

7. PERFORMANCE MANAGEMENT SYSTEM

- 7.1 Managing and developing people are core management functions of any modern organisation. In this perspective, Performance Management System (PMS) is designed to formalise and facilitate this process. Its main objective is to improve the organisational performance to the benefit of both the organisation as well as its employees. Performance Management improves organisational effectiveness as well as individual and team performance. The PMS processes provide means of bringing and consolidating relationship with people, identifying training and development needs as well as talent and potential planning, learning and development activities and making the most of the talent possessed by the organisation.
- 7.2 Properly carried out PMS should be seen as a means of increasing the engagement and motivation of people by providing positive feedback and recognition. It is an ongoing process between Appraiser and Appraisee whereby feedback is given and shortcomings may be addressed immediately. In fact, PMS is built on openness and expected to facilitate:
- (i) the alignment of employees on the strategic goals of their organisation;
 - (ii) systematic and proactive staff development; and
 - (iii) foster good industrial relations between supervisors and supervisees so as to develop better understanding and engagement.
- 7.3 Besides, PMS may also be used for providing HR related information, that is, identifying development as well as training needs and also to address areas of under performance.
- 7.4 Over the last Reports, the Bureau has systematically advocated for the implementation of PMS in the Public Sector in a surge of Accountability for results. This is testimony to the fact that the Public Sector is heading towards the establishment of a performance oriented culture in line with its vision for “a Professional and Modern Public Sector committed to excellence”.
- 7.5 We are aware that considerable progress has been achieved in the field of PMS in the Public Sector. However, many difficulties have been encountered/reported at implementation stage and which necessitate immediate remedial measures. In this Report, we are further consolidating the pillars on which PMS stands and we are making provision to simplify procedures and PMS forms so as to facilitate implementation and make the system user friendly and cost effective. Additionally, we are making provision for addressing the issue of underperformance. We are also reporting on Executive Performance Management Review (EPMR) for Supervising Officers of Ministries/ Departments which is being implemented on a trial basis as from

this year and revisiting PMS processes and forms for employees of the Workmen's Group.

Historical Background

- 7.6 The introduction of the concept of performance dates back to more than two decades ago. Since 1987 the Bureau has drawn the attention for performance to be reviewed regularly and for the design of an improved appraisal system. Consequently, the Steering Committee on the PMS Improvement Programme appointed a Sub-Committee to work on the review of the Performance Appraisal System as it was an essential tool to increase productivity in the public sector in general.
- 7.7 Since then, we have in successive Reports, highlighted the benefits of PMS to the employee and to the organisation as well. As from 1994, the Ministry of Civil Service and Administrative Reforms implemented PMS on a pilot basis at the Ministry of Agriculture & Food Security, Ministry of Health & Quality of Life, Ministry of Foreign Affairs, Regional Integration and International Trade and the Ministry of Civil Service & Administrative Reforms. However, it was observed that PMS being a new system, there was a reluctance to change. We also then recommended the replacement of the System of Confidential Reporting by an appraisal system. Performance Management and the appraisal system were strongly resisted. It was reported that cultural differences, perceptions of favouritism, biased ratings were impediments in the implementation of the system.
- 7.8 In an attempt to instil a performance culture across the public sector, the Bureau has in its 2003 and 2008 Reports advocated for the implementation of a PMS. In 2008, the Bureau made recommendations to facilitate the implementation of PMS in the public sector. It further recommended the phasing out of the CR and the adoption of Performance Appraisal Reports by PSC as from January 2013. Ultimately, the CR which was so criticised for its opaque characteristic, was replaced by the more transparent PMS system since January 2013 and as from that date the reporting system to the PSC would comprise:
- (i) the Performance Appraisal Report on the officers concerned; and
 - (ii) a Report on fitness for promotion on each officer concerned.
- 7.9 This recommendation was in fact made in the 2008 PRB Report which also contained an array of other recommendations and steps to ensure the effective implementation of PMS across the Public Sector.
- 7.10 After attaining this first milestone, other objectives are being targeted. These pertain to measures meant to further facilitate the implementation process and for generating HR related information which is crucial in decision making in certain instances.

