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TOWARDS A BETTER PERFORMING PUBLIC SECTOR IN BANGLADESH: DEVISING A FRAMEWORK

Abstract

In recent times, public sector reform with a major focus towards improving performance has become one of the key concerns of governments across the globe. Countries are adopting various performance management models in a bid to improve public sector performance. Bangladesh's response to this global trend is rather slow. It has not yet made any precise move in this regard although the public sector is inflicted with inefficiency, ineffectiveness, unresponsiveness and above all, poor performance. The central concern of this paper is to devise a performance management model for the public sector in Bangladesh. In doing so, it has identified the missions and visions of public sector governance as the parameters of performance and then analyzed the context of public sector by focusing its strength, weaknesses, opportunities and threats.

1. INTRODUCTION

Since 1960s, public administration has undergone many paradigm shifts. The focus and concern had shifted from traditional bureaucratic paradigm of public administration focusing on hierarchy, authority, impartiality and merit in 1960s to New Public Management (NPM) focusing on steering not rowing, customer satisfaction, strategy management and results-oriented performance in 1990s. In recent times, performance measurement is considered crucial for the most of the approaches of public sector management reform. NPM model puts greater emphasis on 'performance' issues in the public sector. Accordingly, governments across the globe have adopted new theories or techniques towards better performance but they have failed to make any meaningful impact into the mindset of the government of Bangladesh. Public sector performance has not yet gained currency in academic research or in public discourse. It has been an

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accepted phenomenon that public service means “poor service”. Inefficiency, ineffectiveness, unresponsiveness towards the citizenry have become the customary attributes of public service in Bangladesh. To date, effective mechanism for measuring performance of public officials doesn’t even exist, let alone the adoption of the models of performance management. The existing Annual Confidential Report (ACR) for measuring performance of individual government officials, annual reports of different organisations for measuring organisational performance, and parliamentary committees for measuring governmental performance all have failed to prove efficiency in measuring public performance in true sense. To provide solutions to these stubborn administrative ills, revamping the administration in the light of the different performance management models is paramount. As the most relevant model for a particular country depends on its own political, economic and social conditions, the paper attempts to suggest a framework for performance management in the public sector through identifying the very missions and visions of the Government of Bangladesh (GOB) and undertaking a painstaking analysis of the public sector context focusing on its strength, weaknesses, opportunities and threat (SWOT). The paper has been developed from a Korean International Cooperation Agency (KOICA) funded project for capacity building of public sector in Bangladesh. Data for the study has been collected through reviewing the secondary sources including relevant books, articles and various official documents.

The discussion is organized into six sections including this introductory section. Section two clarifies the concepts of “public performance” and “performance management” while section three identifies the missions and visions of GOB as a parameter of performance. Section four depicts the context of public sector governance in Bangladesh with an accompanying analysis of its strengths, weaknesses, opportunities and threats to assess the readiness of the government to attain the previously identified missions. The fifth section designs a framework of performance management for Bangladesh and section six suggests some practical measures for the implementation of the proposed model.

2. CONCEPTUAL FRAMEWORK: DEFINING PUBLIC PERFORMANCE AND PERFORMANCE MANAGEMENT

‘Performance’ is a multidimensional concept. In the academic literature, scholars have coined different issues as the components of ‘performance’. Bouckaert and Halligan stress, performance is not a unitary concept although performance is strongly related to ‘results’, in terms of outputs and outcomes.¹ Hatry also defined performance as ‘the results (outcomes) and efficiency of

¹ G Bouckaert and J Halligan, *Managing Performance: International Comparisons*, (Routledge, London, 2008), p. 14.

services or programmes'². Furthering the concept, the OECD emphasized understanding performance as economy, efficiency, effectiveness, service quality and financial performance.³ Thus 'performance' is essentially result oriented and efficiency, economy, effectiveness are its crucial factors. It is also noteworthy that performance is more outcome oriented than output.

2.1 Public Performance

Concept of public sector performance differs from private sector performance, as public sector has some uniqueness of its own. 'Public sector' is meant to be the key apparatus for the execution of the functions of the state. It is represented by the executive and its bureaucracy at the national and local levels together with the various statutory and parastatal bodies that perform a number of regulatory, monitoring, production and service delivery functions⁴. Public performance refers to the productivity, quality, timeliness, responsiveness and effectiveness of public agencies and programmes. In private business organisations, profit is a pervasive performance metric that is relatively easy to measure and closely related to the strategic success of the company. On the other hand, the key metric for public performance is not financial in nature, but mission effectiveness. Public managers work in a complex, political and bureaucratic environment, responding to a multiplicity of competing goals, suffering from information overload, and never armed with sufficient staff, time or financial resources to meet all the demands placed on them⁵. Thus a host of political, bureaucratic, and technical obstacles constrain public performance. Often it is difficult to define and measure public performance because, according to Brewer and Selden, "stakeholders often disagree about which elements of performance are most important, and some elements are difficult to measure and because tinkering with agency performance also has strong political implications"⁶. Also, public sector continuously faces pressure to improve service quality while lowering their costs. At the same time, they are also expected to become more accountable, customer focused and responsive to stakeholder needs as there are some social values (trust and fairness) in public

² H.P. Hatry, "Performance Measurement: Fashions and Fallacies", *Public performance and Management Review* Vol. 25, No. 4, 2002, pp. 352-358.

³ OECD *Performance Management in Government: Performance Measurement and Results-Oriented Management*, Paris, 1994.

⁴ Guy C.Z. Mhone, *The Challenge of Governance, Public Sector Reform and Public Administration in Africa* available at: <http://www.dpmf.org/Publications/Bulletins/mulletin-may-03.challenges-governance-guy.h..> accessed on 31 July 2008.

⁵ Joseph S. Wholey *et al*, *Improving Government Performance: Evaluation Strategies for Strengthening Public Agencies and Programmes*, Jossey-Bass Publishers, San Francisco-London, 1989.

⁶ G. Brewer and S. C. Selden, "Why Elephants Gallop: Assessing and Predicting Organisational performance in Federal Agencies", *Journal of Public Administration Research and Theory*, Vol. 10 No. 4, 2000, pp. 685-711.

service. Thus quality, stakeholders, public value and ethical aspects are some of the important dimensions for understanding public performance. In fact, public performance depends on what values are to be achieved in the public sector. Considering its complexities, here, public performance can be discussed from three perspectives:

Economic Perspective

From economic point of view, public performance refers to productivity, efficiency, and effectiveness while 'input,' 'output' and 'outcome' are their basic determinants. *Input* refers to the resources consumed in producing outputs. Resources include mostly *costs*, labour, equipment, supplies for government,⁷ *Outputs* are the end results of the production process. Performance has to do with quantity and quality of outputs⁸. There are *three* kinds of output: short-term, mid-term and long term. Short-term outputs are known as *outputs* referring to the goods, services, and decisions produced in a cycle. Mid-term outputs are known as *outcomes* referring to the goals achieved and the long-term outputs are known as *impacts* referring to the behaviour change as a result of the outcomes. Programme outcomes are important indicators of performance as they indicate how well the programmes could impact the life of the people.

