



MANAGING FOR EXCELLENCE

MAX MANUAL 2017

ROYAL CIVIL SERVICE COMMISSION

List of Abbreviations:

APA: Annual Performance Agreement

APT: Annual Performance Targets

AWP: Annual Work Plan

AA: Assessment Area

GPMS: Government Performance Management System

HR: Human Resource

HRC: Human Resource Committee

IWP: Individual Work Plan

MC: Moderation Committee

ME: Moderation Exercise

PAF: Performance Appraisal Form

PE: Performance Evaluation

PER: Performance Evaluation Rating

RCSC: Royal Civil Service Commission

SI: Success Indicators

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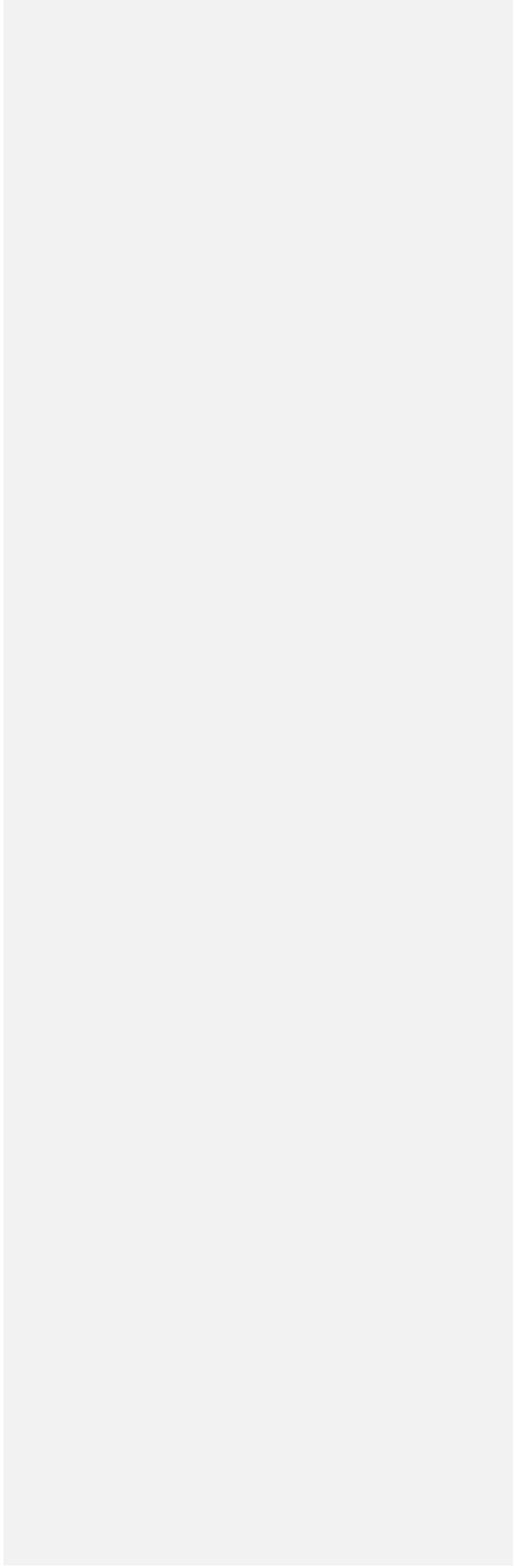


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Introduction

In 2014, the Royal Civil Service Commission has identified Performance Management System (PMS) as one of the areas of reform for the Bhutanese Civil Service. The purpose of the PMS reform initiative is to enhance civil servant's performance by strengthening performance planning, monitoring, review and evaluation such that development goals and objectives are achieved to a high level of satisfaction as a result.

The Chapter 12 on Performance Management System of BCSR 2012 provides guidelines on carrying out PMS in the agencies, which requires PE rating to be combination of qualitative and quantitative areas of performance. In this line, a small exercise was carried out to evaluate PMS and PE rating in the Bhutanese Civil Service and noted the following findings:

- All Civil Servants were rated to outstanding and average PE rating was 3.82 across all agencies (above 3.5)
- The PE forms indicating the strategic planning and/or strategic involvement of civil servants were minimal.
- All expected performance output identified lack objective indicators and linkages to organizational objectives, if any, were weak.

Therefore, the RCSC in order to strengthen performance management worked to 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 title of the new PMS is "Managing for Excellence"

The key elements of the "Managing for Excellence" framework are as follows:

- 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 for Professional and Support 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/HR Development.

Purpose

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

Thus, the objectives of MaX System are:

- **Alignment:** To *align* individual performance targets 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.

Managing for Excellence (MaX) System shall include two important areas of assessment before moderation exercise, which are:

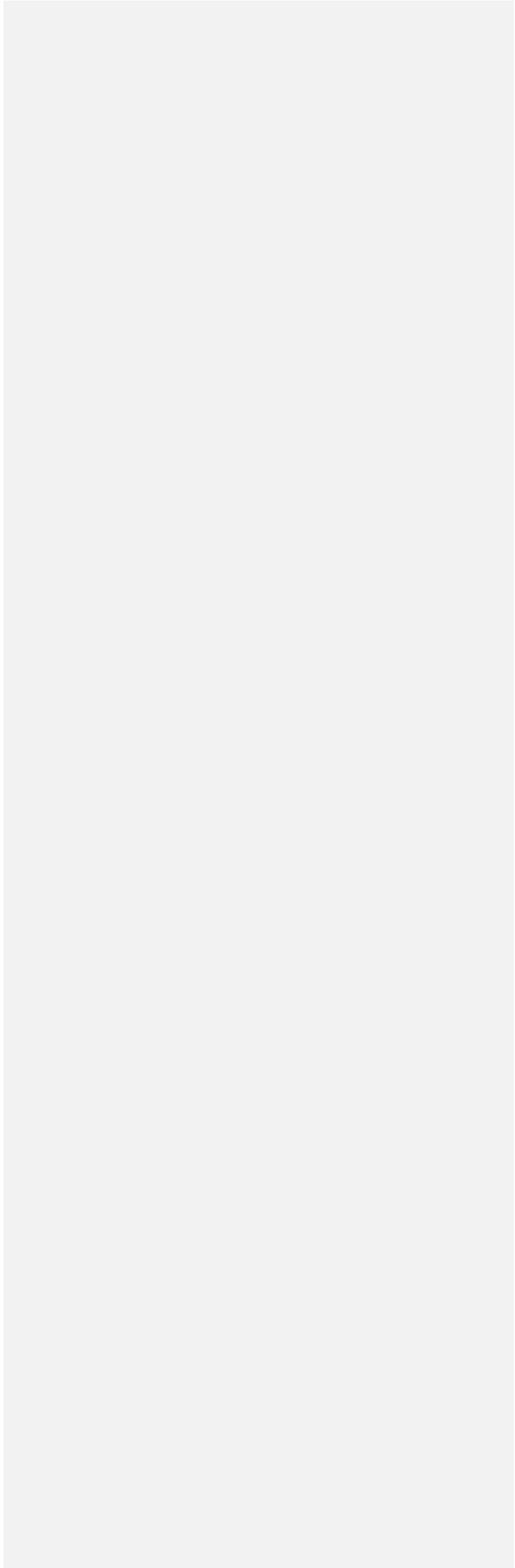
- **Performance** evaluated through performance targets identified in the Individual work plan (Section B) of Performance Appraisal Form; and
- **Competency behavior** evaluated by using Competency behavior indicators provided (Section C) of Performance Appraisal form.

Towards achieving these objectives, this manual shall therefore provide step-wise guideline on the four important aspects of the MaX system:

1. Performance Appraisal form: Planning of Individual Activities with performance targets (IWP: Section B) and competency Behavior (Section C). Evaluation of Performance Targets and Competency Behavior (Section D);
2. Mechanics of the Moderation Exercise for ranking individuals to different performer category;
3. Performance based HR Actions; and
4. Appeal procedures.

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**Chapter 1: Identifying performance targets and Competency Behavior,
and it's Evaluation**



1. Identifying Performance Activities and Targets [Section B of Appraisal Form]

An Individual Work Plan is a clear plan of action for an individual in an agency to organize and manage their individual activities to effectively contribute to achieving the annual objectives of the agency. A rigorous individual work planning exercise will ensure alignment of daily works done by civil servants to the higher order strategic objectives of their agencies thereby making the individual performance appraisal more purposeful and effective.

Identifying clear annual organizational objectives is critical to developing clear individual work plans for individual staff in any agency. The system of annual performance agreement signing provides this clarity by requiring agencies to identify clear organizational objectives on an annual basis. The system mandates each Ministry, Dzongkhags and Autonomous Agencies to sign Annual Performance Agreement/Annual Performance Target at various levels, and the performance agreement system is cascaded down to Department, Sector and division levels accordingly.

Having clarity on how to achieve the objectives through formulation of strategies is the next critical step for guiding individual staff to plan their own activities. One of the most critical inputs to developing a work plan is to know the resources required. The annual performance agreements are signed based on available resources after the annual budget is approved. The approved annual budget of the agency must provide adequate information on available resources for individual staff to develop their work plans realistically.

The following sections provide specific guidelines to prepare individual work plans for civil servants in all government organizations.