PMS – A Practical Managerial Tool in the Public Sector

- 7.11 As we have stated earlier PMS should be used more as a development tool to improve organisational effectiveness and performance of employees. The whole process should be simplified and made understandable.
- 7.12 PMS has the characteristic of being transparent. It is not based on fault finding. It is rather an exercise meant to improve employees' as well as organisational efficiency through identification of performance gaps and providing thereto related training. It should be seen more as a formal or informal conversation between the appraiser and appraisee where attainable goals are discussed and agreed. Regular informative and easily interpreted feedback are provided and performance problems are discussed as they happened in order that immediate corrective actions are taken. Additionally, the training that needs to be dispensed is also easily identifiable and appropriate actions may be taken. In fact, all the steps in the PMS are easily implementable.
- 7.13 In the light of all these, PMS may be considered as a practical management tool in the public sector.

PMS and Transformation

- 7.14 According to the theme chosen by the Bureau, the transformation of the public sector is expected to take place for better service delivery to meet citizens' needs, non-citizens' needs and other stakeholders' needs. To this end, the role and responsibilities of the six main institutions involved have been described at Chapter 5 of this Volume. Alignment of resources of these institutions would positively impact upon the organisations as well as their employees leading to improved performance in the whole public sector for the benefit of users of public service.
- 7.15 Focus is here on an integrated and systematic approach to improve organisational performance to achieve strategic aims. PMS will act as a catalyst to boost up the synergy among the six main institutions. For instance better performance will generate greater synergy which will result in greater responsiveness to citizens' as well as non-citizens' needs.

Present Position

- 7.16 PMS has been established as an important management tool as evidenced by the findings of surveys carried out by the Bureau and the MCSAR. The survey carried out by the MCSAR is on the Monitoring of PMS for Performance Management cycle 2014 and the first phase of 2015. Whereas the Bureau has carried out a survey in the context of the 2016 Report to assess the current status and to take cognizance of problems encountered in the implementation of PMS and to seek views of stakeholders concerning the eventual use of PMS.

Survey on PMS

- 7.17 The survey carried out by the Bureau aimed at capturing data concerning the problems encountered by organisations and the particular stage at which difficulties were met. It was also used to collect Respondents' views concerning the simplification of processes as well as the use of PMS.
- 7.18 The Survey Questionnaires were addressed to the Head of Ministries/Departments, Chief Executives of Parastatal Bodies, Heads of Local Authorities as well as Head of Department (Rodrigues Regional Assembly). Out of the organisations surveyed, 108 responded to our invitation and filled in the survey form. Out of these, 38 were from the Civil Service, 63 from Parastatal Bodies whereas seven (7) were from the Local Authorities. It should be pointed out that many among the Parastatal Bodies did not respond to parts of the questionnaire except the PMS.

Survey Findings

Implementation of PMS

- 7.19 In the Civil Service, 95% of organisations surveyed aver having fully implemented PMS. It should be noted that one Ministry has been recently set up and hence has not been able to implement PMS within the short time period. Out of the 63 Parastatal Organisations which responded to the survey only 15, representing 24%, claimed having implemented the PMS. 22 others (around 35%) stated that they are at sensitisation stage while 12 others (19%) had stated encountered problems at design stage. As far as Local Authorities are concerned five organisations (71%) stated having implemented the PMS.
- 7.20 In the Civil Service, 26% of Respondents had difficulties at implementation stage whereas in the Parastatal Bodies, 67% out of those organisations which have implemented PMS had difficulties at implementation stage and 40% of respondents cited training of trainers as a big problem.
- 7.21 47% of Civil Service organisations considered that the filling of Performance Appraisal Form was a problem area while 50% of Respondents complained about time unavailability. As far as "reaching agreement" or "Appraisal" is concerned, it appears that difficulties met were negligible.
- 7.22 For the Parastatal Bodies, findings revealed that two-third of those having implemented PMS had difficulties in the Performance Appraisal Form filling exercise while around 40% had time related problems.
- 7.23 Simplification of the PMS process had been proposed by at least 80% of Respondents in the Civil Service and 68% of the organisations surveyed considered that the form filling exercise should be reviewed. As regards Performance Settings, 47% of respondents believed that there was need to review same. In the Parastatal Bodies, 40 out of the 63 Respondents were in

favour of simplifying the PMS process. It should be noted that 14 out of these 40 had already implemented the PMS.