In economic terms, *productivity* is the central concern of public sector performance. Increased productivity from both an efficiency and effectiveness standpoint is the key concern of public sector. Productivity is a measurement of resources required as an input factor in relation to the output received. This element is known as the *efficiency* factor of productivity. Efficiency is typically referred to as how well an organisation uses its resources in relation to outputs or in other words, the ratio of output to input⁹. The focus is on "doing the things right". Public service is termed as efficient if it achieves a defined output through a minimum of input or if, given a defined amount of input factors, maximum output is achieved. To put more simply, public sector efficiency increases by maximizing the amount of services provided relative to the amount of inputs

⁷ See K. E. Newcomer, "Measuring Government Performance", *International Journal of Public Administration*, No. 30 Vol. 3, 2007, pp. 307-329. Z. Radnor, "Muddled, massaging, manoeuvring or manipulated? A typology of organisational gaming", *International Journal of Productivity and Performance Management*, No. 57 Vol. 4, pp. 316-328 and A. Halachmi, "Performance measurement is only one way of managing performance", *International Journal of Productivity and Performance Management*, Vol. 54 No. 7, 2005, pp. 502-516.

⁸ G. A. Boyne and J. S. Gould-Williams, "Planning and Performance in Public Organizations", *Public Management Review*, Vol. 5 No. 1, 2003, pp. 115-132.

⁹ See B. Scales, "Performance monitoring public services in Australia", *Australian Journal of Public Administration*, Vol. 56 No. 1, 1997, p. 100 and Z. J Radnor and D. Barnes, "Historical analysis of performance measurement and management in operations management" *International Journal of Productivity and Performance Management*, Vol. 57 No. 5/6, 2007, pp. 384-396.

invested¹⁰. Thus in technical sense, efficiency may be considered as “cost” per unit of “output” or “cost-benefit analysis”.

Another factor, *effectiveness* is also associated with productivity concerns. The effectiveness factor is the relationship of goods or services produced as measured against a preestablished and appropriate standard¹¹. Those measures are typically referred to as — “how well services or programmes meet their objectives”¹². Similarly, to Hall and Rimmer, effectiveness is a measure of outcome, illustrating the result or impact of a service¹³. For example, the performance of an education programme can be measured in terms of the increase of literacy rate and the performance of health services can be measured by the improvement of health status. Effectiveness is not only about the achievement of the desired goal but it is also about the quality of service provided. Effectiveness refers to the extent to which client’s requirements are met, while efficiency is a measure of how economically the organisation’s resources are utilized when providing a given level of client’s satisfaction. Thus, effectiveness is about achieving the predetermined goals with utmost quality.

Political Perspective

From the political standpoint, public performance is conceived by the nature of political leadership, rule of law, transparency and accountability. Performance of public sector varies depending on the nature of political leadership e.g. democracy, autocracy, and military rule. Of various types of political leaderships, democracy facilitates the performance of public sector most as it remains obliged to be responsive to the public. Tommasoli argues that democracy requires a set of political institutions and processes based on the principles of popular control over public decisions and equality of respect and voice between citizens in the exercise of that control¹⁴. Public sector performs better if democracy is practiced where the citizen can have a voice in decision-making.

Rule of law is another indicator of public performance. It provides a reliable set of legal institutions that give the citizens and the market the guidelines to perform their functions. Rule of law also offers a set of predictable rules and

¹⁰ G. Caruso and R. Weber, “Getting the Max for the Tax: An Examination of BID Performance Measures”, *International Journal of Public Administration*, Vol. 29 No. 1, 2006, pp. 187-219.

¹¹ R. Pursley and N. Snortland, *Managing Government Organizations*, Duxbury Press Series in Public Administration, Massachusetts, USA, 1980.

¹² A. Wall and G. Martin, “The disclosure of key performance indicators in the public sector”, *Public Management Review*, Vol. 5 No. 4, 2003, pp. 491-509.

¹³ C.Hall and S. J. Rimmer, “Performance monitoring and public sector contracting” in *Australian Journal of Public Administration*, Vol. 53, No. 4, 1994, p. 453.

¹⁴ Tommasoli “Representative Democracy and Capacity Development for Responsible Politics” in United Nations, *Public Administration and Democratic Governance: Governments Serving Citizens*, 7th Global Forum on Reinventing Government Building Trust in Government, Venna, Austria , 26-29 June 2007, p.52.

regulations, which protect the human rights of the citizen and deters arbitrary acts of the state. Thus it dissuades misuse, wastage and corruption and above all justifies the activities of public sector and improves performance.

Accountability is the cornerstone of public performance. Accountability compels some measure or appraisal of performance, especially of those persons or organisations with authority to act on behalf of the public; it is in sum, answerability for performance¹⁵. Cheema has identified three dimensions of accountability, suitable to explain public sector performance¹⁶. They are: (i) *financial* accountability referring to the obligation for handling resources and report on the intended and actual use of resources; (ii) *political* accountability refers to regular and open methods for sanctioning or rewarding those who hold positions of public trust through a system of checks and balances among the executive, legislative and judicial branches; (iii) *administrative* accountability refers to the system of control internal to the government, including civil service standards and incentives, ethics codes and administrative reviews. Whatever be the dimension, accountability is one of the most effective recipes to make public sector efficient. Lack of an accountable, transparent system facilitates corruption through unregulated administrative discretion of the bureaucrats.

Transparency is another essential guide to ensure accountability in public sector. To make public sector accountable, rules, processes, systems have to be open, transparent and easily understandable. For this to happen, the responsibilities and assignments of every agency and official need to be clearly spelt out, performance benchmarks set and systematically monitored¹⁷. Citizen's Charter and e-governance are some recent innovations for making public sector transparent and accountable.

Institutional Perspective

Organisational capacity, its growth and behaviour are the prime determinants of performance of public sector institutions. Bodwith and Buono summarize the main components of organisational performance or effectiveness, which include: (i) goal accomplishment, (ii) ability of organisation to acquire the resources (financial, human) needed to accomplish their goals, (iii) internal processes and operations such as organisational harmony, competency, excellence and

¹⁵ B. Romzek, "Dynamics of Public Sector Accountability in an Era of Reform", *International Review of Administrative Sciences*, Vol. 66 No. 1, 2000, pp. 21-44.

¹⁶ Shabbir Cheema, "Linking Governments and Citizens through Democratic Governance" in United Nations, *Public Administration and Democratic Governance: Governments Serving Citizens*, 7th Global Forum on Reinventing Government Building Trust in Government, Vienna, Austria, 26-29 June 2007, p. 32.

¹⁷ World Bank, *Taming Leviathan: Reforming Governance in Bangladesh*, An Institutional Review, Washington, 2002, p.22.

efficiency (use of resources); and (iv) stakeholder satisfaction or strategic constituencies¹⁸.