1.1. Formulation of Division Outputs

After Agency's Annual Performance Agreements are signed, divisions shall come up with clear outputs for the fiscal year based on their departmental objectives. As such, division outputs must be clearly substantiated by target values in the same format as Departmental and Agency Annual Performance Agreement. All Chief of Division will identify Division output online in the max online system.

¹ Agency= Ministry, Dzongkhag and autonomous agencies

A division may have one or more outputs and must be achievable and measurable on an annual basis. These division outputs are achieved as a result of activities implemented by individuals working in the division. Activities to be executed by individual must be clearly identified based on the following broad guidelines:

1.1.1. Formulating Activities and performance Targets

Activities are essential work items that an individual need to execute in order to achieve the division outputs. Activities should succinctly indicate how an individual intends to utilize inputs and overcome constraints to attain the outputs. Each activity listed must be related to one of the outputs, and only activities, which have direct contribution to achievement of division outputs, should be included in the individual work plan. A basic thumb rule in determining what is an activity should be as follows:

- a) Clear distinct measurable work items. Ancillary activities, for e.g, notesheet writing, fund releases, sending invitation letters, writing meeting minutes etc., *should not* be included in individual work plans.
- c) Define using action words

Relevant Division Output shall be picked up from the outputs identified for the division by the division heads online and put under the **“Division Output”** Column. Following the guidelines under Section 1.1.1 individual activities shall be reflected under the **“Activities”** Column. After formulating the activities, set a target value to the activities that commensurate to the four Levels, 1-4 using the Quality, Quantity, Cost and Time (QQCT) criteria. It is not necessary to have targets values fulfilling all criteria. A combination or any one of the four factors from the QQCT criteria should be reflected in the target values depending on the nature of the activity.

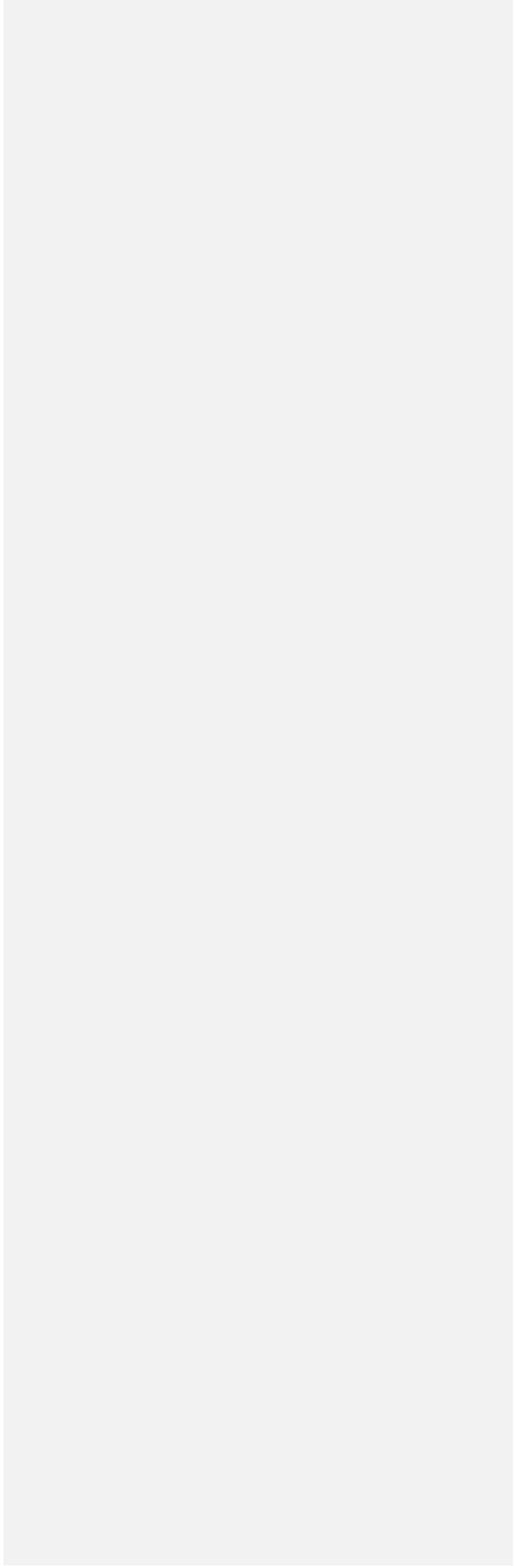
It is also optional to have targets for the four level of performance. However, a minimum of two levels generally for “Level 2” and “Level 1” must be filled up.

a. Filling in the Performance Appraisal Forms for Line Function

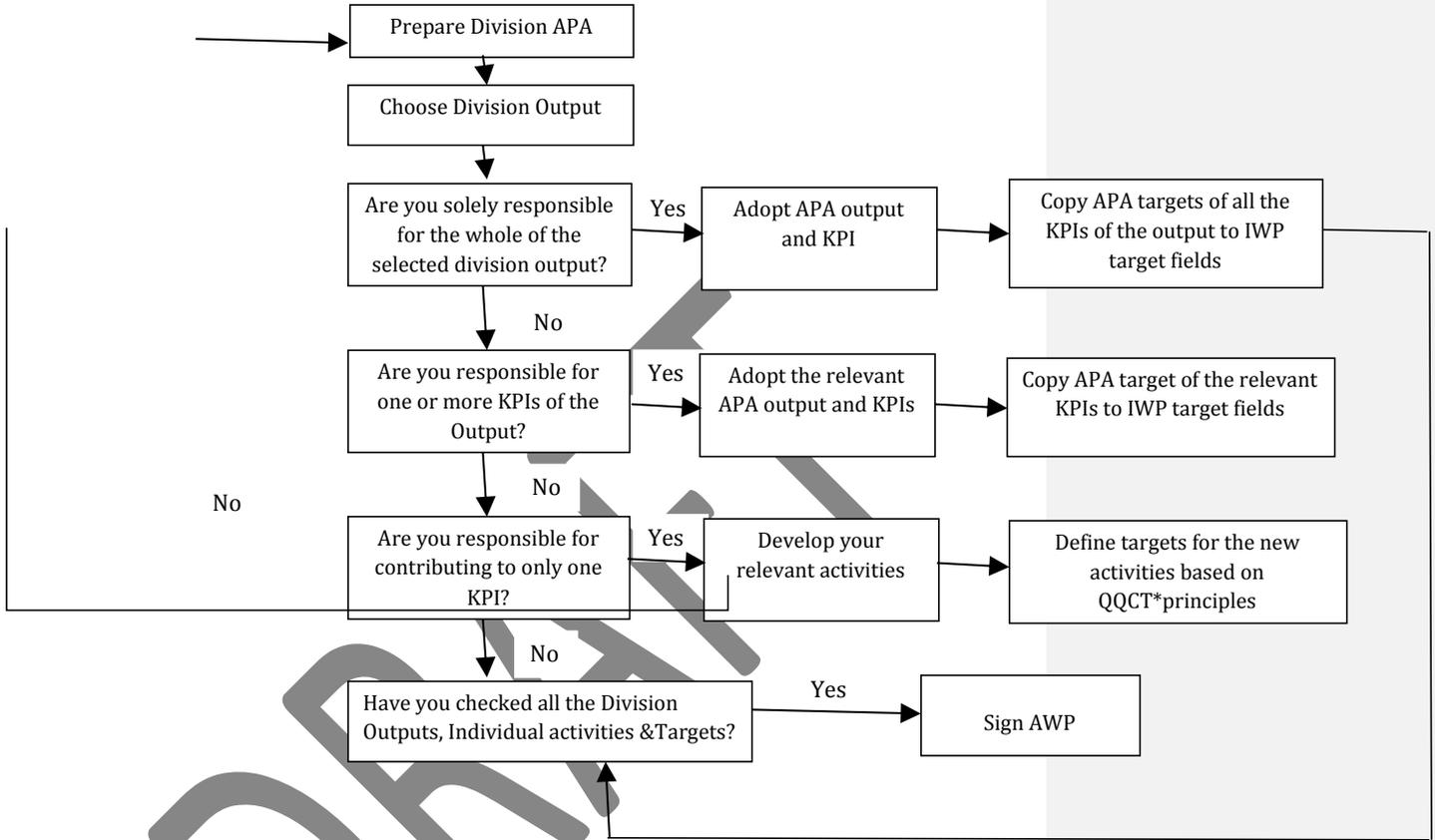
Division outputs for line functions must be drawn from the approved annual performance agreement or annual performance targets of the agency.

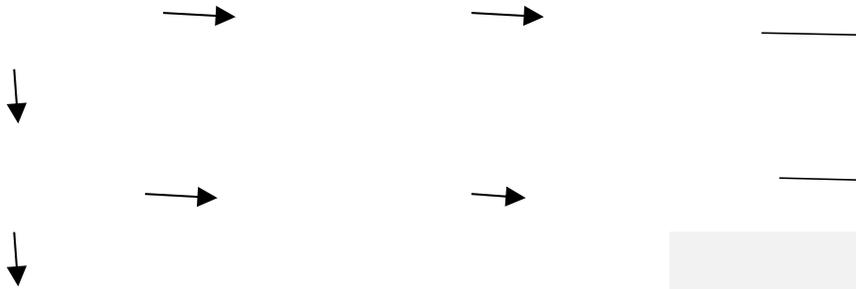
Following flow chart summarizes process for developing individual work plan:

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STEP-WISE MAPPING OF PROCESS FOR IDENTIFYING DIVISION OUTPUT AND ACTIVITIES





b. Filling in Performance Appraisal Form for Staff Function

Following is a generic list of division outputs categorized by different staff functions to help the cross cutting division staff prepare their individual work plans. Please note that this is only an indicative list and should be customized to the need of the individual. In addition to the following, specific outputs that need to be achieved by the support divisions, which have direct relevance to the objectives of the Agency, should also be included.

