

CALIBRATING CIVIL SERVICE INSTITUTIONS

for Enhancing People's Wellbeing in Punjab

A CIVIL SERVICE REFORM POLICY



PUNJAB RESOURCE MANAGEMENT PROGRAM (PRMP)
Planning and Development Department, Government of Punjab

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ACRONYMS

ACR	Annual confidential report
ADPR	Annual Departmental Performance Report
ACS	Additional Chief Secretary
CDP	Cadre Development Plan
CEP	Contract Employment Policy
CEQ	Comparative Evaluation Quota
CPP	Comprehensive Promotion Policy
CSCC	Civil Service Contact Committee
CSOC	Civil Service Oversight Commission
CSR	Civil Service Reforms
DCO	District Coordination Officer
DGS	Differential Grade System
EDO	Executive District Officer
GTC	Government Trainings Committee
HR	Human resource
ICP	Internal Competitive Placement
ISP	In situ promotion
IT	Information technology
MPDD	Management and Professional Development Department
MSRP	Multi-sector Recruitment Policy
OCP	Open Competitive Placement
PG	Performance grade
PGS	Performance grades system
PH	Performance honorarium
PPCMW	Public Policy and Change Management Wing
PPSC	Punjab Public Service Commission
PRMP	Punjab Resource Management Program
PR	Performance review
PRS	Performance Records System
PS	Performance score
RPC	Recruitment Policy Committee
S&GAD	Services and General Administration Department
TFCSR	Task Force on Civil Service Reforms
TMO	Tehsil or Town Municipal Officer
TNA	Training needs assessment
TPE	Tangible Performance Evaluation

INTRODUCTION

“The civil service of Punjab is a key to the successful implementation of these programs. It plays a pivotal role as an agency for formulation of policy inputs, policy and program implementation, regulation and service delivery across the whole range of government's functions.”

Making a clear break with the past, the Government of Punjab is earnestly committed to enhancing the wellbeing of the people of Punjab through its policies and programs. A number of programs have been formulated and are in the process of implementation. The civil service¹ of Punjab is a key to the successful implementation of these programs. It plays a pivotal role as an agency for formulation of policy inputs, policy and program implementation, regulation and service delivery across the whole range of government's functions. Recognizing the centrality of the civil service to the provision and production of all the public goods, the Government has resolved to undertake wide-ranging reforms in key areas of civil service in the province.

Further in pursuit of this recognition, the civil service, its systems and performance have been analyzed from various perspectives for developing a comprehensive civil service reform (CSR) policy. The background work, commissioned by the Government of Punjab, is contained in a separate report titled '*Calibrating Civil Service Institutions for People's Wellbeing in Punjab: Analysis and Reform Options*'. The report has documented an array of issues highlighted by the people's representatives, civil servants belonging to various cadres and other key stakeholders during a process of extensive consultations². It concludes that the wide variety of cadres and types of assignments in the provincial public sector requires a differential treatment and that a uniform approach confines government's policy options. The background report contains details of the reform options and their foundational analysis.

The CSR policy envisages a range of reform actions to be progressively implemented. There are two types of actions contained in the policy:

- (a) readily feasible reform actions that will be implemented without encumbering existing capacity; and
- (b) optimizing actions, that will require concerted planning and building of capacity for their successful implementation. The second category of actions will be periodically reviewed and a task force will be set up to guide the process of implementation.

¹ Civil service for the purposes of this policy statement means all government employment covered under the Punjab Civil Servants Act 1973 and other employees hired by the government to work in various departments.

² The policy statement has been developed after consultations with civil servants at different levels, representing a number of cadres and civil servant associations and other stakeholders and experts including Members of the Provincial Assembly



OVERALL GOALS OF CSR

The reforms will be implemented to create a civil service working to the full satisfaction of the Punjab citizenry. Their aim will be to revitalize Punjab government institutions by enhancing the capacity of its civil service to provide speedy, cost effective and better quality services to improve the living standards of the people of Punjab. They will ultimately aim to produce an efficient, effective, responsive and accountable agency for the provision and production of public goods in the province.

SPECIFIC OBJECTIVES OF CSR

The reforms will be implemented in pursuit of the following objectives:

- (i) To produce optimally aligned sets of skills for the service delivery and regulatory units, and departments of the provincial government;
- (ii) To realign incentives, human resource expenditures and management systems toward performance and external civil service accountability to the society; and
- (iii) To enable managers through provision of effective management instruments and rejuvenating internal discipline.