From institutional point of view, the concerns of public performance are the traditions, values and norms guiding the missions and visions of organisation, organisational capacity and growth factors and organisational behavior. Some values, norms and ethics of public officials closely influence the capacity of public institutions. For instance, values of equity, transparency, and fairness are the critical factors determining the missions, visions and strategies of organisation. But all these are determined and shaped by a country's history, culture, social and economic factors. Culture of participation, pluralistic media, active civil society, competing political parties all make a congenial environment for participatory/ democratic institutions facilitating the values of equity and justice in public service delivery.

2.2 Public Performance Management

Performance management is a technology for creating a workplace that brings out the best in people while generating the highest value for the organisation¹⁹. It is a system that maximizes all kinds of performance. It seeks to ensure efficiency and effectiveness in the public services to make the best use of available resources. Performance management is essentially concerned about outcome. Osborne and Gaebler pointed out that to improve performance, government services should be result-oriented rather than rule driven or input oriented²⁰. Like private organisations, they argue that government organisations should seek results²¹. This emphasis on performance implies that performance in the public sector is measurable. Setting a vision is the starting point of performance management. Vision is the key to performance management, which is later translated into missions and strategic plan to produce a concrete outcome. Performance management should not be confused with performance appraisal. Performance appraisal focuses more on the works done by an employee for the organisation while performance management covers the whole gamut of running the affairs of an organisation.

¹⁸ J. L. Bodwith and A. Buono, *A Primer on Organization Behaviour*, John Wiley & Sons, Inc., 2005.

¹⁹ A.C. Daniel and J.E. Daniel, *Performance Management: Changing Behaviour that Drives Organizational Effectiveness*, Fourth Edition (Revised), Performance Management Publications, Atlanta, USA, 2006.

²⁰ D. Osborne and Gaebler T. *Reinventing Government*, Reading MA: Addison-Wesley, 1992.

²¹ Chang Kil Lee, "Exploring Contents and Contexts of Performance management : Initiatives and Challenges" in *Transforming Korean Public Governance : Cases and Lessons*, OECD/Korea Policy Centre, 2008, p. 60.

3. MISSIONS AND VISIONS OF THE GOVERNMENT OF BANGLADESH

Missions and visions are the key performance metrics in public sector. Governmental agencies exist not for profit but to fulfill their charter or mission, which is an "inherently governmental function"²². The key metric for government performance, therefore, is not financial in nature, but mission effectiveness. As a starting point of designing a performance management system, this section illustrates the missions and visions of the GOB.

3.1 Missions of GOB

Theoretically, the broad major functions of government can be divided into three categories: protective (basic security and public order), productive (manipulating and managing economies to promote development) and redistributive (welfare services that protect people from any kind of insecurity). Accordingly, the broader responsibilities of the GOB can be identified as to ensure national security, pass laws, provide infrastructure and basic social services. The Constitution of Bangladesh as the Supreme Law of the country gives a clear indication of the role/mission of the government.

The third part of the Constitution lays out the government's *protective* roles. It reads that government will protect the citizen by law (Article 31) and their right to life and personal liberty (Article 32). It will also protect the individual's right to seek redress to the court in case of violation of fundamental rights (Article 44). To perform these roles government has a judiciary, an army and a police force. As a *producer*, GOB plays a dominant role in economy. Article 13 of the Constitution reads that mode of production will be owned by both the state and the individuals. Accordingly, government is the investor, regulator, employer and producer. World Bank notes that the public sector accounts for almost 26 per cent of total GDP, while public employment, amounting to almost one million, accounts for about 20 per cent of the formal sector employment²³. It produces commercial goods ranging from textiles, engineering products and fertilizer to sugar, matches and paper and also utility goods like power, water and gas.

Articles 14-18 of the Constitution demonstrates the *redistributive* and welfare role of GOB. Article 15 states that it will be the fundamental responsibility of the state to provide the basic necessities of life including food, shelter, clothing, education and medical care. Accordingly, government has undertaken the policy of providing free education for girls upto the higher secondary level. A stipend programme for girls in secondary schools has brought about a much higher

²² <http://www.balancedscorecard.org/BSCResources/PerformanceMeasurement/TranslatingMetrics/tabid/139/Default.aspx>; accessed on 26 November 2008

²³ World Bank, *Government that Works: Reforming the Public Sector*, The World Bank, Bangladesh, 1996, p. 2.

presence of girls in schools upto the tenth grade. Besides, government also provides free/subsidised health care services to the rural people (at the upazila/subdistrict level and below) and its tertiary level hospitals in large cities. The main goal of public services delivery is to ensure adequate, effective, quality and low-cost services to the people. State also takes up the responsibility to emancipate the toiling masses- the peasants and workers, and backward sections of the people from all forms of exploitation (Article 14) through various safety net programs known as Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF) Programme, Hundred Days Employment Programme for the poor during the slack season etc.

3.2 Visions of GOB

Bangladesh has two formal documents containing the vision of the country. The documents containing long term visions include the nationally set Vision 2020²⁴ and recently announced Vision 2021²⁵ of the present Awami League led government. The year 2021 is important as it will mark the golden jubilee of Bangladesh's independence. Integrating both the documents, visions of GOB stand as follows:

Political

Government of Bangladesh envisions that by 2021, the country will have a democratic system where people choose their government freely and get services from it without hassle, enjoy freedom from fear and intolerance, live with dignity, where every citizen is assured of social justice, environmental protection, human rights and equal opportunities, and where the rule of law and good governance flourish. GOB envisions a liberal, progressive and democratic welfare state. Parliament will be made effective and government will be accountable for all its activities. Decentralization of power and peoples' participation in administration will be ensured. The local government institutions will play a critical role in development programmes.

Economic

Bangladesh visions to be a middle income country by 2020/2021, where poverty will be drastically reduced, the citizens will be able to meet every basic need and development will be on fast track, with ever-increasing rates of growth. Vision 2021 aims for substantial reduction of poverty from present 45 per cent to

²⁴ World Bank & Bangladesh Centre for Advanced Studies, *Bangladesh 2020: A Long-Run Perspective Study*, University Press Limited, Dhaka, 1998.

²⁵ Election Manifesto of Bangladesh Awami League -2008, Ninth Parliamentary Election, *A Charter for Change*, Available at the website: www.albd.org/autoalbd/index.php, accessed on 04 January 2009.

15 per cent with an average annual growth rate of 10 per cent which will be sustained thereafter. On the other hand, Vision 2020 states,

“The war against chronic poverty must be won. By 2020, if not earlier, the hope is that the basic needs of the population of Bangladesh will have been met, when everyone will be properly fed and adequately clothed, shod and housed, able to read and write, have access to health care..... all of this can be ensured on a sustainable basis without dependence on foreign donors, and without damaging the environment”.

Thus, Bangladesh visions a substantial reduction of poverty by 2020 in a sustainable manner. By 2020, industry could contribute as much as 40 percent of GDP, double than that of agriculture’s 18-20 percent share. It also aims to create 50 million jobs in 25 years in the sectors where Bangladesh commands comparative advantage- in high value crops, labor intensive manufacturing, and in international trade. It is envisioned that unemployment will be reduced to halve (from present 28 million to 15 million) in the country by 2021.