Success indicators are means to verify success or failure of the intended outputs. Indicators can be qualitative or quantitative. Every output should have one or more indicators. Indicators must be Specific, Measureable, Achievable, Realistic and Timely. Refer section 1.1.1.

Table 1: Indicative List of Common Output /s for Secretarial Services.

Division	Output	Success Indicators
Human Resource Division	<ul style="list-style-type: none"> • OD recommendations Implemented • Civil servant's performance managed • Royal Civil Service Award Implemented • Graceful superannuation Ensured 	Timeline for implementation etc.
	Annual HR plans implemented	No of post vacancies filled up
	Recruitment and deployment	No of trainings conducted
	Transfer Promotion Development Separation HR Audit	Deployment as percentage of approved staffing pattern
	Managing for Excellence implemented	Individual work plans inserted into the MaX online system on time/
Administration	Admin support services provided efficiently and effectively	SoPs for Admin service SDS with TAT for Admin service Unit cost reduction

		(e.g Functional pool vehicles at all times)
	Office infrastructure and property maintained and managed	Employee satisfaction Inventory management system developed Occupational Health and Safety standards implemented
Internal Audit	Annual internal Audit plan formulated	Timeline by which plan is formulated
	Annual internal Audit plan implemented	No of audit reports produced % Reduction in RAA audit memo % of Follow up actions implemented by the agency
Policy and Planning	Polices formulated	No of policies/timeline by which specific no of policies are formulated
	AWPs/APAs prepared	Timeline by which AWPs/APA are prepared
	Implementation of AWP/ APAs monitored and evaluated	Frequency of Monitoring and No of Reports Published
Legal	Legal services rendered	SDS ² and TAT ³ for legal services
	Awareness and education on laws	No of awareness programs conducted
ICT	ICT plan ⁴ for agency formulated	Timeline by which plan is formulated
	Efficient and Effective ICT services delivered	Internet down time <1% Agency network services down time <1% Agency website ranking score
		No of IT enabled services in operation
Finance⁵	Annual Budget Prepared and Submitted as per Agency AWP/APA	% of Budget proposed in accordance with AWP/APA

² Service delivery standards

³ Turnaround Time

⁴ Agency ICT plan shall include development of IT tools, systems, databases which will help the agency in delivering its services.

⁵ Include Accounts and Budget

		and budget call notification Timeline for budget submission
	Annual Budget Implementation monitored and reported	% Of budget utilized mid-term budget review carried out
		Budget utilization status report
	Financial discipline ensured	Reduction in Audit memo, SOPs, TAT
Procurement	Quality goods and services procured	Compliance to procurement rules & regulations Reduction in audit memo Client and Employee satisfaction
	Materials/properties effectively Managed	% Cost reduction Inventories updated TAT for issuance of supplies

2. Identifying Competency Behavior

Section C of Performance Appraisal form requires individuals to fill in Competency behaviors with the description of Competency behavior and indicating different levels of competencies. The Competency behaviors are used to evaluate qualitative aspect of performance of individual and this will include skills and values required to carry out performance targets indicated in Section B of the Performance Appraisal form.

The Competency Behavior required for professional and Management category, and Support and Supervisory group are different. Refer Performance Appraisal forms on the details of Competency behavior for P& S and SS categories.

Please note, the list of Competency Behaviors are an indicative list. Agencies based on the requirements can add additional competencies and customize it accordingly.

All Civil Servants are required to fill in Appraisal forms except for Executives whose agency's APA/ APT will serve as their proxy IWP. Agencies which are listed under **schedule I** of this manual due to their unique circumstances will be exempted from the moderation exercise, and therefore, their executives will have to fill in appraisal forms.

3. Evaluating the Performance Appraisal Form.

3.1. Evaluating the Individual Work Plan [Section B of Performance Appraisal form]

This section will form 70% of performance Score. This evaluation guideline will serve as the guide for the supervisors to provide ratings for the targets specified in the Individual Work Plan (IWP) during beginning of the appraisal cycle. In Section B of the appraisal forms, individuals are required to set four levels of target values. For e.g. if he/she has performed the activity and achieved Level 4 target value, the corresponding rating will be between 3.00-4.00. Similarly, if s/he achieves “ Level 3” target value, the corresponding rating will be changed as per scale.

Division Output	Activities	Targets Values				Target Achieved specified by individual	Employee's Feedback/comment/justification	Final Score by Supervisor ⁶
		Level 4=[3.00-4.00]	Level 3=2.00-2.99]	Level 2=[1.00-1.99]	Level 1[<=0.99]			
1.Civil servant's performance managed	1.1. Conduct moderation Exercise	July	August	September	Later than September 30	September		1.50
2. OD recommendations Implemented	2.1. Implement approved C2 recommendations	100%	90%	80%	Less than 80%	80%		2.00
					Total Final Score B. Total/No. of activities =.....			3.50/2 =1.75

If an

⁶ Note below concrete results achieved during the year that were agreed and rate them in the scale indicated in the target values.

3.2. Evaluating Competency Behavior [Section C of Performance Appraisal Form]

This Section will form 30% of the total performance Score and evaluation will be done as follows. The ratings of competency behavior will be based on the assessment areas that have been agreed between the supervisor and supervisee. For e.g.

Competency Behavior	Description	Level 4 [3.00-4.00]	Level 3 [2.00-2.99]	Level 2 [1.00-1.99]	Level 1 [\leq .99]	Final Rating with Evidence of Behavior
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1. Analytical and Intellectual Capacity	1.1. Sense of Perspective <i>Demonstrates intellectual flexibility, imagination and socio political sensitivity in developing a holistic appreciation of the situation and in generating innovative ideas and solutions that bring practical benefit</i>	Thinks ahead to anticipate issues, identifies opportunities and appreciates implications	Takes strategic steps and ways to achieve and enhance the achievement of the target	Need guidance in identifying the opportunities and solutions to solve work towards achieving the target	Is hasty in formatting opinions and judgment taking action before assessing implications and Focuses on day to day problems at the expense of longer term planning	Level 3=2.5 Mr. X when assigned a task on HR Planning submitted recommendation that was approved by the agency.
Competency Behavior Score (Total score/number of competency behavior)					2.5/1=2.5	

3.3. Final Evaluation of Performance and Competency Behavior:

The final rating for the individual will consist of 70% Performance and 30% Competency Behavior. In the example above, the final rating will be as follows:

Particular	Score received	% Allocated	Final Score	Supervisor's Comment, if any
Performance	1.75	70%	1.23	
Competency Behavior	2.50	30%	0.75	
Evaluation Score			1.98	

Overall Rating Table:

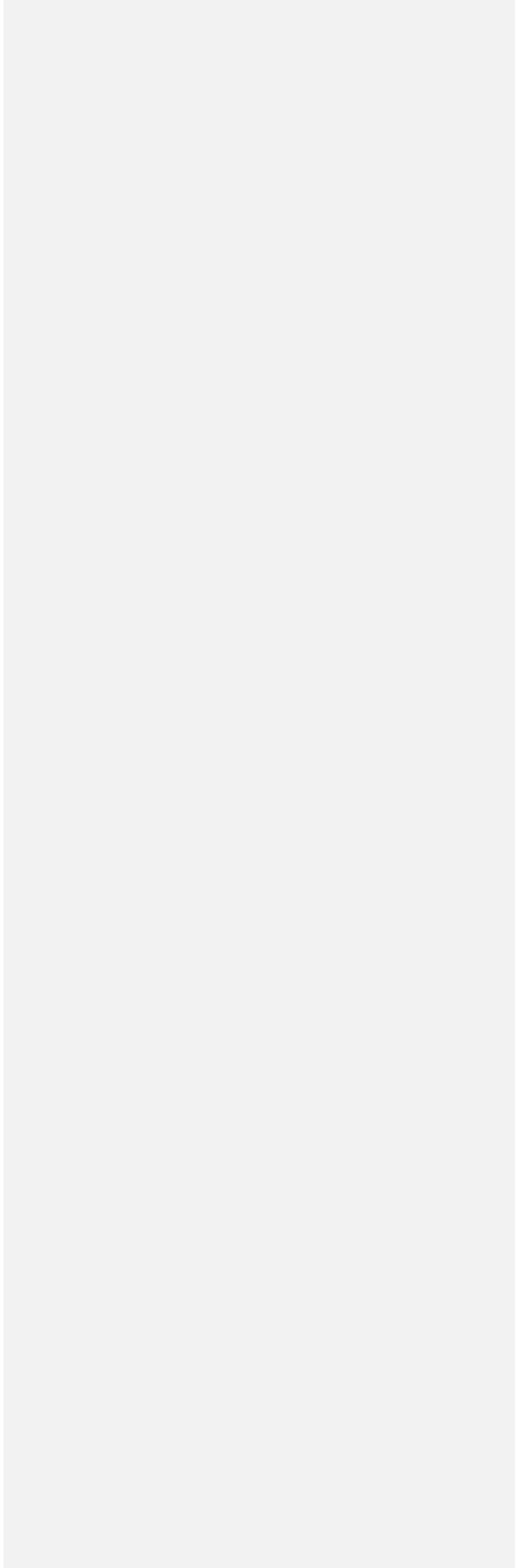
Performer category	Definition	Rating scale
Level 4	Achieved exceptionally high level of performance above the requirement of the job	3.00-4.00
Level 3	Performed at higher level than requirement of the job	2.00-2.99
Level 2	Employee fulfilled requirement of the job	1.00-1.99
Level 1	Results/Behavior far below performance requirement	<=0.99

The final ratings from Performance Assessment and Competency behavior will be used as an input during the Moderation Exercise of the employees. **Therefore, the Evaluation Score of IWP and Competency Behavior does not reflect individual's actual/final evaluation score.**

However, for the agencies, which do not have moderation exercise, the evaluation score of appraisal forms will be their final performance score. Refer Managing for Excellence calendar (Annexure 1) for planning performance.

