitoring



■ PRAGATI

- Pro-Active Governance And Timely Implementation - monitoring and reviewing important programmes and projects of the Government of India as well as projects flagged by State Governments.

■ eSamikSha

- real time, on-line system for monitoring of follow-up action on the decisions in meetings.

■ eSuvidha (Project Management System)

- to fast track the approvals for setting up and commissioning of large public, private and PPP Projects and to remove implementation bottlenecks in these projects.



Employees' Performance

Performance Appraisal in India

- **Annual Confidential Report(ACR)**

- It judges the performance of officers every year in the areas of their work, conduct, character and capabilities.
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- **APAR (Annual Performance Assessment Report)**

- A Modified Performance Appraisal System for the All India Services and Central Services, which promises greater transparency, interactive appraisal and job specific appraisal formats.

- **7th CPC recommended-** non-performing Central government employees will not get annual increment if their performance is not up to the mark

- Benchmark for performance appraisal for promotion and financial upgradation has been enhanced to “very good” from “good” level
- Withholding of annual increments in the case of those employees who are not able to meet the benchmark either for MACP((Modified Assured Career Progression) or a regular promotion within the first 20 years of their service.

Online Portals for Performance Assessment



- **SPARROW** -Smart Performance Appraisal Report Recording Online Window - a portal to take the appraisal process online.
- **Online Probity Management System** – commonly known internally as the Probity portal – to monitor the integrity and performance of officers across ministries.
- **‘Solve’** - a system for online vigilance enquiry for board-level appointees.

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- To look into the performance of all officers who have either turned 50 years of age or 55 or have been in service for 30 years to take a call on whether they should continue or compulsorily retired
- The DoPT has recently extended 'Sparrow' from just the IAS cadre to 13 cadres, including the central secretariat services (CSS).
- Probity and SPARROW to work in conjunction with each other



360 Degree Evaluation - also known as “multi-source feedback”

Getting feedbacks from multipurpose sources which include:

- Self
- Superiors
- Peers
- Subordinates
- Internal Customers
- External Customers
- Others



Perform or Perish

- ToI, Dec 17, 2015 - Modi government dismissed, removed or compulsorily retired 13 bureaucrats and imposed pension cut on 45 others for unsatisfactory performance and delivery in public service.
- HT, Jul 25, 2017 - DoPT took actions such as premature retirement and cut in remuneration against 381 civil services officers, including 24 from the Indian Administrative Service (IAS) officers, for being non-performers and allegedly being involved in illegal activities.
- Government invoked clause J of rule 56 of the fundamental rules to dismiss 12 IRS officers in June 2019.
- Instructions exist on the need for periodical review of the performance of officers with a view to ascertaining whether they should be retained or retired from service in the public interest.

Pre-requisites for Implementing an Effective Performance Management System

- Strong commitment from top management.
- Clear definition of what constitutes performance in a given role. This emanates from the objectives of the department and the organization.
- Identification of performance parameters and definition of Key Performance Indicators (KPIs). What comprises the performance has to be communicated to the individual, so that he/she has an idea about what the superior's expectations are.
- Adequate organizational training to be provided to the individual to achieve superior performance.



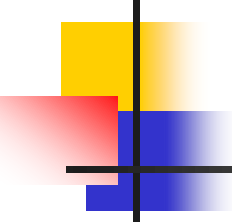
PMS – A Holistic Process

- Bringing together many activities which collectively contribute to the effective management of individuals and teams in order to achieve high levels of organizational performance
- Performance management systems are critical to achievements of the organisational goals.



Quiz

- (1) Which of the following is a mandatory process of transparency whereby records are placed by government officials or elected representatives for public scrutiny?
- (a) Community Score Card
 - (b) Social Audit
 - (c) Citizen's Report Card
 - (d) Right to Information Act



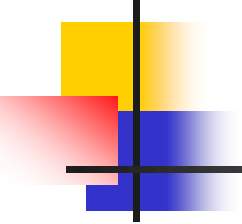
(2)..... indicates a model for benchmarking ‘Excellence in Public Service Delivery

(a) Sevottam

(b) Citizens Charter

(c) Results Framework Document

(d) Probity portal



(3)-----monitors and reviews important programmes and projects of the Government of India as well as projects flagged by State Governments.

(a) eSamikSha

(b) eSuvidha

(c) PRAGATI

(d) SPARROW

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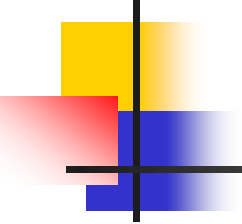
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