Governance

Vision 2021 states that good governance will be established through ensuring genuine independence of judiciary, by making the Parliament effective and by making the government accountable for all its activities. “Administration will be free from politicisation and will be pro-people. Efficiency, seniority and merit will be the basis of appointment and promotion in public service, political connection will have no relevance”, states Vision 2021. Thus an efficient, high-performing, pro-people civil service will be a national priority. Bangladesh by 2021, also envisions a corruption-free society with social justice and law and order and an improved legal and judicial system.

Human Development

Visions 2020 and 2021 aim to have a fully literate nation with universal access to basic health care to bring forth cadres of skilled workers who will be capable contenders in high-tech, information oriented global markets. By 2021, minimum daily intake of 2122 kilo calories of food, elimination of contagious disease, primary health care and sanitation for all will be ensured. Food deficit will be removed and self-reliance in food production will be achieved by 2012, which will enable the country to meet the nutrition needs of 85 per cent of the population.

Given these missions and visions, question arises how capable the government is to achieve these? An analysis of the strengths, weaknesses, opportunities and threats of public governance in Bangladesh might provide us this answer and at the same time gives indications about how to formulate a performance management model for the public sector of the country.

4. PUBLIC SECTOR GOVERNANCE IN BANGLADESH : STRENGTH, WEAKNESSES, OPPORTUNITIES AND THREATS

More than three decades have elapsed since Bangladesh achieved its independence. Zafarullah, rightly calls this period as a turbulent one characterized by intermittent political tremors, recurring economic crises and widespread social change²⁶. The consequences of these multi-faceted phenomena had a direct bearing on the governmental administrative machinery. Bangladesh has a variant of the Westminster-type parliamentary form of government with a democratically elected unicameral parliament. The Prime Minister is the Chief Executive and the President is the head of state. The Prime Minister heads the council of ministers which is collectively responsible to the Parliament. Although the Constitution clearly delineates the power and functions of legislative, executive and judicial branches of government, in practice, “executive is dominant and legislature is dormant”²⁷. Bureaucracy is the nerve centre of all governmental activities. The administrative machinery starting from the central to the field administration largely adheres to the cardinal features of the British colonial administration. Since independence, various attempts were undertaken to reform administration with limited results. Many deep seated institutional problems have still remained unresolved. Following subsections, attempt to conduct a SWOT (strengths, weaknesses, opportunities and threats) analysis of Bangladesh government’s administration that provide an analysis of the prevailing atmosphere of public sector governance.

4.1 Strengths

The attributes of the government’s administration that are helpful to achieve the missions of GOB are as follows:

Hierahcally arranged Administration

Bangladesh has a sound hierarchically organized administrative structure encompassing all parts of the country. For administrative purpose, the country is divided into 6 divisions, 64 districts, 481 upazilas (subdistricts), and 4498 unions. Government organisation in Bangladesh can be conceptualized as a two-tier administrative system²⁸ with the ministries comprising the central secretariat at the national level responsible for policy formulation and the administration at the

²⁶ H. Zafarullah “Bureaucracy and Public Administration: Development and Trends in the first Decade” in Zafarullah and Khan (eds.) *The Bureaucratic Ascendancy: Public Administration in Bangladesh, The First Three Decades*, AHDP, Dhaka, 2005, p. 23.

²⁷ M.M. Khan, *Dominant Executive and Dormant Legislature: Executive Legislature Relations in Bangladesh*, AHDP, Dhaka, 2006.

²⁸ Giasuddin S. Ahmed, “Public Administration in the Three Decades” in A.M. Chowdhury and Fakrul Alam (eds.), *Bangladesh on the Threshold of The Twenty First Century*, Asiatic Society of Bangladesh, Dhaka, 2002, p. 327.

subnational/field levels- divisions, district, upazila (subdistrict) responsible for policy implementation and public service delivery. In addition to this, representative local government institutions exist at the lowest tier of administration i.e. union in rural areas and at the municipalities and city corporations in urban areas. This hierarchically arranged administrative system creates a structure facilitating smooth flow of authority and communication from the top to the levels downward.

Formalism

Like elsewhere in developing countries, in Bangladesh, bureaucracy is instrumental of government machinery for attaining development. To a large extent, bureaucracy in Bangladesh, conforms to the Weber's formalistic model in terms of its decision making mechanism, rigid hierarchy and division of labour. Decision making patterns and working relationships are dictated by highly formalistic rules and regulations, apparently leading to an impersonal style of administration²⁹. Almost everything about its operation is written down in a formal fashion and the written documents are stored in files, access to which is limited. On the other hand, rigid hierarchy defines authority corresponding to each level and superior-subordinate relationships. Conforming to the division of work principle, positions are assigned to the bureaucrats as per their belongingness to a particular civil service cadre. This kind of formalistic rules are supposed to ensure an uniformity of procedures, functions and services.

Legal Protection for Bureaucracy

The Constitution and other legal provisions ensure the permanence of the job of bureaucrats and protects their rights and interests. The Constitution of Bangladesh incorporates certain provisions with regard to its civil servants. Article 29 ensures adequate representation of all the sections of population in government service. More significantly, a part of the Constitution (Article 133-136) provides guidelines for the administration of services in the Republic which says: (i) all public servants shall hold office during the pleasure of the President; (ii) they shall not be dismissed or removed from service or reduced in rank by any authority subordinate to that by which they were appointed; (iii) disciplinary action will not be taken until they have been given a reasonable opportunity of showing cause against the action proposed to be taken. Moreover, Bangladesh Constitution retains special provision for constituting Administrative Tribunals (Article 117) for providing redress of grievances against any injustice done to the government officials relating to their conditions of service and the establishment of Ombudsman (Article 77) for protecting public rights against the abuse of administrative powers. In addition to these, various acts also provide

²⁹ Zafarullah and Khan, *The Bureaucratic Ascendancy: Public Administration in Bangladesh, The First Three Decades*, AHDP, Dhaka, 2005, p. 12.

legal protection for the civil servants. The Civil Servant Retirement Act 1975, Government Servants (Discipline and Appeal) Rules 1976, Services (Grades, Pay and Allowances) Order 1977, Government Servants' Conduct Rules 1979, Public Servants' (Special Provisions) Ordinance 1979, Promotion Rules 2002 etc. are worth mentioning.

Civil Service Recruitment Based on Merit

Despite having some quota³⁰ reserved for different sections of the population in order to ensure representativeness in civil service, the basis of civil service recruitment is merit decided through an open competitive examination conducted by the Public Service Commission, a constitutional body. Admission to the 28 cadres of the Bangladesh Civil Service is open to candidates below the age of 30 with at least a first degree from a university of Bangladesh or abroad. In selecting candidates for specific services, heavy reliance is placed on tests and interviews³¹.

