7. PERFORMANCE MANAGEMENT SYSTEM

7.1 The introduction of Performance Management System (PMS) overshadows many a reform initiative in the Public Sector. In this Chapter, we elaborate on the general philosophy of the Performance Management System as enunciated in successive PRB Reports since 1993; the implementation problems as revealed by our survey; the need to simplify the PMS process; the role of the Ministry of Civil Service and Administrative Reforms (MCSAR); the Development Focus of Performance Management; the Performance Management Measurement System and the Reporting System to Public Service Commission, so that necessary steps are taken to sustain and build on the success so far achieved.

7.2 Performance Management is a strategic management approach for monitoring how a business is performing. It sets the methodologies, metrics, processes, systems and software (if any) which are used for monitoring and managing the performance of an organisation and its people. It links people to organisations.

7.3 Performance Management provides for a holistic total approach to engaging everyone in the organization in a continuous process to improve their performance and ultimately the performance of the whole organization. It is a route to fulfilling many HR functions as well. Performance Management is also about helping people to understand how they contribute to the strategic goals of the organisation ensuring that the right skills and efforts are focused on the things that really matter to the organisation and which will make an impact on organisational performance. It helps to develop the capacities of teams and individuals. Performance Management, development of people and performance of organisation are inextricably linked into a system.

7.4 It is designed to improve performance by understanding and managing performance key results within an agreed framework of planned goals, objectives and standards. It provides the opportunity to identify development needs of employees as well as a basis for reward. Performance Management enlists the participation of employees in the whole performance process and in the words of Michael Armstrong ***"is based on the simple proposition that when people know and understand what is expected of them, and have been able to take part in forming those expectations, they can and will perform to meet them".***

7.5 The Bureau, in its 1987 Report, stressed on the need for performance to be constantly reviewed and for the design of an improved appraisal system which involves the officer concerned and the immediate supervisor. The Bureau's Report in 1993 noted that "In this context, the Steering Committee of the Public Sector Management Improvement Programme appointed a sub-committee made up of representatives of the Ministry of Finance, the Ministry of Civil Service Affairs and Employment, and the Pay Research Bureau to work on the review of the Performance Appraisal System." The 1993 Report further noted that it was

"imperative that the confidential report form be revised, as an **effective performance appraisal system** is an essential component of government's efforts to increase productivity in the public sector in general."

7.6 In 1994, the MCSAR introduced the PMS on a pilot basis in the Ministries of Agriculture, Health, Foreign Affairs, and Civil Service Affairs. The Bureau's 1998 Report noted however, that while there is willingness on the part of management to install the PMS on the one hand, this intent was usually accompanied by a lack of trust and conviction on the other. The Report, therefore, concluded with the strong recommendation to replace the Confidential Report by an appropriate appraisal system. The Report further recommended the introduction of a Work Planning and Review Scheme, as well as the setting up of a Central Performance Management Committee.

7.7 Our 2003 and 2008 Reports continued to lay emphasis on the need for the implementation of the PMS with a view to instilling a holistic performance culture across the Civil Service. In the 2008 PRB Report, it was highlighted that the two landmark programmes, Programme Based Budgeting (PBB) and the Performance Management System (PMS) are complementary and essential parts of the same vision. Both programmes aim at focusing resources on results rather than inputs.

7.8 The 2008 Report provided extensive recommendations and steps for ensuring total implementation of the PMS across all the Public Sector. The Report also explicitly recommended sunset limits for the confidential report and the adoption of Performance Appraisal Reports by the Public Service Commission (PSC) as from January 2013. It is concluded that the PMS will henceforth, form the basis of work planning, work assignment and management, as well as become an instrument for assessing employee contributions across all the Ministries/ Departments/Organisations in the Public Sector.

7.9 The Bureau is convinced that because of the general recognition of the centrality of the PMS in human resource management, and especially given the long-standing efforts dedicated to the inception of this concept in the Mauritian Civil Service, the question is definitely no longer whether Ministries and related organizations should institute the PMS. The present and real challenge is how to enhance and internalize the system. Unfortunately, the literature as well as practice show that while it can be easy to design an appropriate Performance Management System, it is always difficult to effectively implement the system. This is why and how the Bureau found it essential to conduct an extensive survey on the implementation of the PMS within Ministries in January 2012.