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Chapter 2: Mechanics of Moderation Exercise



1. Mechanics of Moderation Exercise

The Moderation Exercise used for ranking individuals is a performance intervention, which can be defined as an evaluation method of forced distribution, where managers (Heads of Division/Department/Agency) are required to distribute ratings for those being evaluated (evaluation of Performance Evaluation Form) into pre-specified performance distribution percentages.

For Agencies, which signs Annual Performance Agreement, the performance score of their agency/department whichever is applicable will be used as the basis for determining the distribution of performers into *Outstanding, Very Good, Good* and *Need Improvement*.

For agency without APA will be by default considered as having an Annual Performance Targets (APT). The basis for the distribution of performers *into Outstanding, Very Good, Good* and *Need Improvement* will be the scores assigned under the APT evaluation report.

2. Agency Categorization Framework (ACF)

Agency Categorization Framework (ACF) will be the basis for categorizing employees into different performer categories. This framework will use the GPMS report and APT report scores as the basis for categorization of employees into different performer category.

In the extraordinary event, if the agencies are not evaluated, the RCSC will assign a uniform bell

curve for all government agencies.

Following categories will be used for the purpose of ranking employees into different performer categories:

Table 2: Agency Categorization Framework and Bell Curve to Identify Performer Category

Agency Category	Agency's Score ⁷	Outstanding (%)	Very Good (%)	Good (%)	Need Improvement (%)
Category 1	95.00-100	3	17	80	0
Category 2	85.00-94.99	2	16	81	1
Category 3	70.00-84.99	1	15	82	2
Category 4	<=69.99.	0	14	83	3

3. Performance Evaluation of Civil Servants at Executive and Management Levels:

Civil Servants at Executive and Management Levels are provided proxy scores based on the division/department/agency performance. The rationale for providing proxy scores for Executives and Managers are:

- Are directly accountable for the performance of division/department/Agency;
- Are the members of the moderation Committee; therefore, they cannot assign score to themselves.

The performance of management, which includes Executives, Chief of Division, Sector head and/or Members of Moderation Committee, shall be as follows:

GPMS report/ Achievement (%)	Executives/Chief of Division
95.00-100	Outstanding
85.00-94.99	Very Good
70.00-84.99	Good

⁷ GPMS score /APT score

<=69.99.

Need Improvement

4. Guiding principle for Moderation Exercise of civil servant at various position level in line with Agency Categorization Framework)

A. Executive (EX3-EX1):

- If the executive head agencies⁸, the agency's score will be proxy for his/her performance.
- If an executive heads department, the ratio between agency and department (50:50) will be the performance rating of the executive.
- For Executives heading Agencies, which do not have agency score, will have to fill in performance appraisal forms, which will be evaluated by the Chairman of Board/Commission. Refer Schedule I.

B. Specialist (ES3-ES1)

- If the specialist head agency, the agency's score will be proxy for his/her performance
- All other specialists who do not head agencies/departments will get the department's or agency's score as proxy based on type of working agency.

C. P1 Level

- If the P1 head division in Ministries, their performance rating will be department's score.
- If the P1 head division in autonomous agencies, their performance score will be agency's score.
- All other P1 (Specialist) who do not head divisions will fall in the general pool considered for ranking purposes during moderation exercise.
- For Chief of Division, which do not have agency scores, will have to fill in performance appraisal forms which will be evaluated by Executives.

D. P2-P5, S1-S5, SS4- SS1:

- This category of Civil Servants including contract employees will be ranked into different performer category during moderation exercise as per agency's score as per the framework

⁸ Agency defined as a Ministry, Dzongkhag, Thromde & Autonomous Agencies

E. O- level

- Civil Servants at O level shall be evaluated by their immediate supervisor based on the standard performance evaluation forms. This is because duties of this category are routine and often repetitive. Overall, the staff under this category is required to comply with set of objectives, methodology and specific task assignment. The O level Category are not required to fill in online performance appraisal forms. Refer to **Annexure 5 for the form** and this form will be filled offline

F. Civil Servants on Secondment, Study Leave, Extra Ordinary Leave

a. Secondment:

- **Secondment outside Civil Service:**

Civil Servants on secondment will be given default performance rating of "Good". **If the seconded agency submits non performance record on the CS during secondment, s/he shall be put under Needs Improvement Category.** Employees on secondment will not be calculated in the pool of staffs being moderated for respective agency for the particular performance appraisal period.

- **Secondment within Civil Service:**

Civil Servants seconded within Civil Service will be moderated with the employees of working agency where he/she is currently seconded.

b. Study leave:

- Civil Servants on study will be given default performance rating of "Good" as long as individual submits passed certificate. Employees on study will not be counted in the pool of staff for moderation in the respective agency for that particular performance appraisal period.

G. Extra Ordinary Leave (EOL)

- Civil Servants on EOL will not have Performance Evaluation for the period of EOL as the duration for EOL is considered as inactive service and as such this period is not included for any HR actions.

Note:

1. Civil Servants from S5 to P1 Specialist need to fill in appraisal forms including Chief of Division for all Agencies.
2. Qualitative aspect of Managers' (Head of division/department/agency) performance will be evaluated through online leadership feedback system, which will have equal

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WR,

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weight age as quantitative aspect of performance score vetted through department/agency score.

5. Procedures for the Moderation Exercise:

In line with the Agencification Framework, agencies are categorized into eight categories

1. Ministries
2. Commission
3. Dzongkhag
4. Thromdes
5. Authority
6. National Centers
7. National Institutes
8. Others

For Civil Servants working in schools including teachers and support staff, please refer Chapter 3.

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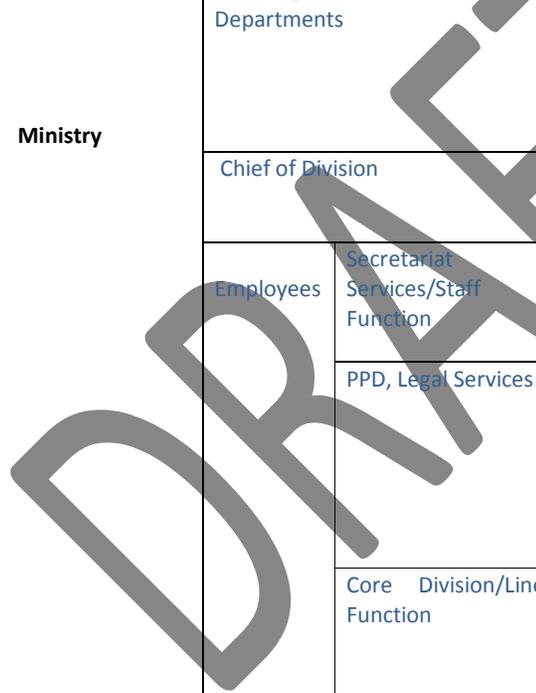
Table 3 below outlines various types of agencies and within agencies, how employees based on their functions, lines of reporting /accountability will be clustered and moderated.

Table 3:

Agency Type	Profile/Position Title	Performance score for Executives & Managers	Ranker/Additional Comments
1. Ministry	Secretary of Ministry	Ministry's Score as proxy	NA
	Director/ Director General of Departments	Equal ratio between Ministry's score and respective Department's score.	
	Chief of Division	Respective Department's score as Proxy	
	Employees Secretariat Services/Staff Function	Rank them according to Ministry's score to different performer category	Director of Directorate to rank them with Division Chiefs chaired by Secretary to represent staff directly reporting to Secretary
	PPD, Legal Services		
	Core Division/Line Function	Rank them according to Department's score to different performer category	Director of respective departments will chair and rank employees under each departments with head of division representing employees under each division

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		Regional Offices reporting to multiple department****			
		Example MoEA, MoLHR			
2. Commission⁹ 3. Authority, 4. National Centre, 5. National Institute, 6. Thromde 7. Autonomous agencies	Secretary of the Commission/Director General/Director of Agency		Agency's Score as proxy	NA	NA
	Chief of Divisions		Agency's Score as proxy		
	Employees	Secretariat Services/Staff Function	Rank them according to Agency's score to different performer category	Director of directorate/Chief of Division, chaired by Secretary	For Agency: MC will consist of: <ol style="list-style-type: none"> Secretary, Agency: Chairperson Director, Directorate/Secretariat: Member Chief of Division: Member HRO: Member Secretary OR MC will consist of: <ol style="list-style-type: none"> Director, Agency: Chairperson Chief of Division: Member HRO: Member Secretary
		Core Division/Line Function	Rank them according to Agency's score to different performer category		
	Head of Dzongkhag/Dzongdag	Dzongkhag's performance	NA	NA	
	Head of Staff Function/Dzongrab	Dzongkhag's performance			
		Planning Services, DT Secretary, Legal	Rank them according to	Dzongdag	For Dzongkhag: MC will consist of:

⁹ Agencies with departments, the framework for Ministry will apply.