THE REFORM COMPONENTS

The CSR will aim at increasing the overall skill level of the civil service and clarifying the roles of the civil servants. Three principles will guide this transformation. Over time affording large but unskilled components of the civil service will be suboptimal province. The first principle is creation of efficiency in allocating skills to jobs. On the one hand while compensation to skilled civil servants needs to be increased, the size of the unskilled components of the government employment needs to be adjusted over time to free up fiscal space and ensure better use of the province's human resource assets. The adjustment costs will need to be carefully managed. The second important principle is clarification of the roles of the government and consequently disburdening the civil service of responsibilities best suited to private sector. Outsourcing of nonessential functions, divestment of commercial activities and public-private partnerships all have a bearing on the overall size of the government. The government's functions will be reviewed and transformed from that of an employment agency to a facilitator of a productive private sector. The third important principle is simplifying the business processes through business process re-engineering. This will be attempted mainly through the use of modern technology, especially IT.

In pursuing the reform the government will move away from a low cost approach to an optimal cost approach for managing its civil service and will treat this as an essential input in its development programs. This change will have far reaching effects on systemic capabilities, compensation and work place environment in the public sector. The reform through its various actions will pursue a cultural change in the civil service.

The CSR will be comprehensive in its scope and intent. Superficially the option of working on some areas only may appear attractive and may also have some advantages, but it is also undeniable that without a comprehensive conception, the consistency of approaches and synergies of activities, so essential for a successful reform, may not be achievable. A lot of synergistic gains will be lost in the absence of a comprehensive reform effort. The CSR are therefore aiming to encapsulate a range of issues in their areas of action. Dedicated efforts will be made for implementing the reform actions to achieve the objectives of the policy. Nearly all reform actions are cross-linked with one or more of the other reform actions. For the purposes of description they have been grouped on the basis of thematic consistency, but this should not be taken to mean that their remaining linkages are either unimportant or could be ignored.

Following this descriptive arrangement, the various reform activities will be planned under the five components listed below; each component as a conceptual area, groups related reform activities. In some cases, a reform action is further described with its sub-component actions. A schematic summary of the reform actions is placed at Annex I:

1. Ensuring Competencies

To create a civil service competent to produce and deliver a variety of public goods, a wide range of activities will be implemented with the aim of ensuring the correct matching of skills with requirements, at different organizational levels. As a first step, the role of the government and responsibilities of departments will be clarified to lay out the types of skills required by the public sector in its various areas. The six reform actions that will be implemented for ensuring competencies are summarized below.

(a) Optimization of government functions.

To achieve efficiency of human resource deployment, government functions will be reviewed and the burdensome public provision of private goods will be reduced through appropriate privatization and divestment of commercial activities. Civil service roles and responsibilities will be clarified through review and revision of Rules of Business. Only functions with strong justification for a public sector role will be retained. As a result of the study of the overall role of the government and departmental assignments, changes may be required in the Rules of Business. A review will be carried out to reassign any functions among departments and away from them, where necessary. Through these actions, the roles of the departments will be clarified and where feasible operations will be decentralized to the market. In such instances, the regulatory capacity of the department will be strengthened in the sector.

(b) Recruitment systems

Recruitment systems will be organized to bring competent and skilled individuals to public sector positions at various appropriate levels. The reform will aim to create and sustain systems for recruitment of qualified individuals to specific positions in government departments and agencies according to the required skills and qualification maps that are continually updated in light of changes in organizational task orientation over time. The cumbersome recruitment processes will be replaced by efficient, transparent and fair systems that can respond to the identified needs in the shortest possible time. Recruitment will be merit oriented. In this regard, the following reform actions will be implemented:

- (i) **A Recruitment Policy Committee (RPC)** will be created with PPSC, S&GAD and MPDD as permanent members, together with the provision for co-opting any other department as and when needed. The committee will have institutional membership where the departmental head or other nominees on the RPC will be permanently assigned with provision of adequate technical support where needed. The RPC will periodically review the recruitment results and the departmental needs analysis to lay down policy parameters for recruitment of individuals with appropriate skills, matching them with identified requirements at different levels in the departments. It will evaluate the outputs of the recruitment processes and see if the required skills are being recruited from the market for public sector needs. The committee will also periodically evaluate the recruitment systems and processes and recommend decentralization in appropriate cases.
- (ii) **A Multi-sector Recruitment Policy (MSRP)** will be formulated. The recruitment policy will have a generic section stating the general principles of recruitment, role of the recruiting bodies and the main processes and principles to be followed in inducting individuals into the public sector. In addition to the generic section, there will be sector specific guidelines to enable departments recruit according to the conditions specific to their areas of responsibility. The MSRP will allow decentralization of decision making to departments and authorities within the departments. To ensure transparency and fair play, independent recruitment boards will be created where required. These boards will not be permanent entities but will dissolve upon completion of their work. A matrix specifying the decentralized recruitment authorities will be attached to the policy, providing a summary of the decentralized authorities and their powers of recruitment.
- (iii) **Decentralization and Oversight Mechanism.** Recruitment authorities will be decentralized as much as possible. The role of PPSC will remain as that of the premier recruitment agency of the government. Certain categories of positions will be assigned to decentralized boards and committees. This will be carried out where

unburdening of PPSC workload is desirable to reduce the time to recruitment or where recruitment is to be made for very specialized niches within departments. An oversight mechanism will be created to oversee recruitment and carry out ex-post reviews of the use of decentralized authorities. The review will be of supportive and corrective nature and will not be in the form of an audit aiming to bring out shortcoming without suggesting ways of improvement. The mechanism will have a role for PPSC and other government agencies.