PRB Survey on PMS Implementation in the Public Sector (January 2012)

7.10 We understand that a comprehensive study is being carried out by Consultants to examine the effectiveness of the implementation of PMS across all organizations in the public sector. This comprehensive study is being conducted under the *aegis* of MCSAR. As noted earlier, however, the Bureau conducted a survey in January 2012 for the purpose of the Review exercise on the introduction and implementation of the PMS in the Public Sector. We considered this survey an essential step because data from the exercise constitute objective input to the formulation of appropriate recommendations for this Report.

Scope and Methodology

7.11 The survey focused on PMS design, training for appraisers and appraisees, implementation, integration of PMS into existing HR processes, and use of PMS in organizational processes.

7.12 The target population for the survey were mainly Heads of Ministries/ Departments (including the Rodrigues Regional Assembly), Chief Executives of Parastatal Bodies, and Heads of Local Authorities.

7.13 Primary data from the survey were compiled using the Statistical Package for Social Survey (SPSS). Our software enabled the use and derivation of in-depth analysis and trends covering percentage distributions, charts, frequency, and dispersion of results.

7.14 179 organisations were invited to participate in the survey and 91 (51%) completed and returned their questionnaires. The returns came through postal mail, fax and e-mail.

7.15 35 respondents (38%) were from the Civil Service while 48 (53%) were from Parastatal Organisations. The remaining 8 (9%) respondents were from the Local Authorities.

Survey Findings and Analysis

7.16 PMS Design: Half of the respondents reported the involvement of employees at all levels in the design of their respective PMS. Most of the other organizations reported engaging management and HR (38%), top management only (16%), or HR only (14%) in their PMS design efforts. 55 respondents (60%) also indicated that the current PMS assessment forms satisfy their respective organisations.

7.17 **Training on PMS*:*** 68 respondents reported provision of some form of training for appraisees. Also, 72 organizations reported training for appraisers. The preponderant methods of training were in-house training, workshops and seminars. Only 1% of respondents reported sending any staff to a PMS training programme overseas.

In cases where formal training was not provided to appraisers and appraisees, measures taken to increase awareness of the PMS included briefings through staff meetings, periodic meetings to align staff to organization objectives, sensitisation campaigns, requests to the Ministry of Civil Service and Administrative Reforms (MCSAR) for direct assistance, and production and distribution of brochures and guides on the PMS.

7.18 **Implementation:** Only 34 respondents (37%) reported having fully implemented the PMS in their organizations. 11 other organizations reported having reached the stage of performance review and feedback. The majority of the rest were either at the beginning stages of consultations and sensitization of employees, or finalization of strategic plans.

7.19 **Integration of PMS into HR Processes:** 71 organisations (78%) favoured the integration of PMS into other HR processes. 43 of these had attempted to align their PMS processes with their respective development plans and activities.

7.20 **Integration of PMS in strategic mission and goals:** 24 respondents reported the establishment of performance standards within the framework of the PMS. 21 respondents reported being able to derive team/unit goals and objectives through the PMS. Only 15 organizations (16%) reported being able to use performance measures in improving service delivery, learning or development.

Trends and observations

7.21 This survey provided a picture of the PMS in the Public Sector and furnished data on the extent of PMS implementation. It further unveiled implementation challenges.

7.22 The survey also revealed that the advantages of the PMS in promoting corporate or organizational aims were not clear to staff who were not convinced about how an effective PMS links with their individual career and promotion prospects. 23% of responding organizations in the survey reported having been able to use the PMS as basis for their training plans or for promotion purposes.

7.23 **Others stressed that the Confidential Report (CR) is still the effective tool for** making recommendations to the PSC. Some respondents highlighted that PMS forms in current use needed to be simplified and realigned to present-day demands. These respondents indicated that PMS process and practice in some organizations appeared to be significant effort aimed only at satisfying formalities, not real management challenges. Finally, others rightly pointed out that any realistic and meaningful change process required time and dedication, and that focus and dedication would be required especially on the part of senior management to make the PMS process work.