Administrative Culture: A Tiger in Disguise

A recent study has termed the administrative culture of Bangladesh as “a tiger in disguise” as it finds a similarity between the administrative culture of Bangladesh and that of some East Asian tigers including China, Japan and South Korea³². The cultural feature that is found to be common between Bangladesh and the Asian Tigers is the “two-way authority’ relations between seniors and juniors where subordinates offer loyalty and obedience to the superiors and in return, the superiors offer care, protection and favour to the subordinates. This reciprocal authority pattern in contrast to the Weberian model “stimulates the emergence of a collegial atmosphere: where authority is collectivised and flows in both upward and downward directions in order to serve organisational and group norms”. The country can effectively utilize it to stimulate performance of government officials towards shared national goals of economic development.

4.2 Weaknesses

The strengths that have been mentioned above are mostly theoretical. There have been many irregularities in practice that cause innumerable institutional weaknesses. The weaknesses of public administration causing barriers to achieving the GOB goals are as follows:

³⁰ At present quotas are allocated among different categories of recruits in civil service in the following manner: 45 per cent of the positions filled on the basis of merit, 30 percent for freedom fighters and their children, 10 percent for women, 10 percent for backward districts, 5 percent for tribal people.

³¹ Zafarullah and Khan, *op.cit.* p. 133.

³² Ishtiaq Jamil, *Administrative Culture in Bangladesh*, AH Development Publishing House and Centre for Development Governance, Dhaka, 2007.

A Big Government

Bangladesh government is over extended in terms of having a large number of ministries and departments compared to many developed countries. It has a large bureaucracy which has 28 cadres, more than one million civil servants in 26 ministries, 11 divisions, 254 departments and 173 statutory bodies. The size of government has been doubled since independence while the quality of administration has declined along with the purchasing power of staff remuneration. Poor salary and emolument of government functionaries are the roots of much of corruption in civil service. Even by South Asian standards, salary of government officials is extremely low in Bangladesh³³, although government is spending (4.2% of GDP) as much as Korea and Singapore spend for the salaries and wages of its employees³⁴. Aside from its budgetary impact, “this expansion has stretched implementation capacity, compounded coordination problems, and exacerbated regulatory intrusiveness. Above all, it has created vested interest groups which have blocked efforts at rationalization and reforms”³⁵.

Politicization of Administration

For an efficient implementation of government policies, a bureaucracy, supportive to the party in power is an essential pre-requisite but if political control over bureaucracy creates a situation where, as Ali notes, “the distinction between a civil servant and party adherents becomes almost indistinguishable”³⁶, problems of governance arise. Thus the extent and limit of political control over civil service is important. In Bangladesh, appointment, transfer and promotion in civil service have often been determined by the political affiliation of the officials rather than their merit or performance and this state of affair has taken a serious form since the restoration of Parliamentary democracy in 1991. Politicization leads to the recruitment of groups of officers, who do not meet the criterion for entry into service, but are inducted to create a ‘permanent bastion of support’ inside the bureaucracy³⁷. As political affiliation is always “rewarded”, bureaucrats are also more inclined to have a political identity as a means of climbing the career ladder instead of demonstrating or improving their performance.

Factionalism in Civil Service

³³ Power Participation and Research Centre, *Unbundling Governance: Indices, Institutions, Processes and Solutions*, PPRC, Dhaka, 2007.

³⁴ World Bank, *Government that Works: Reforming the Public Sector*, The World Bank, Bangladesh, 1996, p. iii.

³⁵ *Ibid*, p.18.

³⁶ A.N.M. Shawkat Ali, *Civil Service Management in Bangladesh: An Agenda for Policy Reform*, University Press limited, Dhaka, 2007, p. xvii.

³⁷ PPRC, *op.cit*, p. 84.

Overwhelming political influence over bureaucracy has thrown the whole civil service into a deep-seated factionalism. Jamil notes that the civil service is now broadly divided into two groups: one is the loyalist to the party in power and the other is the loyalist to the opposition³⁸ minded civil servants. Besides this, other factions include spoil system recruits versus recruits through open competitive examinations, freedom fighters versus non freedom fighters and generalists (who enjoy the authority for decision making) versus specialists (who merely carry out the decisions taken by the generalists). Party sympathizers of the political leadership of the day recruited as civil servants in various times were victimized by the governments followed. These factionalisms have serious consequences for the civil service such as lack of coordination between services, demoralization, lack of discipline, and utter negligence of work³⁹.

Ineffective Formal Accountability Mechanisms

Formal accountability mechanisms are largely ineffective. To make public administration accountable, there exist two mechanisms: internal and external. Internal mechanisms include instructional provisions for disposal of public business within a specified time, besides the inspection, supervision, and writing of annual confidential reports or ACRs by individual supervisors⁴⁰. These mechanisms have delineated the responsibilities of the officials and also the pecuniary measures in case of violations. But in practice these mechanisms rarely work due to the immature political environment of the country that has made the bureaucracy dominant over the state apparatus. Moreover, excessive partisan interests have weakened internal accountability mechanisms of bureaucracy as the bureaucrats are more inclined to be accountable to their political masters as a means of reaching the highest ladder of the career rather than to their superiors and the citizens through parliament. Amongst the external mechanisms, legislature or the parliament, judiciary, press and civil society, are the key to make government accountable. But most of these mechanisms are largely failing to hold the government to account mainly due to the political influence over the functioning of the parliamentary committees, irregular formation of the parliamentary committees and long absence of opposition in the parliament. The oversight institutions eg. the Judiciary (Supreme Court), Anti Corruption Commission, the Comptroller and Auditor General (CAG) are also failing to make the executive accountable in effective manner due to certain formal rules and procedures that encourage penetration of partisan interests to these institutions. As a study notes, "Partisan penetration is one reason why formal accountability mechanisms throughout the system are weak; political affiliation

³⁸ Ishtiaq Jamil, *op.cit.*, p. 200.

³⁹ Kamal Siddiqui, *Towards Good Governance in Bangladesh: Fifty Unpleasant Essays*, University Press Limited, Dhaka, 1996, pp. 18-20.

⁴⁰ Giasuddin S. Ahmed, *op. cit.*, p. 343.

reduces the scope for independent pressures on institutions and actors to adhere to rules”⁴¹.

Nontransparent Administration

Government has a tradition of maintaining ‘secrecy’ in its operation. Still the Bangladesh civil service maintains colonial era ‘Official Secrets Acts’ and other secrecy legislations that actively undermine the process of information disclosure. Formulation of rules and regulations and their implementation are not at all transparent. Often, public decisions are not made public and people have limited or no access to the public documents as they are considered as ‘confidential’. Public policies are approved by the cabinet without having any discussion or debate in the Parliament. Also, many rules guiding the functions of the bureaucrats are vague which facilitate them to be nontransparent. In 2008, the caretaker government introduced Citizen’s Charter in government agencies in order to ensure transparency of government operations and to make the government officials accountable to the citizen for their services, the impact of which is yet to be seen.

Preoccupied with Process

Bureaucracy is more concerned with rules and processes, paying less attention to the outcomes of its actions⁴². There is an emphasis on process monitoring rather than result monitoring in the bureaucracy. Officials instead of making effort to achieve success of a project are inclined to adhere to the laid-down guidelines so that no blame is attached to him/ herself in case of failure. This tendency affects the quality of services, commitment and performance of bureaucrats.