- (iv) **Punjab Public Service Commission** will be reformed as the premier recruitment agency of the government with concrete steps toward specialization. The reform will include strengthening of its systems, including the following measures: (1) institutional development with institution of IT based record keeping and examination systems; (2) review of membership eligibilities and qualifications with induction of HR specialists; (3) development of examination systems and recruitment processes without the necessity of lengthy recruitment periods and rationalizing the number of candidates selected for interviews; (4) moving examinations away from general competency certification to specific assessment of knowledge and skills, where possible, with adoption of appropriate examination methodologies; (5) initiation of certification exams for certain categories of employment, allowing departments to procure services from the certified pools as and when needed with certifications remaining valid for up to a five year period; (6) rationalization of the commission staffing, with qualifications and skill sets matching disaggregated job descriptions of the positions, congruent with the commission's institutional responsibilities; (vii) preparation of annual reports according to a detailed format allowing the commission to analyze the labor market and make recommendations to the government on matters pertaining to recruitment, in addition to reporting on its mandated functions.

(c) Capacity development and training.

A continual skill enhancement program in the civil service is a necessary component of enhancing competencies. Capacity development will be conceived as a comprehensive intervention with not only a focus on training but also highlighting complementary actions and linkages of training with departmental processes and management practices, enabling trained officials to perform their roles effectively and building up the value of skills in departments through adoption of formal job descriptions and qualification requirements. The capacity development reforms will further entail work in several areas:

- (i) **Reassignment of roles to MPDD.** The role of the MPDD will be redefined to include support to departments in needs analysis and training needs assessment; refocusing training programs on job specific skills through development of training methodologies and concepts in tune with skill based training; medium term planning for junior cadre development plans; and development of modalities for outsourcing of trainings in appropriate cases, on the basis of properly laid out TORs. The MPDD will be allowed to hire training specialists to advice on analyses and assessments. It will be a provider of training in appropriate cases only, but more importantly will serve as an agency to advise departments on capacity building of their cadres.
- (ii) **A Government Trainings Committee, (GTC)** with MPDD, PPSC, S&GAD, Finance and P&DD as members, will be created. Although the membership on the committee will be institutional, the departmental nominees will be permanently assigned and will have knowledge of trainings systems and techniques. Other departments will be co-opted on the committee as and when required. The MPDD will work as the secretariat of the committee. The GTC will review departmental needs analysis and periodically formulate and update training plans. Through the GTC, the MPDD will

prepare a training strategy for the government to periodically upgrade and update skill sets in the public sector.

- (iii) **Training Strategy.** The MPDD working under the guidance of the GTC will prepare a five yearly training strategy for the public sector. The Training Strategy will be a comprehensive document and, designed to achieve the following core parameters: (1) allocate roles and responsibilities for needs analyses and training needs assessments among and within the departments; (2) lay down guiding principles for development of training plans, including the training components in the cadre development plans for junior and technical cadres; (3) make provisions for departmental level formulation of training and implementation plans, and create a monitoring and evaluation frameworks with suitable indicators and methodologies; (iv) emphasize through specific guidelines the role of departments in carrying out needs analyses according to their sectoral policy goals and TNAs to meet their human resource development requirements, with the MPDD playing a supportive role; (v) develop plans for the periodic and repetitive skill based trainings; (vi) create departmental roles for specifying training qualifications for positions in their hierarchies; and (vii) link with the work on job descriptions to specify skill requirements for various positions and ultimately specify training milestones for promotions to certain positions. Due emphasis will be given to junior and technical cadres for their skill based trainings.

(d) Cadre Development Plans (CDP).