Role of Ministry of Civil Service and Administrative Reforms (MCSAR)

7.24 The MCSAR has been instrumental in steering the Performance Management System, so far, in the public service. It is the coordinating Ministry and all other Ministries/Departments look upon it for appropriate guidance and assistance to implement, run and maintain the system. The MCSAR has further put in place an institutional framework to facilitate and coordinate the implementation of the PMS that features the following arrangements:

(i) appointment of a PMS Facilitator, normally an officer of the HR cadre from the Ministry/Department concerned, to help coordinate the project under the guidance of a PMS Coordinator from MCSAR;

(ii) a PMS Steering Committee chaired by the Supervising Officer of the Ministry of Civil Service and Administrative Reforms and comprising the Finance Secretary and other officers co-opted on a need basis to address major implementation problems reported by Supervising Officer; and

(iii) a PMS Monitoring Committee set up at the Ministry/Department level under the Chairmanship of the respective Supervising Officer/Head of Department who pledges full commitment of Management to drive the project and is fully and wholly responsible for the performance of his Ministry/Department. The Supervising Officer is supported by the Manager, Human Resource, the Manager, Financial Operations, the PMS Coordinator from the Ministry of Civil Service and Administrative Reforms the PBB Coordinator, Ministry of Finance and Economic Empowerment and In-house Facilitators of the Ministry/Department.

The Way Forward

7.25 The Civil Service has invested considerable effort and premium in the PMS mainly, over the last decade. This dedication is bearing fruit. However, there is still much ground to cover. What we need therefore, will not be a litany of recommendations. We shall also not attempt to rehash extensive compilations of principles and processes of best practice of PMS. As noted earlier, PRB Reports, over the last few cycles, have comprehensively addressed these issues. We shall mainly focus on a few, but critical strategic levers for going forward.

Recommendation 1

7.26 We recommend that Ministries/Departments/Organisations should continue to align individual and organisational objectives (synergising of PMS and PBB), develop performance indicators both to track achievements of their performance or programme goals and individual performance and report thereon for budget and human resource purposes by October every year.

7.27 Advanced organizations use formal and sometimes distinct processes for gathering information on services provided. Systematic feedback may be sourced from other key players such as customers, clients, subordinates, team members and other parties who may be identified during the work planning stage. Further, customer service surveys have been used to improve achievement of goals and performance objectives.

Recommendation 2

7.28 We recommend that regular customer service surveys be carried out to track the degree of dissatisfaction from stakeholders on namely: (a) timeliness in the provision of services; (b) competency of staff in delivery; (c) effectiveness of services delivered; (d) fairness during process; and (e) courteousness while going the extra mile, for improving services.

The Development Focus of PMS

7.29 It is important, at this stage, to also become aware of the significance of the development aspects of the PMS which is about learning at the organizational, team and individual levels. Development needs and wants have to be identified in performance management processes by individuals on their own and by supervisors. **Employees view career development programmes as a path to upward mobility while the organisation sees it as a retention and motivational tool, as well as a tool for succession planning.** Individuals can make their own assessment of their personal development needs to get more satisfaction from their work to advance their career. On the other hand, organizations can focus and commit themselves towards development of their staff as it provides value creation, equips employees with relevant skills and knowledge and facilitates the organisation's objectives of showing a well articulated, growth oriented and flexible career path to its employees**.**

7.30 The introduction of personal development planning should not be undertaken lightly. It is not just a matter of designing a new back page to the performance appraisal form and telling people to fill it up. Neither is it sufficient to issue guidance notes and expect people to get on with it.

7.31 It is difficult for an officer to genuinely seek guidance on developmental aspirations from a manager while the rating of his performance is being carried out at the same instance.

Recommendation 3

7.32 We recommend that organisations focus on development programmes to:

(i) equip people to deliver on the strategic organisational objectives;

(ii) motivate people to give their best;

(iii) support succession planning, career and personal development;

(iv) provide capability in terms of knowledge, expertise and experience; and

(v) provide a basis for continuous improvement, sustaining contributions and setting examples for all employees.

7.33 We also recommend that end-of-cycle performance management should focus on work agreements and feedback on performance, while the mid-cycle reviews focus on individual career aspirations of officers and discussions on possible learning and development.

Key Stakeholders

7.34 It is important to highlight the critical roles and expected contributions of some of the players in the PMS arena. The Key PMS players comprise, among others, the Ministry of Civil Service and Administrative Reforms (MCSAR), CEOs and Heads of Ministries, Management Teams, and individual officers and the Unions.

7.35 The Performance Management System enjoys leadership from the Prime Minister, the Ministry of Finance and Economic Development and Secretary to Cabinet and Head of the Civil Service. However, the MCSAR has been instrumental in steering the Performance Management System this far in the public service. It is the coordinating Ministry and all other Ministries and Departments seek guidance and assistance from the MCSAR.

7.36 It is imperative that the MCSAR should continue in this facilitating and coordinating role and provide support and guidance to other organisations including Parastatal Bodies and Local Authorities.