Too Centralized Administration

Administration is highly centralized at the top. Nationally, centralization of power is accentuated by the placement of a number of ministries and agencies directly under the Prime Minister⁴³. Relatively trivial matters also await for the Prime Minister’s approval partly due to a lack of confidence of the ministers and partly due to the culture of ‘upward loyalty and respect’. In addition to this, secretariat is the centre of all decision making activities leaving local governments and field administration ineffective in this regard. Transfer, posting of government officials in remote areas need approval of the ministries. Again, within the ministries or departments also, decisions are taken at the top and the lower level officials always wait for the orders to come from their bosses. This

⁴¹ BRAC, *The State of Governance in Bangladesh 2006*, BRAC, Dhaka, 2006, p. 7.

⁴² World Bank, 1996, *op. cit.*

⁴³ *Ibid.*

culture delays decision making, discourages creativity, and innovativeness of the officials.

Weak Implementation and Monitoring Capacity

Implementation failure is the key challenge for the government. A daily notes that during the last couple of years on an average the rate of implementation of the Annual Development Plan (ADP) has been only 25 per cent although in the first half of the FY 2007-2008 only 21 per cent of the Annual Development Plan has been implemented⁴⁴. The prime reasons for slow implementation in recent years include: inadequate knowledge of the government officials concerned, poor application of the public procurement regulations and price hike in construction materials which was not presumed during the programme formulation stage etc. Government often makes unrealistic policies without a proper assessment of the resources available -institutional, financial, or human or thoroughly analysing the policy implications, which leads to implementation failure.

On the other hand, monitoring of implementation is very weak or nonexistent. Though the Secretariat Instructions are quite explicit on files and their movement register, there is no modern monitoring system to track the movement of files nor are there any pressure for quick disposal of cases⁴⁵. A Division of Planning Commission known as the Implementation Monitoring and Evaluation Division (IMED) is responsible for monitoring and implementation of development projects but it lacks clearly defined goals, competent staff and other resources.

Lack of Goal Orientation

Performance and goal orientation bears little significance in Bangladesh public administration. For instance, in the existing mechanism for measuring performance of individual government officials known as the Annual Confidential Report (ACR), out of 100 marks only 8 marks have direct bearing on the output and quality of work and the rests are on the personal traits, characteristics, work environment and other points having indirect influence on output⁴⁶. While performance and professionalism have been the key focus of public sector management in modern times, GOB still appears to be reluctant to this important issue. Bureaucrats typically try to justify their decisions on the basis of rules and precedents and fail to focus on the quality of outcomes⁴⁷.

Lack of Organisational Commitment

⁴⁴ *The Daily Star*, 30 January 2008.

⁴⁵ World Bank, 1996, *op. cit.*, p. 108.

⁴⁶ A.Z.M. Shamsul Alam, *Bureaucracy in Bangladesh Perspective*, Bangladesh Cooperative Book Society Ltd. Chittagong, 1996.

⁴⁷ World Bank, 1996, *op. cit.*

In Bangladesh, public employees lack organisational commitment as they are frequently transferred from one ministry to another. Although the civil service transfer rule stipulates that an employee will work in a particular position for a maximum of three years but rarely this rule is followed in practice. Innumerable instances are there that officials are transferred from one institution to another even in one month of being posted and in some cases officials remain in the same organisation even after three years of service. This arbitrary and also irrational movement from one ministry to another, affects the sense of belongingness of bureaucrats to a particular organisation and lowers their commitment and loyalty to the organisational policies and objectives.

Poor Career Planning and Management System

Civil service is actually managed by capricious implementation of different rules and more importantly, through partisan approach. The constitutional requirement for civil service management act and other allied areas remain to be fulfilled, thus providing room for partisan approach in civil service management⁴⁸. Although the administrative functions of civil service are supposed to be guided by the Rules of Business and the Secretariat Instructions, but in practice, political approach is pre-eminent in decision making which weakens the system. Till today, no need assessment relating to the size of civil service is done, no pragmatic promotion and transfer rule has been formulated and even if the rule is there, it is not implemented. Political considerations remain firmly embedded in any approach to civil service management⁴⁹. For instance, promotion to high level posts is mostly politically decided instead of merit or performance.

4.3 Opportunities

External conditions that are helpful to achieving the objectives are as follows:

Vibrant Civil Society and Active Media

Gone are those days that the government alone has the decisive voice regarding the country's development agenda and course of action. Now-a days, there is a strong civil society consisting of an organised business sector and private-not-for-profit voluntary sector commonly referred to as NGOs and a wide range of citizens' groups that play important role in directing the actions of government. Moreover, increasingly mature and critical media has amplified the voices of the poor and of the citizens in national level decisions.

⁴⁸ A.N.M. Shawkat Ali, *Civil Service Management in Bangladesh: An Agenda for Policy Reform*, University Press limited, Dhaka, 2007. p. 222.

⁴⁹ A.N.M. Shawkat Ali, *Bangladesh Civil Service: A Political – Administrative Perspective*, University Press Limited, Dhaka, 2004, p. 294.

Openness to Private Sector

Recent reinventing and restructuring movements, mostly located in developed countries, focus on creating competitive pressures in the civil service, including opening the system up to external, especially private sector environment, both in terms of ideas, approaches, modalities and hiring personnel at almost all levels⁵⁰. Bangladesh government has adopted this partnership strategy through a selective approach of openness, especially with respect to investment, employment and service delivery. Since 1980s, there has been a policy shift from nationalization to privatization. GOB encourages private sector participation in socio-economic activities. Government has even privatized or shut down about 55 state owned manufacturing enterprises, reduced the employee size in these enterprises, which have produced a positive impact on the economy. In social sectors, particularly in health and education, government is adopting the policy of public-private partnership which is producing impressive gains in human development. Many kinds of publicly funded social services are being provided by the private sector. This creates an opportunity for the public sector to emulate the more effective managerial approaches of private sector to increase its efficiency.

4.4 Threats

The external conditions which might act as a threat to the improvement of performance of government administration include:

Confrontational Politics

Restoration of parliamentary democracy in the country in 1991 marked the emergence of an adversely competitive political system. "Winner takes all" attitude leads to the winning party to patronize and monopolize the state apparatus. This causes factionalism in bureaucracy through rewarding the party sympathizers in the service while victimizing the officials allegedly loyal to the opposition. This takes the form of random transfer, posting and making the officials OSD (Officer on Special Duty). These kinds of irrational actions on public servants make the officials feel insecure and sluggish and more importantly these affect their morale. Thus confrontational politics is a serious threat to bureaucracy towards becoming a committed service and a good performer.

Lack of a Uniform and Consistent National Goal

⁵⁰ A. T. Rafiqur Rahman, *Reforming the Civil Service for Government Performance: A Partnership Perspective*, University Press Limited, Dhaka, 2001.

Bangladesh has yet failed to have a uniform and consistent national goal. The major political parties are polarized (not on the basis of ideological interests but on personal interests) from one another to such an extent that policies and programmes are terminated or changed whenever there is a shift in government⁵¹. This kind of political uncertainty has a ramification in the performance of bureaucracy by making it uncertain and rule bound rather than output oriented. Moreover, in the absence of a common national goal, bureaucracy fails to be mission oriented.

