

### **PMS Reform (Managing for Excellence)**

#### **Background/Rationale**

The Royal Civil Service Commission has identified Performance Management System (PMS), renamed as “Managing for Excellence (MaX), as one of the areas of reform for the Bhutanese Civil Service. The purpose of the MaX reform initiative is to enhance civil servant’s performance by strengthening the areas of performance planning and review and evaluation, such that development goals and objectives of the nation are achieved to a highest level of satisfaction as a result.

Therefore, this reform will create a mechanism to systematically improve organizational performance by linking and aligning individual performance to the organizational objectives and results. Organizational objectives, in turn, have to be drawn from the national vision and the Five Year Plans. This new Managing for Excellence framework represents the potential for a significant reform in performance management, whereby the capabilities of the workforce and their performance are closely aligned with the organizational objectives.

The key elements of the new “Managing for Excellence” are:

- Clear organizational targets linked to national targets (GPMS/AWPs/Annual Budgets);
- Organizational targets cascaded down to division level and then down to individual levels with clear performance targets and competency behaviors;
- Evaluation of performance and Competency Behaviors at the end of the cycle based on agreed performance targets vetted through Means of Verification;
- Ranking of individuals during Moderation Exercise separately for P&S level to Outstanding, Very Good, Good and Need Improvement categories based on the agency categorization framework; and
- The results of Moderation Exercise, which is the performance score of Civil servants, will be the basis for rewards/corrective action and HR Development.

This “Managing for Excellence” reform shall be used as a guideline to manage and evaluate the performance and Competency Behavior in the Civil Service. The overall objective of Managing for Excellence is to differentiate the performers from non-performers based on their contribution to the organizational goals and objectives through Moderation Exercise at the end of appraisal period.

Thus, it seeks:

- **Alignment:** To Align individual performance/work plan with the organization's strategic goals/visions;
- **Accountability:** To ensure organizational effectiveness by cascading institutional accountabilities to the various levels of the organization's hierarchy;
- **Differentiation:** To enhance agency's overall performance by differentiating performer from non-performer.

In the Managing for Excellence (MaX) framework, the following are the areas of assessment:

- **Performance** evaluated on the performance targets identified in the Individual work plan; and
- **Competency behavior** evaluated by using Competency behavior indicators identified by the RCSC. The Competency behavior is separately identified for "P" and "S" Level categories employees.

### Implementation status

To successfully introduce the new reform on Managing for Excellence into the civil service system, as of February 2016, a new interim office as Max Unit is established in the organogram of the RCSC. The unit was created for an interim period of 2 years and shall then be dissolved thereby, after successfully institutionalizing the reform into the civil service of Bhutan.

In order to implement this reform into the civil servants without any resistance to the changes that would bring in through this reform, a nationwide consultation with all the civil servants were felt necessary. Therefore, agencies who have signed their Annual Performance Agreement with the Government were consulted and oriented on the PMS reform and its features, for feedback and inputs. Simultaneously, a Task Force Members from those agencies were appointed and trained, to support in rolling the reform features like the Individual Work Planning for the civil servants from Position Level S5 – P1. The agencies consulted and oriented includes, 10 Ministries, 20 dzongkhags and 2 autonomous agencies.

Based on the submission of Individual Work plan by the employee, after getting trained by the Task force member of the agencies, a second round of re-nationwide consultation was felt necessary to inform on the standard IWP format and to reiterate and inform them on the Moderation exercise concept. By end of June 2015, 10 Ministries and 20 dzongkhags and three autonomous agencies were consulate.

A separate training for Autonomous agencies was conducted to bring them on board to the new reform in performance management of their employee. By end of July 2015, 31

autonomous agency's task force members were trained, with the professional support from the Royal Institute of Management.

To pilot the Moderation exercise and to develop its framework, a piloting moderation exercises were conducted with the professional support by the RIM. Mock moderation was conducted with 10 ministries at the RIM in November 2015. By the end of February 2016, all the Dzongkhags has completed their first mock moderation exercise.

With the learning from the IWP submission, it was found that the, the civil servants are not yet clear on the preparation of the IWP. Therefore, resource person from the Royal University of Bhutan were selected to impart a common and uniform knowledge to the civil servants, in preparing the IWP. By end of January 2016, all the employees in the ministries were trained on how to develop their IWP. A team of selected HR Officer as resource person is currently underway in training the autonomous agencies and the dzongkhags employee.

Currently, the reform is at the last miles of its effort to implement the reform into the civil service system of Bhutan. A final round of orientation of the reform will be initiated by the RCSC in the month of July 2016, and it shall then be declared implemented from the Appraisal period of July 2015 – 16.