Recommendation 4

7.37 We recommend that the MCSAR should continue to play its leadership role in implementing the PMS in the whole Public Sector.

7.38 We further recommend that Union Members/Staff should form part of PMS/Development Committees particularly in those committees set up to update the PMS Forms.

7.39 We also recommend that parent Ministries should ensure the timely implementation and monitoring of the PMS in Parastatal Bodies falling under their aegis.

7.40 We additionally recommend that, as a matter of priority, the MCSAR develops or updates existing learning modules to cover PMS topics such as "*essential steps in establishing the PMS, conducting performance reviews, giving performance feedback, and dealing with poor performance, defining objectives, accountabilities and key results, identifying and using performance management measures; coaching and guiding for Employee Engagement.*"

7.41 The learning modules listed at paragraph 7.40 above are neither prescriptive nor exhaustive. The key message is that technical experts in the MCSAR should prepare modules which enable organizations to establish their respective PMS programmes quickly and efficiently.

Recommendation 5

7.42 We recommend that the MCSAR, in consultation with all stakeholders – particularly the union members, reviews the PMS and Appraisal forms with a view to making it simple and user friendly and, more fundamentally, the form should be designed to enable transition to digital and automated systems.

7.43 We further recommend that the relevant authorities consider the advisability of devising a distinct Performance Appraisal Form for Chief Executives and Heads of Ministries/Departments/Organisations in the Public Sector.

Chief Performance Officer (CPO)

7.44 We are, in this Review, introducing the concept of Chief Performance Officer for the implementation of the PMS. At present, in accordance with the Ministry of Civil Service and Administrative Reforms' guide to PMS, there is a provision for a PMS Monitoring Committee to be set up in each Ministry/Department to ensure its effective implementation. The Committee is chaired by the Head of Ministry/Department or a senior officer delegated by him and includes, among others, the PMS and PBB Coordinators, the In-house Facilitator and staff of the Finance and HR. Our survey reveals that there is need for more commitment from the top management team. To this end, we consider that a dedicated officer from the top management team to spearhead the Performance Management System in each and every organisation would be appropriate.

Recommendation 6

7.45 We recommend that an officer should be designated to the position of Chief Performance Officer to lead the PMS implementation in each Ministry/ Department. Ideally, the Chief Performance Officer should be the Chief Executive Officer. However, an officer of the level of PAS could well be designated. The person designated should have deep knowledge of the organizational culture and have an excellent appreciation of strategic and operational planning and execution, excellent skills in helping people to choose relevant measures, implement those measures and use them in decision-making. He should also have the ability and experience to influence and inspire people to improve the organisation's performance and deliver result. He should be skilled at facilitating people through the fears and concerns and complexities, meaningfully measuring what matters.

Recommendation 7

7.46 We recommend a one-off payment of a bonus every two years equivalent to twelve times the value of the last increment read from the salary scale of the PAS to the Chief Performance Officer in an organisation which has successfully implemented PMS and has sustained it for a period of two years.

Electronic Performance Management (EPM)

7.47 An essential component of the administration of an effective PMS is the operational platform on which it is based. Currently, the PMS in the public service is paper-based. In contrast, similar systems in most parts of the world are digital and automated. Our paper-based platform places restrictions on flexibilities and our ability to effectively access or analyse data and critical information. Appropriate steps and action plans need to be developed to bring our system in line with current universal practice. Substantial and meaningful benefits will emanate from this shift. Inherent systems flexibilities will allow for easier adjustments when for example, the staff member and the manager discuss and review work plans and results. Feedback can also be easily obtained and aggregated. Computation and analysis of ratings will be easier.

Recommendation 8

7.48 We recommend the MCSAR, in collaboration with the concerned parties – the Ministry of Information and Communication Technologies (MICT), MOFED, PRB, stages and facilitates the automation of the PMS across the Public Sector.