Use of PMS

- 7.24 61% of Civil Service organisations which have responded state that PMS is being used for direct communication while 55% aver that it is used for training. As regards the use of PMS for promotion purposes, 79% do believe in it and 61% of Respondents have stated that PMS is used for staff development. 32% of Respondents have further expressed their views that PMS is being used for rewards while 26% consider that PMS is meant for performance measurement only.
- 7.25 Out of the 15 Parastatal Organisations having implemented PMS, 60% have stated using PMS for direct communication, training, and promotion. 47% of these organisations have used PMS for the grant of rewards. While 66% of these Respondents use PMS for staff development. 53% have stated that they use PMS for performance measurement only.

Addressing Underperformance

- 7.26 Addressing underperformance is probably one of the most daunting challenges in managing employees. The underperformance of a few employees has a bearing on other staff members. Failure to take corrective action in such a situation will impact negatively on the other staff members whereby employees who used to perform effectively may be demotivated by the tolerance of poor performance.
- 7.27 Generally, employees may experience short periods of unsatisfactory performance where they do not achieve set targets. However, this does not constitute underperformance unless these periods do persist despite the feedback provided to them and also the opportunity to improve. Upon occurrence of such situations, a formal strategy needs to be put in place to address same. In fact, problems linked to performance or behaviour do not correct themselves automatically. So, the human intervention is essential to prevent a worsening of the situation.
- 7.28 According to the MCSAR, for only 39% of employees who were rated 'Fair' and 'Unsatisfactory' that a Performance Improvement Plan was developed. In view of the fact that the object of PMS is also to address areas of below par performance, greater emphasis is being laid on the development of the Performance Improvement Plan (PIP) whereby all Ministries/ Departments/Organisations should feel concerned and comply by the prescriptions of the Report or regulations emanating from the MCSAR. We are, therefore, dealing with this issue in greater depth.

- 7.29 Strategies crafted to address underperformance are in relation to the causes thereof. So, at the outset, it is necessary to identify during the Performance Review Meeting, the factors that are influencing the employee's ability to perform effectively. Thereafter, appropriate corrective measures should be developed to address same, that is, a Performance Improvement Plan should be developed to enable the employee concerned to improve performance within a specified time. However, if no satisfactory improvement is noted, jobholder should also be made aware that the organisation may even resort to disciplinary action.
- 7.30 The underlying causes of underperformance may be regrouped under five broad headings as hereunder. At Annex 1 are proposed measures to address same. These measures are mere guidelines and are not exhaustive. The MCSAR may develop other measures which can be equally effective in addressing underperformance.
- (i) Lack of clarity about goals/expectation
 - (ii) Lack of knowledge/skills/competencies for the job
 - (iii) Lack of commitment or effort
 - (iv) Issues arising out of poor health/sick leave
 - (v) Personal/Domestic difficulties
- 7.31 A close scrutiny of the causes of underperformance may be summarised as "cannot do" and "would not do". For cases related to competencies, Management should do needful to develop a PIP at the earliest while for attitude related problems, tact should be used to make the employee deliver. However, upon persistent refusal on his part to perform the organisation may also contemplate to have recourse to disciplinary action. Taking all these into consideration, we have made the following recommendations.