For selected junior cadres³, specific CDPs will be prepared. The CDPs will allow a focused and fast tracked approach to reform implementation in important areas of government services with short and medium term gains. Each CDP will be a multiyear program to upgrade the cadre skills and competencies, work environment and incentive schemes and match the personnel qualifications with skill requirements in that public sector niche. The CDPs will be prepared and implemented to produce a direct and tangible impact on the respective service delivery or regulatory outputs. The CDPs will include: (1) writing job descriptions according to the particular requirements of the service delivery and regulatory units; (2) specification of educational qualifications and skill set requirements for individual positions; (3) plans for hiring appropriately qualified individuals to these positions over time; (4) re-skilling of existing staff to enable them for the redeveloped job descriptions where required; (5) provision of appropriate facilities in the work place, including introduction of computerized systems and other apposite technological solutions as soon as feasible; (6) institution of Comparative Evaluation Quota (CEQ) system⁴ (7) institution of performance grades (PG) with periodic performance reassessment on tangible service delivery and regulatory outputs as a fundamental basic to continuation in the PGs⁵; (8) development of performance assessment systems and linkages with the S&GAD Performance Records System; and (9) designing of promotion systems that incorporate into them performance and qualifications, together with work experience and specific professional training requirements;

³ To be included: patwaris, municipal workers, municipal accountants, Local Fund Audit, health workers, school teachers, agriculture extension workers, veterinarians.

⁴ CEQ are discussed in detail under Component 3.

⁵ PG are discussed in detail under Component 4.

⁶ For details see under Component 2.

(e) Enabling Senior Management Positions.

Recognizing the high demands on, and the atypical skill set requirements of the senior management positions, these positions will be enabled to perform the leadership roles in the public sector by: (1) recalibration of management authority vested in these positions⁶; and (2) specialized training courses including those focusing on setting performance targets, performance evaluation and CEQs, labor market and hiring practices, awards and sanctions, and disciplinary procedures. The management cadres will be encouraged to acquire a level of specialization in a set of sectors in place of wide ranging general experience.

(f) Contract Employment Policy (CEP).

Increasing efficiency gains can be realized through institution of fixed term contracts. The CEP will be reviewed and revised to allow more discretion to senior managers for induction of suitable expertise on fixed term contracts in government agencies. The revised CEP will serve as an enabling instrument to employ expertise where required and allow more managerial discretion with ex-post review mechanisms.

2. Aligning Work Place Environment

To enable civil servants perform to the best of their abilities, work places will be aligned the needs of service delivery, regulatory and secretariat functions, with due regard to ergonomic principles. This realignment will entail not only upgrading physical environment but also reconfiguration of the intangible environment created by rules, regulations, security of tenure, compensation and incentives, codes of ethics and work ethos. Aligning work place environment follows two broad approaches. The first is to make the public sector work place, defined by the physical environment and rules and regulations, conducive to high performance by employees. The second approach arises out of the first but due to its special emphasis on senior management levels also deserves a separate mention. This approach is about empowering and enabling managers by giving them sufficient authorities to align resources, environment, incentives and rewards for seeking high performance. It includes building up managerial roles by adding to the repertoire of management instruments at their disposal. Under this component the following reform actions will be carried out:

(a) Tenure Stabilization.

Stability of tenures will be provided to senior positions by instituting a mechanism of quasi-contracts. These will be based on specific terms of duties assigned at the time of posting with tangible targets, as far as possible. A performance appraisal will be carried out only at the end of a specified performance period, which will vary depending upon the sector, the periodicity of its institutional processes and the nature of the assignment. For junior positions, the tenures will be stabilized through allowing more managerial discretion, including through additional enabling instruments, to heads of departments and allowing fixed term, position specific contracts wherever possible. Other measures for ensuring stable tenures will be worked out and implemented, keeping in view that the desirable tenure in a position will vary among sectors and differentially across various positions within each sector.

(b) Upgrading work places for junior positions.

For junior positions, along with the implementation of CDPs, investments will be made in upgrading facilities in the work places, including institution of IT based processes and provision of other appropriate facilities. The service delivery and regulatory units, staffed

by the junior cadres, will be reorganized, and such expenditures will be considered essential inputs into the provision of public goods. Investments for this purpose will be made from the development budget.

(c) Organizational Setting And Process Reengineering.

Institutional roles and responsibilities and processes are a key part of the office setting, creating enabling spaces for individual performance. To improve organizational setting and processes the following five reform actions will be implemented:

- (i) **Functional Reviews and Institutional Development.** Functional reviews of individual departments will be carried out. These reviews will lead to the following reforms; (1) clarification of roles and responsibilities of various positions, including off loading of operations best suited to private sector; (2) institutional development of 2-4 departments in the first year; (3) this will be followed by institutional development of another 4 departments in the succeeding two years with functional review of all departments to be completed in 10 years' time. Technical expertise will be provided to the departments for these activities.
- (ii) **Job descriptions.** As part of the departmental institutional development, technically sound job descriptions will be formulated for each position in the departments and their agencies; the job descriptions in addition to rationally assigning tasks and responsibilities, will also identify the required qualifications for each position; in each department the set of job descriptions will be linked organizational objectives, enabling each agency to produce the government services assigned to it under the Rules of Business.

(d) Compensation Reform.