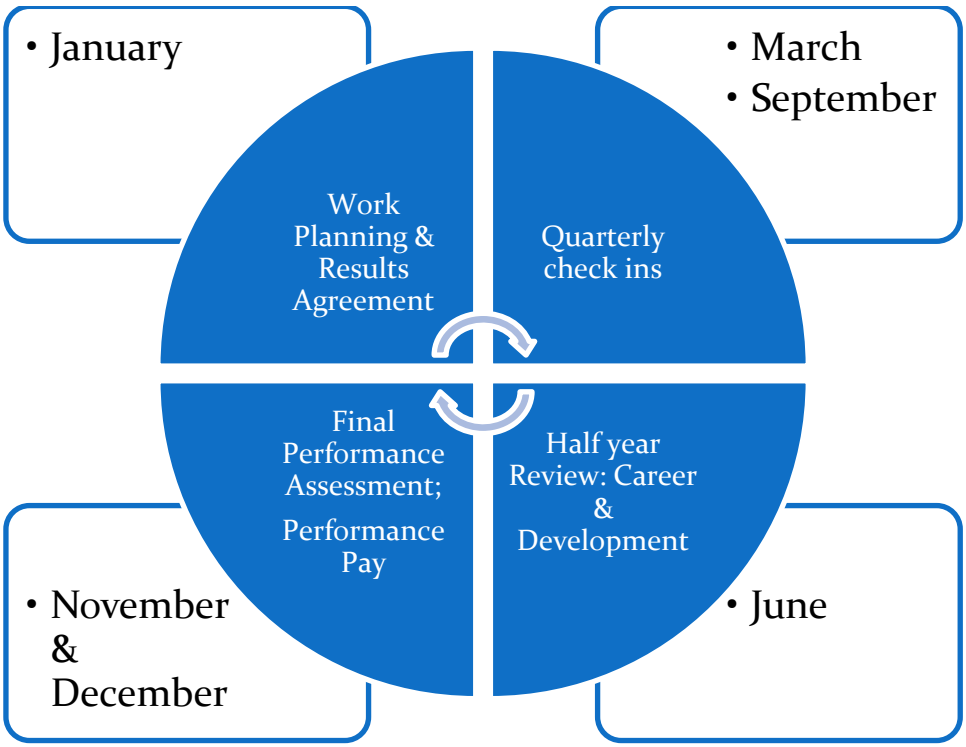
Additional Recommendations

As a Further Step

Recommendation 9

7.49 We recommend that Ministries/Departments/Organisations which have successfully implemented the PMS should, as a further step, consider the advisability of reviewing the PM Cycle on the model set out hereunder:

Key phases of the PMS in a cycle



Recommendation 10

7.50 We recommend that in addition to the mid-year review, managers should have informal discussions with individual staff to review progress at least once during each quarter.

7.51 Good **Performance Objectives** incorporate the following characteristics. They must be "SMARTER" than ever.

S - Simple/Specific – clear, unambiguous and easy to understand by those who are required to achieve them

M - Measurable – there is no point setting a target for which success cannot be gauged. They should refer to specific measures.

A - Agreed/Achievable – Performance Objectives must express specific and realistically achievable goals. There should be a "stretch" element to them (requiring effort and commitment without being out of reach)

R - Realistic – objectives must be relevant to those who will be required to meet them; staff must have enough control over their work to be able to meet their targets. Motivation will suffer otherwise