Recommendation 1

7.32 We recommend that:

- (i) (a) **Management should ensure that performance agreements are clear and they should provide regular feedback on performance; and**
- (b) **where performance agreements are not clear enough for employees to deliver, the latter are duty bound to seek clarification from Management.**
- (ii) (a) **Management should, at the earliest possible, proceed with the development of a PIP which is appropriate in the circumstances; and**

- (b) where the employee's performance is good in general but cannot perform in certain posting, Management should reconsider the posting of that particular employee.
- (iii) Where employees systematically refuse to perform or to cooperate, Management should after having considered all other options, resort to disciplinary action against the officer concerned.
- (iv) Management should deal with underperformance arising out of poor health/sick leave on an *ad hoc* basis, taking into consideration, regulations already in force on that issue.
- (v) Supervisors, besides appraising and providing feedback, should also provide support and advice so as to encourage and enable the appraisee to deliver on target again.

Role of the MCSAR

7.33 In accordance with its mission statement, the MCSAR is responsible for spearheading administrative reforms to enable the delivery of timely and quality services to stakeholders. From this perspective, it is required to closely monitor the implementation of PMS in the Public Sector. It has designed, planned, organised and is now leading the project. It has provided training to appraisees as well as to appraisers. Up to now the implementation process has worked quite well but, still certain areas need to be given additional consideration. The MCSAR is centrally leading the PMS project in the Public Sector, nevertheless all organisations need to have a PMS Monitoring Committee to better monitor the progress within the organisation.

7.34 As the system has taken root in the Public Sector, now the focus is rather on monitoring, which the MCSAR has embarked upon. It should, therefore, continue in this direction.

Recommendation 2

7.35 We recommend that the MCSAR ensures the monitoring of PMS in the Public Sector through surveys or other reliable means, so that shortcomings or impediments are identified early and that they come up with measures to address the problems.

7.36 According to our survey on PMS, 47% of Civil Service Organisations and 66% of Parastatal Bodies which have implemented PMS do have problems in filling the Performance Appraisal Form. A large majority of organisations, both in the Civil Service as well as in the Parastatal Bodies are in favour of reviewing the PAF. In the circumstances, the MCSAR needs to revisit the PAF with a view to facilitate the process. In addition, it should also ensure that competencies as per the PAF be applicable for all grades, as far as possible.

Recommendation 3

- 7.37 We recommend that the MCSAR should, from time to time revisit and update the PAF so as to facilitate the process of PAF filling exercise.**
- 7.38 We further recommend that, as far as possible, the competencies used should be applicable for all grades.**
- 7.39 PMS Monitoring Committee at the level of Ministries/Departments is responsible to drive the project for the Ministry. However, there is need for the MCSAR to exercise strong supervision to ensure that the project is not left on its own. It should ensure that in problem areas, the prescribed measures are followed by the Ministries/Departments. Otherwise, the PMS will result in a mere form filling exercise.

Recommendation 4

- 7.40 We recommend that the MCSAR closely monitors the work done by the PMS Monitoring Committee of Ministries/Departments/Organisations to ensure that all measures are applied as prescribed.**
- 7.41 Training remains a perpetual and important aspect in PMS. Recruitment is regularly made in the Public Sector and therefore for these employees to be able to deliver as their fellow colleagues, they need to be provided with relevant training. In the circumstances, it is incumbent upon the MCSAR to ensure that training courses are regularly dispensed so that all new recruits are provided the opportunity to attend same.

Recommendation 5

- 7.42 We recommend that the MCSAR ensures that employees who join the Public Sector are granted PMS related training to enable them to deliver along the same lines as their fellow colleagues.**
- 7.43 Many appraises do make request for training which they believe they require. However, in the Chapter on Training and Development in the last Report, the Bureau had recommended that training courses should be designed on the basis of the measurable core competencies required by the different grades as identified by the PMS. We also recommended that expressed rather than perceived needs of staff should be assessed. So, we should be prudent to provide that training which will eventually improve service delivery.
- 7.44 Any organisation should benchmark and assess the capability of its employees identifying both gaps and strength through PMS. Once identified, organisations should fill capability gaps through appropriate training, organise in-house training programmes and provide opportunities for exposure abroad.