Pays and privileges shall be rationally distributed over different types of human resource to lay out correct incentives for performance. The following five specific actions will be implemented as part of the compensation reform:

- (i) **Monetization of benefits.** A study will be carried out for monetization of benefits to allow clearer planning and resource allocation to the civil service and a better managerial control over incentives linked to individual positions. It will focus on the complete range of 'monetizable' benefits, carry out quantification and generate feasible options for transition to a more transparent compensation regime. Monetization will be planned to allow more discretion to individual civil servants over their emoluments and spending decisions, bringing in efficiency gains. The study will recommend specific measures for monetization, including the pace of implementation and the transitional arrangements. Initially monetization will be carried out for middle and junior level positions.
- (ii) **Differential Grade System (DGS).** The civil service pays will be reorganized on a DGS. The move toward a DGS will be sure-footed but gradual and deliberate. It will require several steps: (1) research will be carried out to study market conditions for different types of labor employed in the public sector; (2) based on the results of the research and the government's revenue projections, a DGS will be formulated with gradual implementation over a period of 10 years; (3) the DGS will reclassify positions according to the type of work and comparability of assignments, with due regard to the required qualification, complexity of tasks and the market competitors; (4) the DGS will create pay scales according to sectoral requirements without the unnecessary encumbrance of uniformity, removing disincentives created by any mismatches between marginal productivity and effective marginal wage; (5) financial projections will be carried out for implementation of the DGS and its pace of implementation will be determined by the projected multiyear revenue space; (6) a policy decision will be taken to treat civil service inputs as ingredients of the production function of developmental public goods, implementation of the DGS.

- (iii) **Performance Grades System (PGS)**⁷. A PGS will be instituted to rejuvenate the junior and technical cadres. The PGS will be designed to build requisite expertise in the junior and technical cadres. It will lay out incentives for career progression linking it to performance assessed on the basis of departmental outputs. The system will be transparent and a report on its implementation will be presented annually for public scrutiny.
- (iv) **Competitive Salary for Senior Positions**. A set of positions will be placed in a special category to allow payment of a competitive salary. For this purpose: (1) a set of senior positions will be identified that require special responsibility, involve professional risk, have sufficiently clear outputs and that can be filled through internal or external competition; (2) a process for competitive placement to such positions will be followed to select appropriate individuals after internal or open advertisement; (3) competitive salary packages will be allowed for these positions; (4) a part or whole of the supra-normal salary may be linked with performance assessable on the basis of tangible outputs; (5) the competitive salary packages will be periodically reviewed to determine if the marginal wage is equivalent to marginal contribution to government programs, and if the incentives are sufficiently effective in the labor market conditions.
- (v) **Pension reform**. Studies will be carried out for evolving options for deepening pension reform. In due course of time, the pension reform may be linked with other social security measures as more options for carrying pension contributions become available.

(e) Enabling Senior Management.

Recognizing the special nature of senior public sector management positions, enhanced authorities to effectively lead sectoral programs and policy implementation with sufficient responsibility will be notified. For this purpose two categories of positions will be designated as senior management positions, and they will be clearly authorized to exercise the following management authorities, entailing an ex-post review but not requiring any prior approval.

- (i) **Senior Management Position-Category I**: These positions will be designated through publication in the official gazette and will include positions of certain heads of departments and agencies, where clearly laid down functions have been assigned to the department or agency. A delegation of powers instrument with the force of law will be created and notified. Through this instrument, these positions will be enabled to: (1) lay out in writing a sectoral analysis and implementation plan in light of government policy with a management scheme for implementation; (2) issue office notifications to lay down procedures for service delivery and implementation of regulation in their area of responsibility, within the confines of law and in the light of government policies for the time being in force; (3) develop and assign specific tasks and targets within the organization for pursuit of government policy and program objectives; (4) tie performance evaluation to the specific targets and tasks laid down for different levels and units in the organization; (5) specify reward and sanctions for performance with the performance management guidelines of the S&GAD including performance rewards from an approved budget which may not be less than 10 percent of the total salary budget of the department; (6) approve out of turn temporary promotions based on high performance; (7) recommend civil servants for accelerated promotion; (8) hire contract employees in accordance with the principles and procedures spelt out in the contract employment policy; (9) prepare lump sum budgets for the contract

⁷ For details see under Component 4.

positions for approval in the budget; (10) spend lump sum budgets on management functions, with ex-post review.; (11) work on a quasi-contract for the specified objectives in the sector for a specific tenured duration.

(ii) Senior Management Position-Category II: These positions will be designated through publication in the official gazette and will include the management positions which are not heads of agency but require considerable executive space for successful implementation of government programs. The positions may include DCOs, EDO (of city district governments) and TMOs of major municipal administrations. These positions will be enabled to: (1) give performance rewards from an approved budget which may not be less than 10 percent of the salary budget of the organization; (2) seek and implement budgets for specific local solutions; (3) work on a quasi-contract for the specified objectives in the area for a specific duration.