8. Dzongkhags	Employees	Services, Internal Audit Services, Kidu services, Environment services	dzongkhag's performance to different performer category		<ol style="list-style-type: none"> 1. Dzongdag, Dzongkhag: Chairperson 2. Dzongrab, Secretariat: Member 3. Drungpa, Drungkhag: Member 4. Head of Sector, Sector: Member 5. HRO: Member Secretary
		Staff function/HR Services, IT Services, Finance and Admin. Services	Rank them according to dzongkhag's performance to different performer category	Dzongrab	
		Sectors/Health Sector, Education Sector, RNR Sector- Agriculture, Livestock & Forests, Census, Culture, land record etc	Rank them according to dzongkhag's performance to different performer category	Sector Head: Note: A sector should have at least three staffs to be ranked by sector head including himself/herself. If the sector has less than 3 staffs, Dzongdag will represent them. However, the sector head shall provide feedback on his/her staff to Dzongdag.	
	Dungkhag Staff	Administrative Staff, including GAO and Gewog Accountants	Rank them according to dzongkhag's performance to different performer category	Dungpa: Note: Dungpa shall receive written feedback from Gup, HR and Planning Services on GAO's Performance. Dungpa shall receive feedback from Dzongkhag Accounts Officer	

				on Gewog's Accountant's performance.	
		Sector/Education, Health and RNR- Agriculture, Livestock & Forest	Rank them according to dzongkhag's performance to different performer category	Sector Head and Dunpa: Performance Appraisal forms will be evaluated by sector head but Moderation will be done by Sector head in consultation with dungpa	
	Gewog Staff	GAO, Gewog Accountants and any other administrative staffs	Rank them according to Dzongkhag's performance to different performer category	Dzongrab: Note: Dzongrab shall receive written feedback from Gup, HR and Planning on GAO's performance.	
		Sector/Education, Health and RNR- Agriculture, Livestock & Forest	Rank them according to dzongkhag's performance to different performer category	Sector Head: Note: Sector heads to get written feedback on individuals from Gup for the purpose of Moderation.	

Additional Note:

- i. Specialist as the Advisor to the Department/Agency shall be the member for Moderation Committee.
- ii. A P1 (manager) shall be a member of the MC even if he/she has less than 5 staff (in a division) and 3 staff (for Dzongkhag sector head)
- iii. Officiating head will be the member of the Moderation Committee, if he/she is officiating for the following reason:
 - a. Post of Chief is vacant [there is no full fledged chief]
 - b. If the incumbent chief is on short-term training for 3 months and more
 - c. If the incumbent chief is on medical leave exceeding 3 months

Note: An officiating head with total staffs less than 5 including

*himself/herself will not be a member of moderation Committee.
Relevant executive will represent those division for the ME.*

iii-iv. HRO as the member secretary for moderation Committee will be asked to leave discussion when the discussion is about him/her and join as soon as the discussion is over and same protocol will be followed for all members of the Moderation Committee in the event there is any conflict of interest.

iv-v. The Moderation Exercise for ranking employees will be done separately for P& M, and S&S category, if the composition of CS is more than 35 if there are more than 35 civil servants in both the categories. Otherwise, they shall be merged together and moderated.

Commented [6]: we could give the option of merging P & S even if they fulfill the criteria of a min of 35 staff. However, doing the Modex separately for P and S will definitely have to fulfill the 35 minimum level of staff.

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6. Performance Calibration through the Moderation Exercise:

Moderation Exercise is a process in which managers **within an agency, a department or division, whichever is applicable** convene together to discuss the performance of employees and establish consensus on ratings. The practice of moderation exercise refers to the steps taken to make sure that members of the Moderation Committee apply a consistent set of standards in finalizing ratings. The moderation exercise ensures:

- **Differentiation of Categories of Performers.**

One of the primary goals of the moderation exercise is to effectively differentiate high performers from average or poor performers so that high performers can be rewarded and retained, **and non performance are given targetted intervention**. The performance score provided by managers on performance **targets** and competency **behaviour** in the appraisal forms are important data points in HR and leadership decision making. This data not only have an impact on promotion and compensation, but are considered in succession planning and the allocation of developmental resources.

- **Improves the Objectivity and Accuracy of Performance Ratings.**

Moderation exercise serves to increase the objectivity and accuracy of performance ratings provided by managers. The moderation process helps to ensure that all employees are evaluated on the same criteria. The collective discussion regarding performance allows managers to have new insight into the performance of employees and reduce potential bias. Peer-to-peer discussion brings about transparency - calling attention to an individual manager's tendency to rate leniently or harshly. Managers become accountable to each other for the performance appraisal ratings made for all employees.

- **Clarifies Criteria for Performance Categorisations.**

Moderation exercise clarifies and reinforces the criteria for performance categorisations across the management team. During the moderation exercise, managers will discuss the supporting reasons for the performance categorisation ratings provided. This type of discussion builds a common language around defining performance expectations across all managers. As a result, managers will be better prepared to discuss the reasons behind ratings with employees and create development plans for ongoing performance improvement and career development. The support reasons can be presented in accordance to the discretion of the manager. One suggested format that could be applied by the manager when citing specific cases to substantiate the proposed performance categorisation for the employee is as follows:

- o Brief description of the incident/case. Appraisal forms can be used to note such incidences;
 - o Description of the action taken by the employee (include the key challenges the employee had to overcome where appropriate); and
 - o Description of the impact of the action taken by the employee. Quantify the impact where possible and establish link to the mission and/or core values of the organisation.
- **Increases Perceptions of Fairness.** Together, the accuracy of performance categorisation and the clarification of performance criteria increases the likelihood that employees will perceive the performance appraisal process to be fair. Since compensation, promotion and succession decisions are based, in part, on performance categorisations, it is important that employees believe that they are being fairly evaluated by their manager.

7. Pre-requisite for Moderation Exercise for ranking

In order to carry out moderation exercise for ranking employees, the pre-requisite are as follows:

- **GPMS/APT Assessment report Completed**
 - The GPMD will publish an annual report on the agency's performance. Similarly, other competent agencies will prepare report on agencies with APT evaluated by Gross National Happiness Commission.
- **Appraisal of Performance and Potential Completed**
 - PE Score of all Civil Servants will be completed **online** which comprise of Performance (70%) and Competency Behavior (30%). **The managers will either print or bring soft copy from the MaX online system during the moderation exercise.**

8. Procedures for the Moderation Exercise

The Moderation Exercise is the next step following the completion of individual appraisal by the supervisor of his/her supervisee.

As explained earlier, after the performances are appraised, the agencies' performance are cascaded down to individuals through the process of moderation Exercise. The ACF will determine the bell curve or "quota" assigned to various categories.

In the event of decimal points, the round off will be firstly done to the higher decimal between OS and NI and if the total number is less, and then next higher will be rounded off to next level.

Example:

Agency Category	¹⁰ Agency's Score	Outstanding (%)	Very Good (%)	Good (%)	Need Improvement (%)
Category 2	85.00-94.99	2	16	81	1
Total Staff 15		0.3	2.4	12.15	0.15
Round off		1	2	12	0
					15

9. Different Roles in the Moderation Exercise

There are three primary roles in a moderation exercise. The Chairperson, Members of the Moderation Committee, and Secretariat (HR Division). Refer Table 3 for Composition.

A. **Chairperson.** The Chairperson is the Director/Director General/Secretary in the agency/department.

The Chairperson:

- Maintains order and fairness throughout the moderation exercise;
- Ensures that all relevant considerations in the moderation process are adhered to; and
- Makes the final decision to dissolve gridlocks (if any).
- **Chairperson has the prerogative to appoint the member secretary from amongst the members of moderation committee if he/she so decides.**

B. **Members.** The members are manager of the employees they represent (Heads of Department/Divisions) within each agency based on agency type-whether its Ministry, Autonomous agency, or districts (Refer Table 3).

The members shall:

- Evaluate performance appraisal forms of their employees and provide

- performance score to the Secretariat, prior to the moderation exercise;
- Prepare and collate the evidences for each employee to justify the proposed rating for him/her;
 - Take full ownership of final ranking decision and maintain confidentiality of the moderation discussions; and
 - Communicate results of moderation exercise to employees, individually.