Recommendation 6

7.45 We recommend that the training provided to appraisees should be based on real needs as identified by the PMS.

Executive Performance Management Review

7.46 The MCSAR has introduced the Executive Performance Management Review (EPMR) for Supervising Officers of Ministries/Departments in the context of the PMS. Its objective is to render these officers more accountable for the overall performance of their respective organisations. It is being implemented as from January 2016 on a pilot basis.

PMS for Employees of Workmen's Group

7.47 Certain Ministries/Departments as well as Unions/Federations have represented that implementing PMS for employees performing manual duties is quite problematic. The arguments put forward are as follows:-

- (i) They find it difficult to fill in the Performance Agreement Form.
- (ii) They cannot fully grasp the appraisal method, the ratings and the appeal system.
- (iii) In view of their level of literacy, they cannot contribute in the development of a PIP, even in consultation with their Appraiser. They also encounter difficulties to finalise the development of work plan.
- (iv) In many circumstances, there is no proper office available to accommodate employees for the appraisal exercise, particularly for those operating outdoor duties.
- (v) HR personnel encounter much difficulty to monitor the PMS of these employees, particularly those who work in outstations.

Hence, they have pleaded in favour of waiving the application of PMS for employees of Workmen's Group.

7.48 The above points constitute obstacles in the proper implementation of PMS for employees of the Workmen's Group. The risk exists that the PMS may become a mere form filling exercise for these employees, in which case, the philosophy of PMS would be defeated. The survey carried out by the MCSAR has confirmed certain of the difficulties averred by the Ministries/Departments and Unions/Federations.

7.49 On the other hand, PMS has already taken root in the Civil Service and it has replaced the mode of reporting to the PSC for promotion purposes and it is also linked to the grant of yearly increment. Waiving same would, therefore, breed other problems. In the circumstances, there is need to reconsider how these difficulties could be alleviated through reviewing the processes and the PMS Forms.

Recommendation 7

- 7.50** We recommend that the MCSAR revisits the PMS processes and forms for employees of the Workmen's Group with a view to addressing the problems enunciated above, which proposals should be submitted to the HPC for approval.

Guidelines to address under performance**(i) Lack of clarity about goals/expectation**

Unclear and ambiguous requirement and expectations from employees as well as change in tasks or priorities may end up in employees not being able to perform in accordance with set targets. So, it is incumbent upon Management to ensure that each individual staff member is clear about his/her individual objectives and to provide regular feedback on performance so that employees may be back on target again. However, it should also be recognised that incumbents too are responsible to seek clarifications concerning goals/expectations.

(ii) Lack of knowledge/skills/competencies for the job

When employees are short of certain knowledge/skills/competencies to perform effectively and efficiently, a Performance Improvement Plan needs to be set up to assist them improve their performance. Management in consultation with the employees in question should establish the most appropriate measures that could consist of coaching or specific formal training. However in case there is a bad fit, that is, where an employee who is not versed in certain aspects of the work and despite efforts made, cannot deliver on set targets, Management should reconsider the employee's posting.

(iii) Lack of commitment or effort

Lack of commitment or effort connotes a behavioural problem and should, therefore, be dealt with tact. Supervisors should use a tough but fair approach. They should inform jobholders that should their performance not improve, they may also be liable to disciplinary actions. During the Performance Review Meeting, Supervisors should use all concrete examples or critical incidents to support their contention. However, Supervisors should take care not to use a threatening tone.

(iv) Issues arising out of poor health/Sick Leave

In dealing with cases where there is underperformance as well as absence, care should be taken to ensure that the non-achievement of set targets is related to the health before taking other actions. While on one hand the mere taking of sickness absence is not conclusive of underperformance, poor health not resulting in sickness absence may yet be the cause of poor performance. Therefore such cases should be considered on an *ad hoc* basis in accordance with the prevailing legislation on sick leave.

(v) Personal/Domestic difficulties

Some people may not be aware that their personal problem may be impacting on their performance. Once they are appraised, they take corrective measures so as to improve performance. Jobholder should also obtain professional support from Supervisors. Particular attention should also be taken to ensure that in dealing with such cases, they are not further exacerbated.