3. Building Up Consequentiality of Performance

Tethering incentives to the pursuit and achievement of government policies' and programs' objectives requires creation of a performance assessment system. Individual performance should be valued but it should not be treated as disjunctive to departmental outputs. At the same time, a higher probability of consequences being tightly linked to performance is necessary for aligning incentives properly. A performance assessment system that renders performance tangible, visible and connected with organizational outputs will build up the consequentiality of individual and organizational performance. Institutional priming for such a system will include reform actions building up capacity of key departments and agencies as well as institution of systems for picking up and collating performance information. To achieve these purposes, the following four reforms actions will be implemented:

(a) S&GAD reorganization.

The S&GAD will be reorganized to serve as the essential node for efficient, effective and accountable civil service management in the province. The reorganization will include the following reform sub-actions:

- (i) **Institutional development** and technically sound job description development of all positions in the department;
- (ii) **Assignment of new or substantiated roles** in the following areas critical to civil service management will be made through amendments to the Rules of Business: (1) labor market research to feed into pay packages for regular and contract employees in various categories of government employment; (2) steering role in public sector recruitment through chair of the Recruitment Policy Committee; (3) key role in periodic assessment and skilling of cadres through a seat on the GTC; (4) steering role in periodic functional reviews and institutional development of departments; (5) development and maintenance of Performance Records System (PRS)⁸; (6) maintenance of a disciplinary roster; (7) preparation and dissemination of guidelines for managers on target setting and task assignment, performance assessment, contract employment, performance appraisal, performance review, departmental needs analysis, employee training needs assessment, disciplinary cases and other important management issues; (8) development and implementation of DGS (in coordination with Finance Department); and (9) creation of up to date repository of civil service management laws, rules, regulations and guidelines.

- (iii) **Creation of computerized databases of employees** to allow record keeping in forms sufficiently informative and accessible to management decisions;
- (iv) **Development of PRS** including monitoring of CEQ application;
- (v) Installation of computerized system for monitoring implementation of PGS, competitive salaries of senior positions and in-situ promotion systems; and
- (vi) Capacity development to provide support to ex-post review mechanism through an independent Civil Service Oversight Commission by generation of necessary records, data and information.

(b) Institution of Performance Based Management System.

A system will be developed by recalibrating the existing processes and forms, introduction of new assessment parameters and development of records system. It will comprise the following reform sub-actions:

- (i) **Designing ACR forms.** Tangible evaluation indicators will be built into the ACR forms. The reports will still be called 'confidential' because they will not be public documents and will remain accessible to the evaluated officials, their evaluating authorities and other authorized personnel only. For this purpose two activities will be carried out: (1) review of the ACR forms and records system leading to addition of sector and organization specific sections to the forms. ; (2) sector specific and where needed organization specific forms will be prescribed for performance evaluation. The forms will be made to align closely to the desired performance standards in different organizations and take account of the common outputs assigned from different positions. A section in the forms will allow the evaluation officers to lay down additional criteria for evaluation for an evaluation period based on the organizational targets and relevant government policy and program objectives. The ACR forms of the management positions will include a section on timely completion of evaluation reports of the subordinate officers.
- (ii) **Tangible Performance Evaluation System.** Incorporating the comprehensive and variegated ACR forms, a tangible performance evaluation system will be created. It will comprise of the following apparatus: (1) **Evaluation Rules:** these will be framed to delineate the evaluation officers' responsibilities and duties, evaluation and record keeping methods, stages for setting targets and carrying out evaluation, principle issues in evaluation and the rights of the evaluated officials. The evaluation rules will be a complete set of processes and systems that will support institution of tangible evaluation system. The rules may include schedule to list out evaluation officers and evaluated officials. (2) A list of evaluation duties will be prescribed for evaluation officers through the rules. Under this system, failure to complete evaluations within 15 days of the close of an evaluation period will entail disciplinary proceedings, and may result in ineligibility for managerial assignments. The business of the government and departmental matters will be planned in a manner that it would give adequate time to evaluation officers when evaluations are due; (3) a two stage evaluation system will be created to incorporate setting of managerial targets and responsibilities. At Stage 1, concurrent with the beginning of the ACR forms, setting out targets and assigning responsibilities after discussion with the subordinates. The targets and assignments will be made with due regard to the organizational assignments. Both officers will sign this section. At Stage 2, evaluation of the subordinates, based on the targets and responsibilities assigned at stage 1, will be carried out. The evaluation officers will carry out a performance appraisal based on the records of Stage 1 and the available data and information in the organization; (4) training of evaluation officers will be conducted with an emphasis on concepts and methods of evaluation, the effects of evaluation

outcomes on departmental performance, techniques of setting targets, motivational aspects and details of the ACR forms. These trainings will be made part of the in-service training programs.