C. HR Division:

The HR Officer/s from HR Division/Services within the agency shall:

- Collect agency's score from GPMD and GNHC and work out on performer category distribution using agency categorisation framework;
- Collates and analyses past and current moderation exercise data, identify pertinent issues and brief the Chairperson prior to the moderation exercise;
- Shares the above information and prepare brief on overall performance score collected from relevant department/division with the Chairperson prior to moderation exercise;
- Serves as the member secretary for Moderation Exercise and shall maintain records/minutes of discussions made during the moderation exercise; and
- Assists the Chairperson (when appropriate) on adherence to relevant considerations during moderation exercise
- Schedule moderation exercises in advance and publish a timeline with key dates to all managers so that they understand the preparations required for the exercise.
- **Seek endorsement of principal and supplementary consideration before actual moderation exercise and facilitate preliminary assessment by different division/sector to prepare for final moderation exercise**
- Prepare to facilitate by compiling and examining performance data for the agency/department/division, including average ratings across critical factors, performance distributions, and the identification of outliers.
- Ensure that the final performance appraisal meetings between managers and employees are conducted to convey the finalised moderation decisions.

10. Principal Considerations

To ensure that the moderation exercise achieves the intended objectives, the following indicative considerations are recommended for application during the moderation exercise.

Principal Considerations. The following four primary considerations are to be factored but not limited to, in the course of moderating employees during the moderation exercise:

- Job sizes held by the employee vis-à-vis **position level** of the employee;
- Degree of direct impact upon the core mission of the agency/department/division;
- The manner in which the performance targets were fulfilled; and
- Reference to bouquets and brickbats but this should be confined to the period of assessment/appraisal period.

Commented [7]: szangp@rcsc.gov.bt Could you make a first attempt at elaborating this after perhaps looking at literature/best practice on performance criteria.

11. Supplementary Considerations. In the event that the principal considerations are exhausted, supplementary considerations as established by respective agencies can be applied, as appropriate. **Some of the recommended supplementary consideration are:**

- Potential of the employee;
- Profile of the employee;
- Signalling effect; and
- Economies of Experience

12. The Moderation Exercise Process

The moderation exercise comprises **of** four steps.

Step 1: Appraisal (by Manager/Member of Moderation Committee, before actual moderation exercise)

The process begins with evaluation of performance appraisal forms (i.e. review of the Individual Work Plan), between the manager and each employee. Close attention should be paid to the rating scale definitions that will be used to make appraisals. Managers should prepare specific cases/evidence to substantiate the proposed rating for the employee as mentioned **earlier under benefits of moderation exercise.**

Step 2: Actual Moderation Exercise Meeting

During the moderation exercise meeting, Chairperson, members and Secretariat will moderate employees according to different performance categories, guided by the principal considerations mentioned **in Section 10 and 11** as well as other relevant considerations to be applied at the discretion of the meeting. This is to be done in addition to references made to the performance score as mentioned in Step 1.

Step 3: Feedback and updating of Moderation Results in the MaX online System (by Manager/Member of Moderation Committee)

Post-moderation changes are made to performance appraisals, managers should have their second one-on-one performance review discussions with employees. At this point, managers should have a comprehensive understanding of the organisational performance standards as well as how their team members are performing relative to others within and outside of the team. Managers can now communicate the finalised performance categorisation to their respective employees.

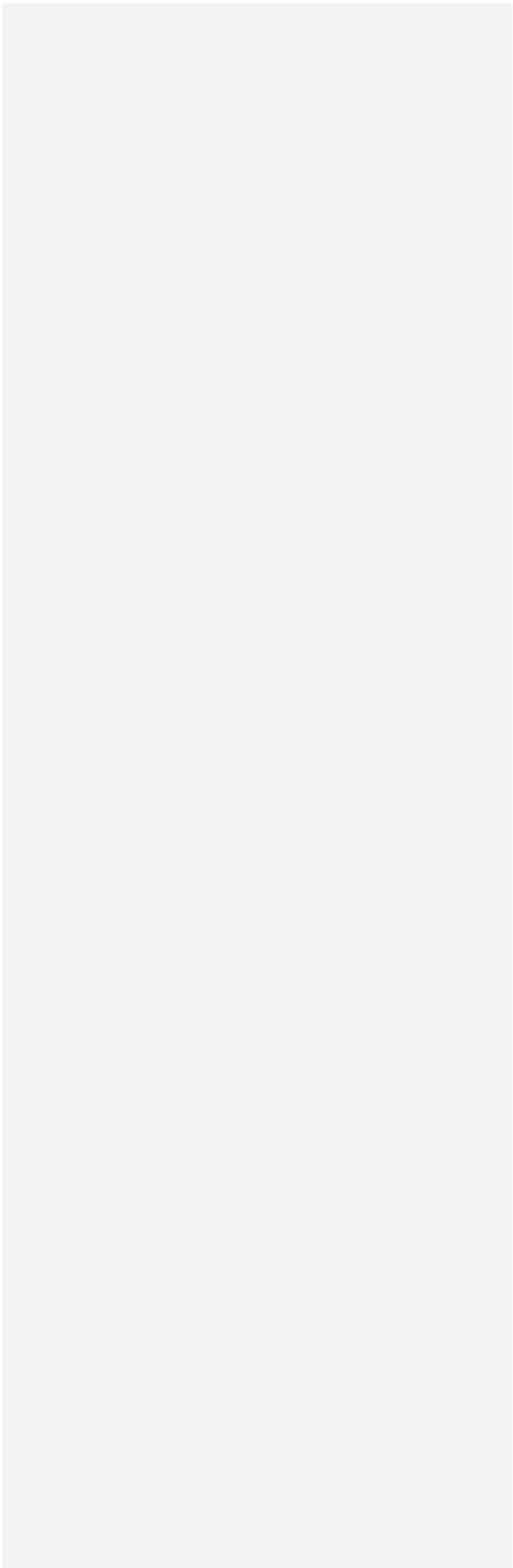
Annexure 4: Sample Moderation Exercise Agenda can be referred:

Agencies in Schedule I will not be moderated because of their unique circumstances.

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Chapter 3: Managing for Excellence for Teaching Services and Teaching Support Services

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1. Developing Individual Work plan in Appraisal Form and Evaluation

Preparation of Individual Work Plan for Teaching professionals and school support services:

The School Performance Management System Scorecard will be the basis for developing individual work plan for Principals, Teachers, and support staffs in Schools

1.1. Formulation of School Outputs

Section A information on employees will be auto populated from Civil Service Information System. For filling in section B, following Six Key Areas of School Improvement Plan (SIP) shall be used to identify school outputs under individual work plan:

Performance Appraisal Form for Professional and Management, and Specialist Services Group | 2016

Section A: Employee Details

APPRAISAL PERIOD: _____
 EMPLOYEE ID No. _____
 NAME OF THE EMPLOYEE: _____
 POSITION TITLE: _____ POSITION LEVEL: _____
 DIVISION: _____ DEPARTMENT/AGENCY: _____

Assurance on Accuracy of CV: I have verified my CV in CSIS and hereby declare that the information is correct as ofdate.....

SECTION B: Performance Assessment (Individual Work Plan) (70%)

Division Output	Activities	Targets Values				Target Achieved specified by individual	Employee's Feedback/comment/justification	Final Score by Supervisor ¹
		Level 4 =[3.00-4.00]	Level 3 =[2.00-2.99]	Level 2 =[1.00-1.99]	Level 1 [<=0.99]			
1.	1.1..... 1.2.....							
2.	2.1..... 2.2.....							
						Final Score B. Total/No. of activities		

¹Concrete results achieved during the year that were agreed and rate them in the scale indicated in the target values.

- Leadership and Management Practices
- Green School domain
- Curriculum Practices: Planning and Delivery
- Holistic Assessment
- Broader Learning Domain
- School Community Vitality

1.2. Formulating Activities for Individuals

The individuals while developing individual work plan need to identify individual activities that contribute to above outputs. Individual activities may contribute to all six key areas or to one or more only. Accordingly, individuals' can choose only the relevant outputs to formulate

activities. The suggested list of target areas from PAS manual is recommended to use as guideline to formulate activities. Further, for each activity, SMART performance targets need to be identified for objective evaluation.

1.3. Guidelines for Identifying Competency Behavior

List of Competency behavior as per *Annexure 2* are recommended for Professional and Management Category and Supervisory & Support Services Group separately. Schools can list down other competency behavior or contextualize it based on the relevancy and need of the organization.

**Performance Evaluation Guideline

Refer Chapter 1

2. Procedure of Moderation Framework

2.1. Moderation Framework

Performer Categorization framework based on School Performance report.

Agency Category	School Score	Outstanding (%)	Very Good (%)	Good (%)	Need Improvement (%)
Category 1	95.00-100	3	17	80	0
Category 2	85.00-94.99	2	16	81	1
Category 3	70.00-84.99	1	15	82	2
Category 4	<=69.99.	0	14	83	3

2.2. Performance Evaluation for Management

The performance of principals shall be:

GPMS report/ Achievement (%)	Executives/Chief of Division
95.00-100	Outstanding
85.00-94.99	Very Good
70.00-84.99	Good
<=69.99.	Need Improvement

3. General Principle for Performance Evaluation Rating of Staffs in Schools.

3.1. Principal

- School's Performance score shall be used as proxy for principal. For example: According to School performance score, school's score is 70%, Principal's performance score shall be "Good".
- His/her performance shall also comprise of score of online leadership feedback system, which will have equal weightage.

