

Government of Pakistan
Institutional Reform Cell

WORKING PAPER

(1) ON PERFORMANCE MANAGEMENT SYSTEM

One of the most critical challenges faced by civil service in Pakistan is the lack of an open and credible system of performance management. The present Annual Confidential Report (ACR) is the main tool to measure the performance of civil servants. This tool however is not designed to reflect accurately on how well civil servants perform their job roles or to what extent they achieve their or their organisations' performance objectives. This system is also considered to be quite subjective with personal likes and dislikes taking precedence over concrete performance outcomes. Lack of motivation, apathy towards the job and inefficiency are a direct outcome of this scenario.

2. There have been several attempts at improving the performance appraisal system of the civil servants. NCGR in its report recommended a clear, transparent and coherent system of performance evaluation which could converge the individual and institutional professional outcomes. Some of the recommendations of NCGR were to move towards an open and transparent appraisal system, ensuring that post holder and reporting officer are clear about the objectives of the exercise. In addition, factors such as the lack of recognition of significant achievements and successes were also pointed out for their impact on performance. Effective performance management was seen as having linkages with the training needs of the workforce, promotion and annual increment. Similarly it was proposed that there should be consistency in the appraisal process, so that personnel across departments were monitored using the same criteria. The entire system was seen as leading to an informed decision making to ensure that the relevant courses and training were made available to individuals and teams, while ensuring value for money.

3. Subsequently, performance management received some attention in Pakistan 2nd Governance Forum held in 2015 which dealt with a broader aim of civil service reform. Performance appraisal was recognized as critical to improving the quality of human resource. A

model was proposed to be incorporated in the Annual Confidential Reports (ACRs) of the officers of the Basic Pay Scale 17 and 18 for the year 2016. The mechanism was envisaged to be based on the Key Performance Indicators (KPIs) accompanying specific tasks. The system was proposed to be rolled out to all grades of government servants gradually. This proposal however could not be approved. The only concrete proposal that did get through was to increase the weightage of performance at training institutes from fifteen to thirty five percent.

4. MoPDR signed a four year programme titled "Reforms and Innovation in Government for High Performance" with UNDP in 2015. A significant feature of this program was to develop ministry-specific performance contracts through defining vision; setting goals; translating goals into objectives; defining KPIs and setting metrics and measures. Consequently, KPIs were developed for key offices in the Establishment Division. In line with the emerging international trends of performance based government, performance contracts were prepared for eleven ministries. However, no consensus could be developed regarding these performance contracts and hence no proposal saw the light of the day.

5. The point that needs to be highlighted is that an effective management of each player's individual performance is the first step towards broader strategic performance dividends. There are no clear criteria under the current system which can identify below standard awareness or concern for the organizational goals or the wider strategic aims of government and its public administrations by the civil servants. This will continue to hamper Pakistan's developmental goals and its strategic objectives.

6. It is accordingly recommended that the Task Force may like to approach this issue from a dual angle of individual and organizational performance management. For individual performance evaluation, an open, transparent and quantifiable set of criteria needs to be introduced. For the organizational objectives, the system of performance contracting similar to what is being considered already may be further refined and given broader application. Civil service appraisal system has to move towards the concept of performance appraisal on the basis of outcomes observed over a period of time. Various tools including the 'Bell Curve' appraisal system can be used to identify tiers of performance and take remedial measures.

7. The task force is requested to assign the review of this working paper to a sub group. A recommended approach is:

- Take stock of the existing ideas, proposals and plans for individual and institutional performance management.
- Select a sub-set of these ideas and proposals on the basis of their relevance and applicability.
- Examine the already drafted performance contracts and hold consultations with relevant stakeholders for the possibility of their immediate implementation
- Review the existing system of civil servants' performance evaluation and make recommendations for its improvement in terms of transparency and performance outcomes.
- Examine the existing KPIs developed for the Establishment Division officers and forms developed by other organizations to design a roadmap for developing KPIs for remaining departments in a phased manner.
- Present its findings to the entire task force and revise recommendations on the basis of its feedback.

8. Dr. Samina Zehra will assist the sub-group in carrying out this