- (iii) **Linking organizational performance with individual evaluation.** Departmental and agency level mandates and targets will be disaggregated into a systematic assignment of targets and responsibilities to individual positions and entities in each organizational hierarchy. The validated functional reviews of the departments will be used to provide this information and they will match with the job descriptions. The individual targets will form the basis of stage 1 of the evaluation system.
- (iv) **Annual Departmental Performance Report (ADPR).** Each department will be obligated to produce an annual performance report. This will be a mechanism to report on the progress, achievements and failures of policy and program implementation. Rules will be formulated for this purpose. The report will be on prescribed formats that will have sufficient flexibility to allow for inclusion of areas of emphasis of policy in a certain year or time period. The report will also present a summary of the aggregate performance of civil servants in the department. The report will be laid before the Provincial Assembly.

(c) Performance based consequentialities.

Performance assessments will be mandatorily linked with consequential rewards and sanctions through the evaluation rules. In particular the following set of six reform actions will be implemented:

- (i) **Comparative Evaluation Quota (CEQ).** Each department will be obligated to carry out comparative evaluation of employees. According to the CEQ, only the top quintile of performers will be assessed as 'excellent'; the bottom quintile will be assessed as 'poor performance' with the remaining staff assessed as 'good' or 'satisfactory'. The evaluation rules will lay down CEQ for each department and allow the head of department to allocate the CEQ within the department among various entities. The supervisory officers may make sub-allocation of the allotted CEQ to officials within their span of responsibility. The evaluation rules will make CEQ application mandatory on the heads of departments and evaluation officers with a span of responsibility.
- (ii) **Performance Honoraria (PH) System.** A PH system will be set up through necessary and adequate amendments in the Financial Rules. At least 10 percent of the salary budget of a department or agency will be approved for grant of PH within the organization. All officers assessed in the top quintile under the CEQ will be given PH. No employee ranked below the top quintile will be eligible for PH.
- (iii) **Mandatory Sanctions on Low Performance.** Any official assessed for 'low performance' consecutively for five years or by three evaluation officers will be given a performance review. For this purpose a committee of departmental officers with a representative from the S&GAD will be created with standard TORs to follow a prescribed procedure. The committee's TORs, method of carrying out the review and other related matters will be specified in the evaluation rules. The committee will assess whether the official requires (1) retraining to bring his skills up to the mark, (2) to be declared redundant, (3) to be placed in a lower rank, or (4) to be awarded a major penalty.
- (iv) **Reassignment Pool.** Where an individual faces a performance review due to consistent low performance, he or she may be placed in a reassignment pool without the necessity of assignment to a specific position. The mechanism of reassignment pool will be used to unencumber departments of the necessity to find a position for individuals within their ranks even when their performance is not satisfactory. Rules for management of the reassignment pool will be drafted.

(v) **Performance Records System (PRS).** A PRS will be created in the S&GAD with components available in each department. The PRS will be a comprehensive record of assessed performance for all government departments and agencies. It will be created by bringing together a number of components including: (1) a computerized database of evaluations with features to generate aggregate and individual reports; (2) the departmental components of the PRS will allow data entry at the level of individual departments to update the common database of evaluations; (3) advanced features to allow, in due course, online evaluations and submissions by evaluation officer. ; (4) the PRS will be designed to provide comprehensive information for performance-based management; (5) a system of performance scores (PS) will be developed to convert the cumulative ACRs into comparable scores. Even when global comparisons may not be required, some degree of comparability will be introduced for use in civil service management decisions.

(vi) **PRS-Promotion Link.** Performance scores generated from PRS will be used for promotion decisions. The promotion policy will enjoin adequate use of the information. A system of comparing PS will be developed and the promotion policies will set out minimum PS requirement for elevation to various positions.

(d) Strengthening Disciplinary Processes.

The processes laid down by the legal instruments will be reformed and strengthened by adoption of the following reform actions: (1) a database of disciplinary cases will be managed by the S&GAD and at the departmental level in addition to a roster of disciplinary cases of officers maintained by the S&GAD; (2) officers will be trained to carry out disciplinary actions in accordance with law; (3) maximum time limit for conducting inquiries will be prescribed, and inquiry officers will be held to account if the limit is not followed; (4) a chapter will be incorporated in the ADPR giving details of disciplinary proceedings without citing names of the employees involved; (5) the Civil Service Oversight Commission will review the conduct and outcome of disciplinary proceedings and submit its findings to the government, with recommendations for appropriate action where deemed appropriate; (6) All cases of review of penalties once imposed will be sent to the Civil Service Oversight Commission for its opinion and the authorities will be obliged to state the reasons for differing with the Commission's opinion if they do so in finalization of the case; and (7) a new law on conflict of interest will be legislated to create standards of practice for civil servants.