3.2. Teachers and support staff

- All teachers shall be moderated as per School's performance score as per moderation framework. Teachers and support staffs will be moderated together, however, if the number of staffs are more than 35 separately, then P&M and S&S category will be moderated separately.
- Note: Moderation pool shall comprise of both regular and contract employees

3.4 O- level

- Evaluated by immediate supervisor based on the standard performance evaluation forms as per Annexure..

4. Moderation Guideline for Schools for Schools:

Schools shall be clustered based on Teaching Resource Centre. The education monitoring division shall provide school cluster performance report. Moderation Exercise shall be conducted based on school cluster score. The moderation Committee for school shall be as follows:

- Chief DEO will be the chairperson;
- All school principals under each TRC shall serve as members; and
- HRO as the member secretary.

Refer Chapter 2 section 6-12 on Procedures for the Moderation Exercise and roles of Chairperson , Member and Member Secretary

Chapter 4: Performance linked HR Incentives and Appeal System

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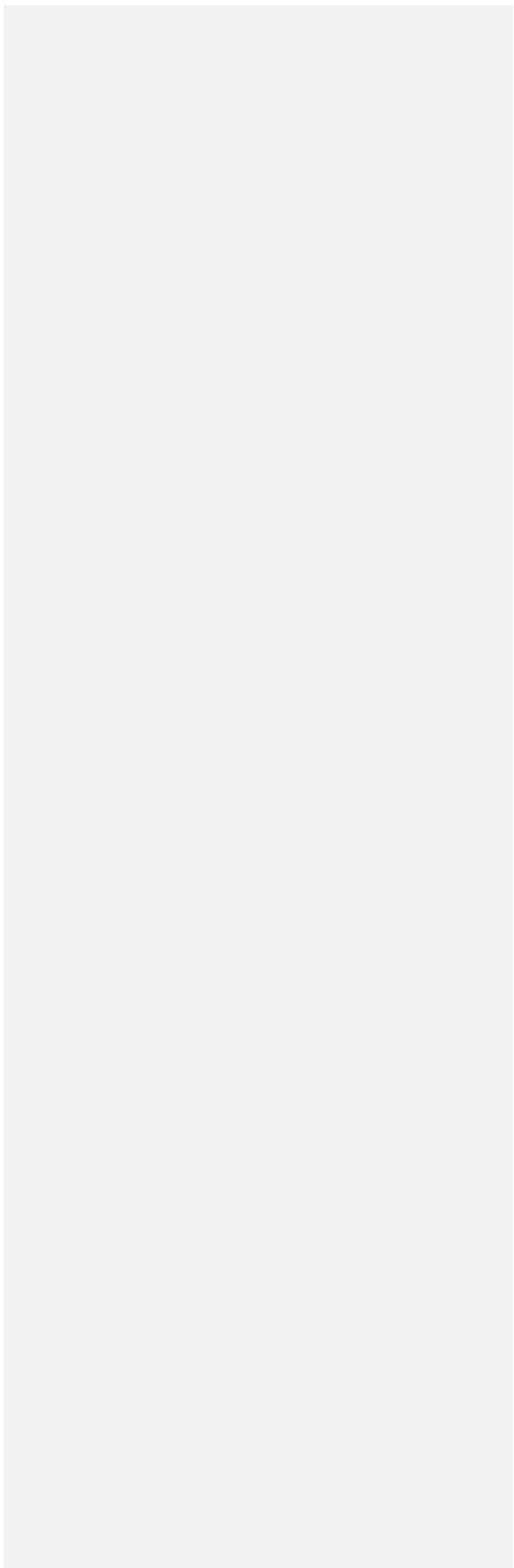


Table 4: Performance linked HR Actions Draft

Management	Position Level	Profile	HR Actions			
			Outstanding	Very Good	Good	Need Improvement
Chairperson /members of moderation committee who will be given agency score as the their performance score	EX3-EX1/ES3-ES1	Head of Agency, Head of Department, Dzongdag	<ol style="list-style-type: none"> Nominate for the Civil Servants Award for the following Category: <ol style="list-style-type: none"> Excellent Service in the following categories: 16 years (Gold) of 3 consecutive performance Recognition with Certificate by the RCSC for outstanding performance of 3 consecutive year Consider/ recommend for next level promotion. Other conditions as per Promotion rules will apply. 	Targeted Leadership Trainings	Targeted Leadership Trainings	1. Will be on Waiting list. (relevant Clauses from BCSR on waiting list apply).
	P1	Chief of Division, Dzongrab, Dungpa, Sector Heads	<ol style="list-style-type: none"> Nominate for the Civil Servants Award for Excellent Service for Bronze - if 6 years of consecutive performance Recognition with Certificate by the RCSC for outstanding performance of 4 consecutive year Award full mark for PE Score during open competitions Assign as mentor/guide in the Agency to co-work with the NI category 	-Award 75% marks for PE rating during open competitions -Provide Targeted Leadership Trainings	1. Award 50% marks for PE rating during open competitions	<ol style="list-style-type: none"> Not Eligible for executive Positions for next 2 years Refer him/ her to relevant authority Targeted capacity development program (in-country)
	Others	Officiating Chief of Department/ Divisions, Sector Heads	<ol style="list-style-type: none"> Meritorious promotion based 3-6 years of consecutive performance. Other conditions apply from BCSR apply. Nominate for the Civil Servants Award for Excellent Service for Bronze - if 6 years of consecutive performance Recognition with Certificate by the RCSC for outstanding performance of 4 consecutive year Award full mark for PE rating during open competitions Officiating***	Award 75% marks for PE rating during open competitions -Provide Targeted Leadership Trainings;	<ol style="list-style-type: none"> Award 50% marks for PE rating during open competition Targeted Leadership Trainings 	<ol style="list-style-type: none"> Not Eligible for promotion if the recent performance is NI. However, if candidate has 3 good and above performance rating in the past 4 years, he/she shall be eligible for next promotion. Debar from participating in any open competition for next one year. Not allowed to head the agency/sector. Provide in country targeted capacity development program. Refer him/her to relevant authority
Specialist	ES3 - ES1 Pool specialist		<ol style="list-style-type: none"> Nominate for the Civil Servants Award for the following Category: <ol style="list-style-type: none"> Excellent Service in the following categories: 16 years (Gold) of 3 consecutive performance Recognition with Certificate by the RCSC for outstanding performance of 4 consecutive year Consider/recommend for next level promotion. Other conditions as per Promotion rules from BCSR will apply. 	Targeted specialized Trainings	1. Targeted specialized Trainings	<ol style="list-style-type: none"> Will be on Waiting list. (Clauses from BCSR on waiting list apply). Refer him/ her to relevant authority

Pool for Moderation Exercise	Pooled Employees (S5 - P1(s))	P1 specialist position not heading division, Others	<ol style="list-style-type: none"> 1. Meritorious Promotion¹¹ if 3.6 years of outstanding performance. 2. Nominate for the Civil Servants Award for Excellent Service (Bronze) if 6 years of consecutive performance 3. Award full mark for PE rating during open competitions 4. Recognition with Certificate and other awards by the Agency through HRC 5. Assign as mentor/guide in the Agency to co-work with the NI category 	<p>Award 75% marks for PE rating during open competitions</p> <p>-Provide Targeted Leadership Trainings:</p>	<ol style="list-style-type: none"> 1. Award 50% marks for PE rating during open competitions 2. Normal Promotion if 4 years of consecutive performance** 	<ol style="list-style-type: none"> 1. Not Eligible for promotion if the recent performance is NI. However, if candidate has 3 good and above performance rating in the past 4 years, he/she shall be eligible for next promotion. 2. Debar from participating in any open competition for next one year. 5. Provide basic capability development opportunities for improvement in performance, 6. Prohibit to avail any long term training study leave upto six months in the succeeding year , 7. Attach the employees under outstanding performer in Agency/Department/Division for Mentoring, coaching and guidance 8. Refer him/her to relevant authority 9. Redeploy/Retrain the employee wherever his/her skills are necessary
Operational	O4 - O1	Driver, Dispatcher, Receptionist, Telephone Operator)	1. Status-quo as per BCSR 2012			

¹¹ For promotion all relevant clause on Promotion from BCSR will apply

1. Appeal Procedure

A civil servant, who is not satisfied with the decision of the Moderation Committee, can appeal to the relevant authority. However, the appeal submitted shall be supported by sufficient evidence of injustice and **within 10** days of the decision.

1.1. Appellate authority to review appeal cases of Moderation:

The HRC of the respective agency shall be the first level to review and decide the appeal pertaining to Moderation Exercise;

RCSC shall be the highest appellate authority to review the decision rendered by the HRC of the Agency, if there is any appeal against the decision of HRC.

1.2. Appeal period:

Aggrieved civil servant shall appeal to respective HRC **within 10** working days from the declaration of moderation results.

Any appeal to RCSC against the decision of HRC shall be submitted **within 10** working days from decision of HRC.

1.3. Appeal process

1.3.1. HRC of the working agency;

1. The HRC of the working agency should deliberate on the appeal within 5 days from the date of the appeal received, and form Investigation Team (IT), if required.
2. The investigation, if required, shall be conducted within 10 days after the formation of the IT.
3. The IT shall report the findings to the HRC within 2 days.
4. The HRC, after receiving the investigation report, shall render final decision within 5 working days.
5. The HRC shall convey the decision of the HRC.