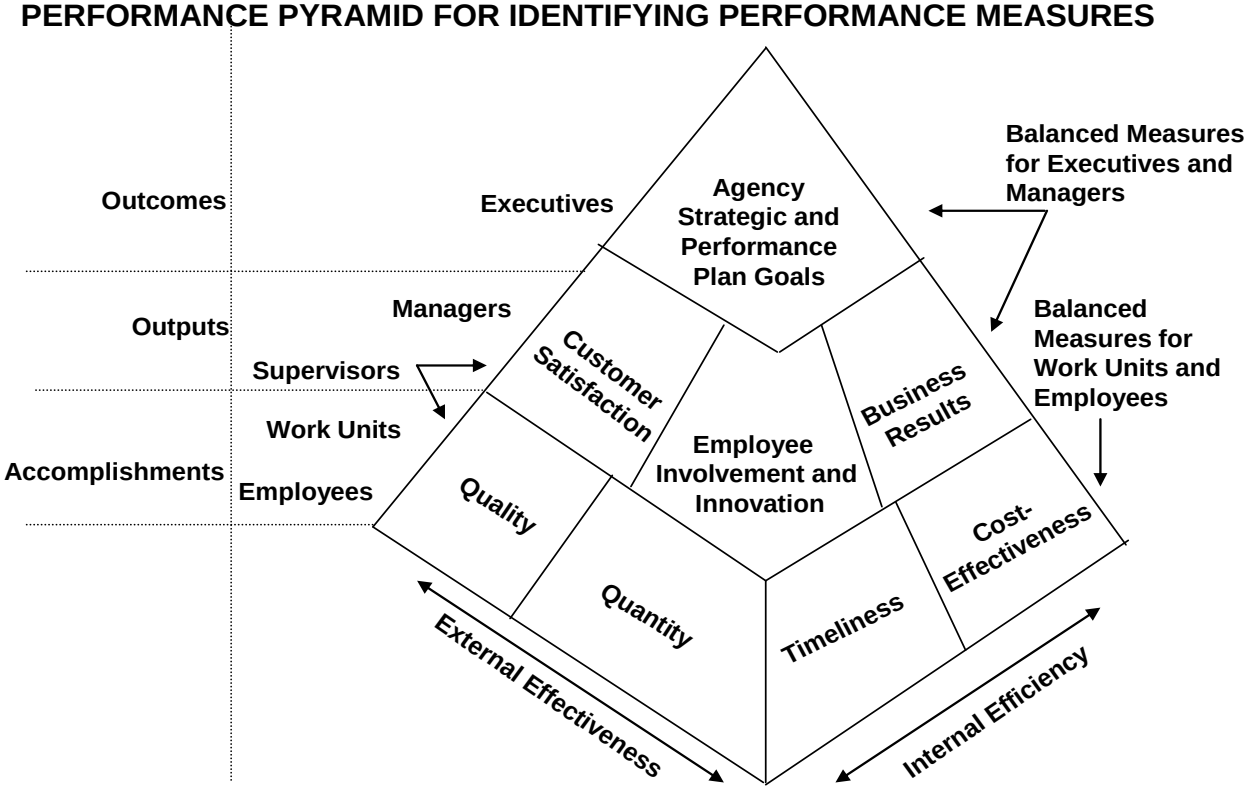
T - Time-based – there should be a set timescale for achieving a target; open-ended targets may not encourage focused effort on improving performance

E - Enhancing – Great objectives enhance growth. For example objectives should allow employees to be fully or partially engaged in new areas of work or in work requiring new skills and tools

R - Reviewed – it is good practice to review performance objectives regularly. This ensures continuous relevance and understanding.

7.52 In our 2008 Report, we presented also, a model as an appropriate template and guide for the establishment of the Performance Measurement System in the Public Sector. We are confident that this model which is reproduced below **would continue to serve as useful guidelines for performance measurement system.**

PERFORMANCE PYRAMID FOR IDENTIFYING PERFORMANCE MEASURES



COURTESY: WORKFORCE COMPENSATION AND PERFORMANCE SERVICE

Reporting System

7.53 The current form of Performance Appraisal is the Annual Confidential Report (ACR). It is statutorily required that a Confidential Report in the prescribed form be submitted to the Public Service Commission (PSC) annually in respect of every employee except those classified as manual grades. The PSC bases itself on this Report to appoint, promote and confirm employees or terminate employment and also to grant/defer/withdraw increments. Designed in colonial days, the ACR is still being used to appraise the performance of officers. The confidential reporting system of appraising performance is not result focused and it is characterized by lack of transparency, no feedback is given to the appraisees, denying them the opportunity to discuss performance improvement opportunities with their supervisor.

7.54 All this precipitated the need for a new system of appraising performance.

7.55 The Civil Service adopted an organization development approach to Performance Management and after some years of adaptation – the PMS is being run in the whole Civil Service.

7.56 For some three (3) years now, the annual Confidential Report is concurrently run at least in some Ministries/Departments/Organisations along with PMS. **As from January 2013, the Performance Appraisal System will be used solely to assess performance. As from that date and in accordance with Regulation 18 of the PSC Regulations, the Reporting System to the Public Service Commission would comprise:**

(a) the Performance Appraisal Report on the officer/s concerned, i.e. the Appraisal Form being used in the context of the PMS; and

(b) a Report on fitness for promotion on each officer concerned.

Time Line

7.57 We give, hereunder, a calendar for the implementation of the Performance Management system across the Public Sector:

No.	Actions	Date
1.	Report on achievement of performance programme goals	October
2.	Report on Customer Service Survey	Yearly
3.	Report on Development Programmes	June/July
4.	Implementation of PMS in all Parastatal Bodies and Local Authorities and Rodrigues Regional Assembly	December 2013
5.	Report on implementation of PMS to Steering Committee	Yearly/December

No.	Actions	Date
6.	Report of the Chief Performance Officer	December
7.	Implementation of Related Incentive Scheme	as from2013
8.	Review of PMS forms	December
9	Designation of Chief Performance Officer	January 2013
10	Payment of bonus to Chief Performance Officer	December 2014

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