Dysfunctional Parliament

In Bangladesh, restoration of parliamentary democracy in 1991 has also witnessed another trend of weakening the Parliament, which is supposed to be the watchdog of the executive. The symptoms of weak legislature include: frequent boycott of the parliament by the major opposition party, severe quorum crisis, less workdays, ineffective committee system and control of the legislature by the executive⁵². This ineffective and virtually dormant parliament blocks the ways of scrutinizing and reviewing the actions of the executive and keeping its excesses under check. Due to a lack of parliamentary scrutiny especially through the oversight committees, efficiency, accountability and transparency in the operation of civil service is seriously affected.

5. DESIGNING A PERFORMANCE MANAGEMENT SYSTEM IN BANGLADESH

Given the present context of the functioning of public sector, old practices should be refurbished and the models of performance management system should be introduced in order to make it high performing and result oriented. The objective of this section is to design a performance management system for Bangladesh. Various performance management models including Management by Objectives (MBO), Balanced Score Card (BSC), Performance Agreement Approach, Logic Model, Total Quality Management (TQM) etc. have been evolved by the governments in the developed and even in many developing countries of Asia as a means of improving public sector performance. This section endeavours to employ the suitable models for developing a framework of performance management in the public sector of Bangladesh.

The proposed performance management system is intended to transform public management from input and process oriented to result oriented, and promote efficiency and effectiveness, which in turn helps boost economic

⁵¹ Ishtiaq Jamil, *op.cit.*

⁵² M. M. Khan, *Dominant Executive and Dormant Legislature: Executive Legislature Relations in Bangladesh*, AHDP, Dhaka, 2006, p. 105.

growth, and improve performance at the organisational and individual level. Initially, GOB can experiment mission-driven, results based performance management with pilot programme in selected agency/agencies. The system might employ various performance management models to achieve multiple purposes at different stages as follows:

5.1 Setting Missions, Visions and Strategy: Employing MBO and BSC

To start with, agencies should include its mission and vision. In Bangladesh, as government agencies lack specific mission and vision, a law can be enacted to make it mandatory for agencies to include its mission, vision, strategic objectives, performance goals, and performance indicators.

In setting goals and missions and strategies, individually, government organisations can adopt the MBO model. MBO is a system of management based on measurable and participative set of objectives. The model involves setting specific, measurable individual goals in alignment with the organisational goals through employee-management consultation. Individual is given wide independence in choosing his own way of accomplishing the job, which is reviewed by the management on a regular basis. Adoption of MBO in the public sector would facilitate having measurable and participative goals and also have precise job descriptions for individual employees. Given the context of non participatory work culture, it might be difficult to introduce it overnight but the top level management should be provided with necessary orientation regarding the advantages of this participatory model in attaining efficiency and effectiveness.

Through MBO, once organisational and the individual goals are set and strategic plans are undertaken, strategies should be translated into operational terms by employing BSC. BSC was developed by Robert Kaplan and David Norton in 1992 as a performance measurement framework that added strategic non financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of the organisational performance⁵³. The BSC system consists of vision, mission, strategic goals, and four key performance indicators: *customer* (customer satisfaction), *finance* (up to date cost-benefit and risk assessment data), *internal business process* (strategic management, mission oriented processes), and *learning and growth* (*employee training, learning, mentoring for the betterment of organisation*)⁵⁴. For each perspective, achievable goals are set, parameters are defined for measuring the progress in achieving the goals, specific targets are set and initiatives are taken to align effort to reach the targets.

⁵³ Available at the website: [www. http://balancedscorecard.org](http://balancedscorecard.org); accessed on 12 January 2009.

⁵⁴ For details please visit website: www.balancedscorecard.org, (accessed on 12 January 2009).

5.2 Identifying Performance Indicators

Identifying performance indicators is the most important factor in performance management, but determining right performance indicators is a difficult task. Logic model could be applied to identify the critical measures of performance by establishing causal linkages among programme resources, activities, outputs, and outcomes. Logic model illustrates a sequence of cause-and-effect relationships – a systems approach to communicate the path towards a desired result⁵⁵. It links the problem (situation) to the intervention (inputs and outputs), and the impact (outcome), which might be demonstrated in narrative form or through graphical depictions. Thus it summarizes a project design, refines goals and objectives, develop specific indicators leading to a monitoring and evaluation plan.

Input

Once the missions and visions are clearly laid out, agencies need to assess its human and financial resource requirements. Inputs including cost, staffing and equipment should be estimated in alignment with the agency vision. To achieve each output, an allocation of the financial resources is necessary. While efficiency, effectiveness, accountability and responsiveness are the primary objectives of reform, reduction of public employee's size should not be the key focus rather size of employees should not compromise with the quality of service. Instead of recruiting many, focus should be given to recruit better qualified candidates in mid and long term perspectives. The compensation of both monetary and non-monetary benefits should be realized to the level of private sector for Results Based Management system to be attractive to the qualified candidates.

Activity

Empowering employees with the authority, skill and information required to the assigned job is one of the preconditions for making the introduction of performance management meaningful. Decentralization of authority, capacity building and transparency, participation and motivation through performance based reward would be the principal activities to this end. Traditional hierarchical system needs more flexibility with more responsibility to the people. Decentralization of authority from the centre to the implementing agencies or local administration should be accelerated. Employees should be equipped with relevant knowledge and training to make the agencies capable to perform the assigned duties. Departments/ agencies will need to put more resources in developing human resource capacity. The whole process of setting performance

⁵⁵ A. R.S. Millar and J. T. Carnevale, *Logic Models: A Systems Tool for Performance management, Evaluation and Program Planning*, Vol. 24, No.73, 2001, p. 81.

targets, evaluating organisational and individual achievements, rewarding higher performers and sanctioning poor achievers should be transparent, fair, and consistent. Participation of stakeholders in goal/ strategy/ performance standard setting should be ensured. To motivate civil servants, rewards should be highly attractive. Rewards should not only include monetary rewards but non monetary incentives should also be given adequate importance.

Output

The end result or the “output” of a programme should be specified and it has to be made sure that it is contributory to the achievement of the missions and vision of the organisation. Employees are assigned to produce certain output within a time frame on the basis of which their performance will be scored.

Outcome and Impact

Programme outcomes or impact should be specified in the light of which inputs, activities and outputs will be determined. For instance, management has to predict and specify the outcome of the operation of a health centre in terms of improvement of health indicators and its impact in increasing health awareness and access to services.

Quality

Quality of service is one of the major indicators of public performance. Quality of service is highly variable depending on the nature of organisations. In general, timeliness, and responsiveness of service are the criteria for determining quality. Total Quality Management (TQM) might be adopted to ensure quality of services. TQM is the organisation wise management of quality. International Organisation for Standardization (ISO), in 1994, defined TQM as: “TQM is a management approach for an organisation, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction and benefits to all members of the organisation and to society”⁵⁶. As per TQM, quality must be conceived as a component of the organisation from the top level management and the responsibility of quality standards needs to be shared by all. Customer satisfaction is the key factor determining quality but following TQM, quality should be understood as a deliberate effort to eliminate error and reduce waste in each and every aspect of organisational activities.