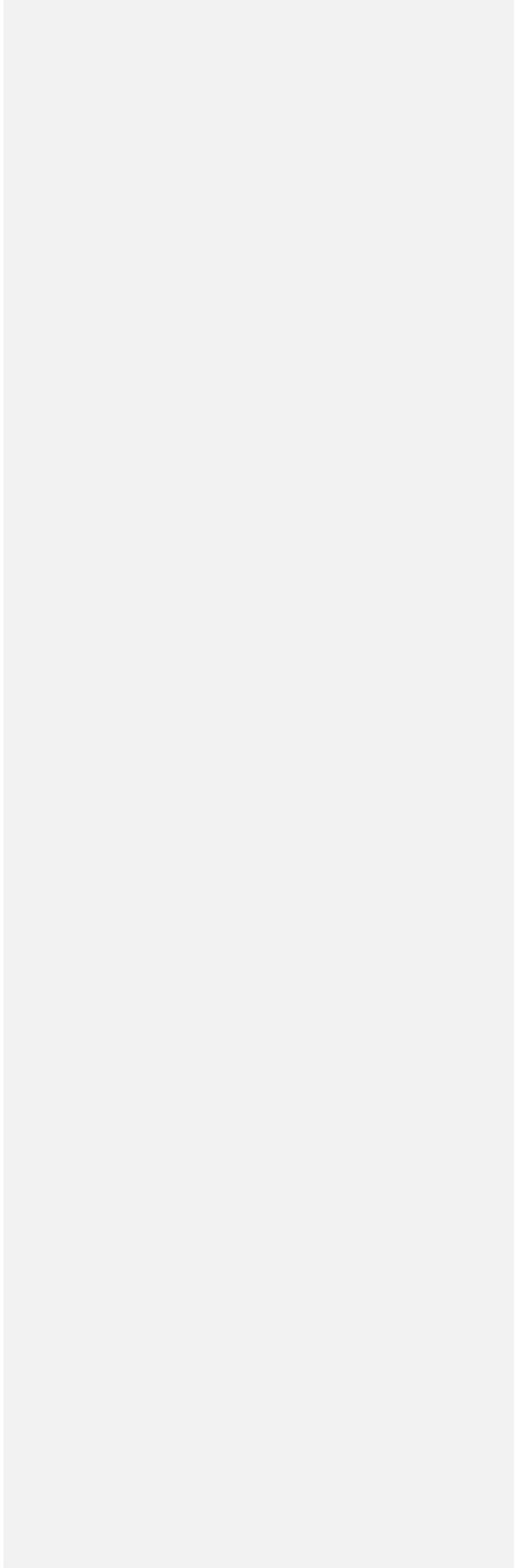
1.3.2. Royal Civil Service Commission;

1. A civil servant aggrieved by the decision of the HRC of the working agency shall appeal to the RCSC within 5 working days.
2. The RCSC shall deliberate on the appeal within 5 days from the date of the appeal received, and form an Investigation Team, if required.
3. The investigation, if required, shall be conducted within 10 days after the formation of the IT.
4. The IT shall report the findings to the RCSC within 2 days.

5. The RCSC, after receiving the investigation report, shall render final decision within 5 working days.
6. The RCSC shall convey the decision of the Ministry.
7. The decision of the RCSC shall be final and binding.

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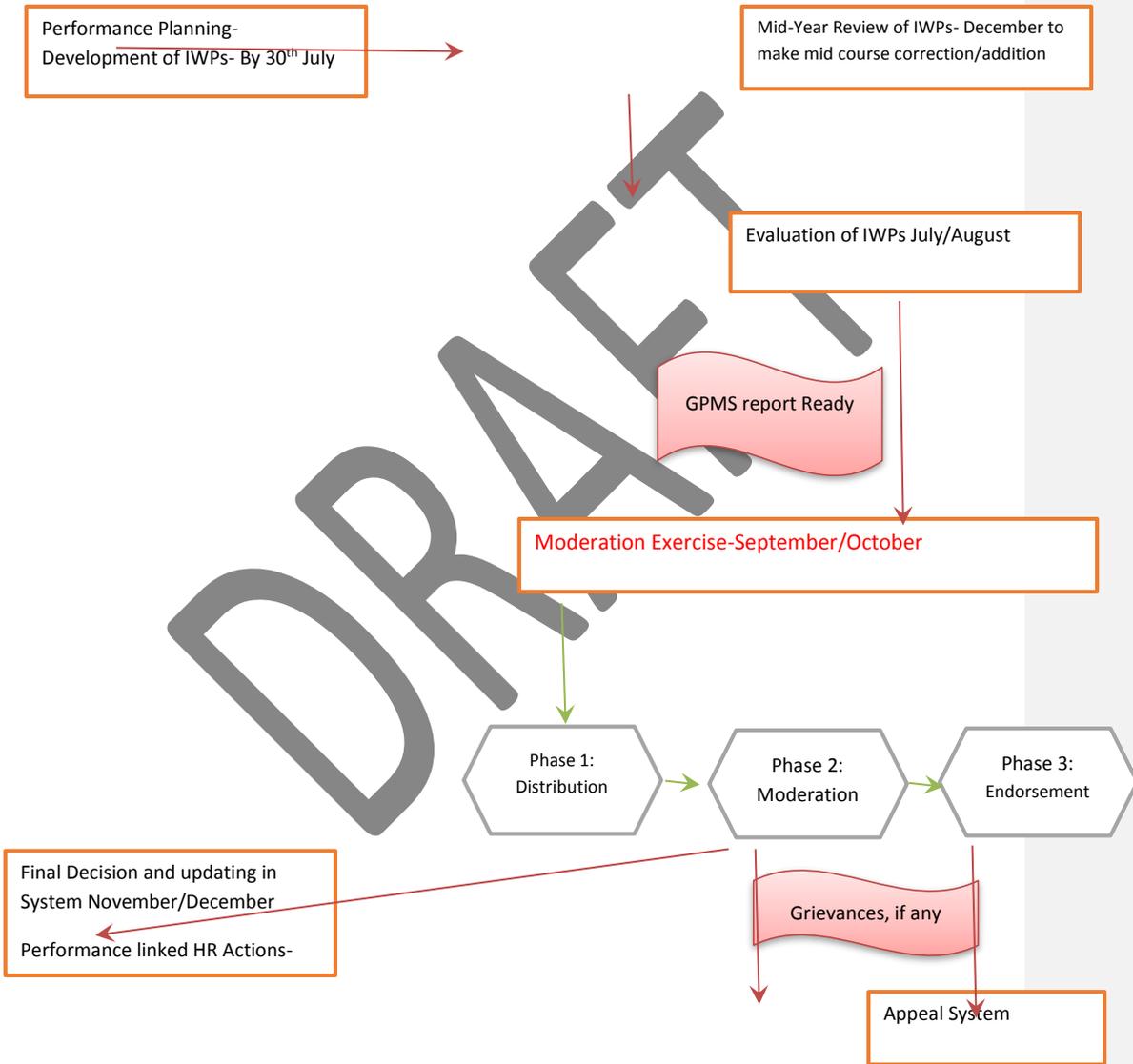
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4	Moderation Exercise for the evaluation of the previous year	Moderation Committee				30th								
5	Update Score of ME on MaX online System	HRD				30th								
6	Performance linked HR actions	HRD						30th						

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Annexure 3: MaX Cycle



Annexure 4: Sample Meeting Agenda

Introduction

- Desired Outcomes of Meeting
- Joint Ownership
- Confidentiality

The information discussed and the resulting outcomes should be kept confidential by all managers involved. Participants should be reminded of the expectation regarding confidentiality at the start of the meeting.

Clarify Standards

Review of the ratings scale/s and scale definitions used in the performance evaluation process.

Performance Trends of Agency/Department/Division

Examination of the performance distribution of the agency/department/division, including how the distribution compares to the previous performance period and/or desired distribution.

Alignment with Agency/Department/Division Results

Discussion of the linkage between initial performance ratings with the results produced by the agency/department/division.

Individual Presentation

Review of each employee's performance rating/s and the supporting rationale behind the rating/s.

Rating-Moderation

Moderation of ratings, as necessary, to accurately reflect performance over the performance period.

Discussion Records

Secretariat to minute the details and evidences relating to the decisions leading to assignment of performance ratings, especially for Outstanding and Need Improvement categories. Chairperson of meeting to vet and approve minutes.

Next Steps in the Performance Management Process

Communication of finalised performance rating with the employee and discuss on follow-up developmental plans where appropriate (e.g. those rated as Need Improvement).

Annexure 5: O category performance appraisal form

schedule I

Agencies under Schedule I

1. His Majesty's Secretariat
2. His Majesty the Fourth Druk Gyalpo Secretariat
3. Supreme Court of Bhutan
4. High Court
5. District Court
6. Dungkhag Court
7. Royal Audit Authority
8. Anti-Corruption Commission
9. Bhutan Olympic Committee
10. Bhutan National Legal Institute
11. Royal Privy Council
12. Bhutan Health Trust Fund
13. Civil Society Organization Authority
14. Bhutan Medical Health Council