Satisfaction

The extent of satisfaction of the clients is one of the components of performance indicators. Surveys should be conducted to determine the level of

⁵⁶ Available at the website: <http://en.wikipedia.org/wiki/Total-Quality-Management>, accessed on 15 March, 2009.

consumer satisfaction. Citizen report card is an example of a survey technique which requires surveys of the public to establish their views.

Performance Measurement (Monitoring and Evaluation)

Measuring performance related to quantified objectives is one of the guiding principles of performance management. Based on the performance indicators, performance can be monitored and evaluated through employing the following models:

Performance Agreement

Performance agreement model aims to specify objectives and targets established for the employee and to communicate to the employee about the employer's expectations of the employee's performance. Performance agreements specify accountabilities as set out in the Performance Plan, monitor and measure performance against the targeted outputs. Performance plans are set by the employer in consultation with employee which includes: (i) key objectives (main tasks need to be done), (ii) Key Performance Indicators (evidence to show that key objective has been achieved), (iii) target dates (time frame for the accomplishment of the work), and (iv) weightage (relative importance of the key objectives to each other). Employee performance will be measured in terms of the contributions to the goals set in the performance plan. Employee performance will be assessed on the basis of two elements of Performance agreement: Key Performance Areas (KPA) and the Core Managerial Competencies (CMC). KPAs covering the main areas of work may account for 80% and CMC covering strategic capability, financial management, knowledge management, problem solving capacity, communication etc. may account for 20% of the final assessment.

To employ performance agreement model, Government can enact Performance and Results Act (PRA). It requires governmental agencies to develop strategic plans and performance plans that evaluate the success of the strategic plan. The intent is to make governmental agencies more accountable for results to their ultimate customer -- the taxpayers. A Committee can be formed by the Public Service Commission for "Improving Government Efficiency", which will monitor the performance of the ministries centrally. The participating departments and agencies are to formulate their own performance design for improving efficiency and effectiveness before the start of the new fiscal year. Key components of the proposal/performance design are its vision, work plans and projects in which Critical Success Factors (CSF) and Key Performance Indicators (KPI) depending on the nature of job are clearly identified. At the beginning of a financial year it will be mandatory for a government official to sign a performance agreement with the Committee. The agreement will contain: (i) a summary of annual performance plan revealing the main programmes that

must be accomplished by the signing official, (ii) the strategic goals that are expected to be attained, (iii) the performance indicators (outputs and outcome), (iv) budget of each programme, and (v) one page statement of performance commitment. At the end of the financial year, the agencies will submit its report to the Committee for assessing its performance.

Balanced Score Card (BSC)

As a multi-dimensional performance management tool, BSC will measure and evaluate organisational performance based on four dimensions including finance, customer, internal business process, and learning/growth. Once the organisations will submit their annual performance report to the “Committee for Improving Organisational Efficiency”, the committee will assess their performance using four dimensional criteria in the balanced score card:

- Financial Performance: Budget allocation and expenditure in practice will be assessed to see how money has been spent and how programme output is related to the organisation’s mission/goal.
- Internal Process: This indicates improvements in working process. Revising the working procedures through deregulation, amendment of rules, downsizing or recruiting qualified employees to facilitate the achievement of the stated goals will be the criteria to assess the performance under this category.
- Customer satisfaction: Surveys will be conducted to measure customer satisfaction in terms of responsiveness to the customer needs.
- Ability to learn and grow: This indicates how well departments have prepared themselves for incoming change, and how far departments have developed their human resource capacity⁵⁷.

After being assessed in terms of four performance indicators, the Committee will assign scores to the departments. Departments which meet the Committee’s performance criteria are eligible for extra financial rewards. Departments that receive higher scores will receive a larger extra financial reward than the departments with lower ones. Departments receiving rewards, are to reward their own staff according to their contribution.

Feedback

To obtain feedback of a programme, various models could be employed, which include: TQM, Performance Agreement model and BSC. TQM can be applied to monitor the organisational performance through focusing on

⁵⁷ Kim Sangin “Public Management Reform in Thailand” in *Comparative Studies for Better Governance in Asian Countries*, OECD Asian Centre for Public Governance, Seoul, Korea, 2007.

continuous improvement. It tries to prevent errors from occurring and if errors are found, corrective actions are undertaken to improve the service. Through measuring performance of the employees in achieving the agreed targets, feedback of a programme could be obtained through applying performance agreement system. To measure individual performance, in performance agreement, KPAs relevant to employee responsibilities and CMCs as agreed between the employer and employee with regard to change management/knowledge management, project management, financial management etc. are clearly specified. Thus with the help of this method feedback of the programme would also be obtained. As the effectiveness of applying this model depends on the senior managers' willingness to design performance targets, it is integral to conduct training for the senior officials to make them intended and committed to introduce it. Employees with outstanding performance rated against KPA and CMCs will be rewarded. BSC is also helpful in obtaining feedback to the internal process for improvement of performance and outcome. While performance agreement measures individual performance, BSC system evaluates team performance.

6. IMPLEMENTATION STRATEGIES

Introducing performance management system involves many systemic changes. It is not merely the appraisal of an individual's performance rather it is firmly linked with organisational objectives, incentives and individual development plans. Thus it involves a massive overhauling in the management. Given the existing weaknesses and threats of the public sector governance as discussed earlier, it is important to undertake certain steps for making the public sector supportive and adaptive for the change. Even in highly developed countries, initial attempts to introduce performance appraisal systems have failed because the organisation was not ready for change. For smooth implementation, following major steps could be undertaken:

- Sustained political will is crucial to introduce and implement performance management system as lack of political will was one of the major barriers that inhibited the implementation of previous reforms.
- Each Ministry should define its visions, missions and translate them into specific actions required to achieve them and communicate them to the officials and employees concerned.
- Clear definitions of responsibility, accountability structures, and authority for local managers in a decentralized system compatible with the local management culture, apprehensions and sensitiveness.
- Civil servants will have to be consulted and involved in the process of implementation rather than imposing the change upon them. Relevant training, workshops or orientation programmes could play important role in this regard. Particularly, to change the existing hierarchical, process-

oriented and self-protecting mindset of the civil servants, an extensive training programme is indispensable.

- To legitimize the proposed reform, a broader civil society understanding is needed. Broader involvement of stakeholders outside the bureaucracy involving the professionals, political leaders and academics can be ensured through holding a carefully packaged series of workshops or seminars.

7. CONCLUSION

An efficient public service is one of the indispensable components of a functional democracy and successful governance. In an era of accelerated change, Bangladesh cannot afford any more to be with a traditional and inefficient public sector. To build a modern, high performing public sector, it is imperative to introduce performance management system. Given the context of rule-bound, process oriented, and input driven civil service, there remain innumerable challenges to introduce performance management system in the public sector but these are not formidable ones. Strong political will can be the answer to many intractable problems.