4. Developmental Career Progression

The civil service will offer developmental career progression. Individuals will be given opportunities for professional growth, building on performance suited to departmental goals and objectives. For this purpose several reform actions will be implemented:

(a) Development of a Comprehensive Promotion Policy (CPP).

A set of promotion policies will be developed to lay down promotion principles and guidelines for the specific situations in different departments. It will be a comprehensive promotion policy laying down general principles applicable to all sectors, as well as sector specific outlines. Each specific outline will lay down guidelines for the promotion boards and committees in a sector with the express provision of progressively performance-based promotions. As the performance scores become universally available, promotions will be based on them in addition to any experience requirements for a position. The CPP will also address movements into and out of performance grade and in situ promotions in accordance with relevant rules.

(b) Performance Grades System (PGS).

For junior and technical cadres a system of PGs will be created. It will include the following measures: (1) PGS rules will be framed with a schedule listing junior and technical cadres to whom PGS will be applied; (2) a set of tangible performance indicators will be specified for different positions in these cadres, such that they have a clear and unambiguous link with the departmental or sub-departmental unit level outputs in the form of service delivery or regulation; (3) the details of the assessing authorities and assessment processes will be laid out; (4) maximum percentage of officials will be specified that can be placed in the performance grade (PG) at any given time; (5) a special salary will be given to the PG positions, which will carry the same job descriptions as before but may have additional responsibility; the salary will be at least twice the amount of that for the ordinary position; (6) the PG positions will be assessed annually and an individual will only be allowed to carry on working in that position if the official's performance is above the minimum required standard specified for the position in the PGS; (7) a list of all PG positions with the individual occupants' names and their performance will be published annually and laid before the Provincial Assembly; and (8) sufficient provisions for the PGS will be made in the departmental salary budgets.

(c) In situ Promotions (ISP) for some technical cadres.

Individuals in some technical cadres show noteworthy cumulative performance arising out of long term stay in a specific position. Many research positions fall in this category. For these cadres a system of floating and compressible higher salary bands will be created. The ISP will be applicable to individual cases of meritorious performance with tangible effects on government services and/or provincial economy. It will comprise of the following components: (1) ISP rules will be framed with a schedule listing technical cadres to whom ISP will be applied; (2) for each such cadre, a number of high salary bands will be instituted with salaries xx times the normal salary of an ordinary position; (3) a special section in the CPP will lay down method to be adopted for allowing movement into any of these high salary bands that will be based purely on meritorious performance unmatched by peers; (4) these promotions will not entail any change in responsibilities but will allow the technical person continue the work the official is doing; (5) the number of positions in high salary bands will vary from time to time and will be determined by the government according to the needs for recognition of a meritorious performance in a department, sector or sub-sector; (6) an important feature of the in-situ promotion positions will be that a vacancy in a position will not create any right to promotion but promotions will be triggered by cases of individual meritorious performance. Likewise, the absence of a vacancy will be addressed by creation of a position when the need arises.

(d) Accelerated Promotion.

The government will allow accelerated promotions in certain cadres. All such cases will be linked with demonstrable tangible high performance. Ordinarily, any case to be considered for accelerated promotion will meet the basic eligibility criterion of placement in the top quintile of the CEQ for three consecutive years.

(e) Internal Competitive Placement (ICP).

Positions designated for this purpose will be filled by an internal competitive placement process. The ICP process will comprise the following steps: (1) designation of positions for this purpose by applying three selection rules namely, the position requiring specific skills, having measurable outputs and performance and requiring tenured commitment; (2) development of clear job descriptions and TORs for the positions with a statement of minimum qualifications; and (3) internal advertisement of the positions. All civil servants meeting the qualifications will be eligible to apply. Internally competitive placement will

be linked with special salary, specific performance evaluation with ex-ante description of outputs, and a minimum tenure governed by a quasi-contract. In due course of time, the S&GAD may issue periodic statements on the future requirements of such positions in the government motivating individuals to specialize in those areas.

(f) Open Competitive Placement (OCP).

In response to the public sector's need for new skills and experience, certain positions will be filled through an open competitive placement process. This process will be introduced for specific positions requiring such intake. The process will comprise of the following components: (1) a set of positions will be designated for this purpose. It will include positions for which comparable skills are present in the private sector or for which qualifications are not necessarily being developed in the provincial public sector alone; (2) clear job descriptions and TORs will be developed for these positions, along with statements of minimum qualifications; (3) the positions will be advertised for open competitive selection; (4) the civil servants will also be eligible to apply; (5) a board may be constituted for the selection; and (6) any form of contract suited to the position and departmental needs may be given to the selected candidate.

(g) Continuing Professional Development.

Civil servants gain from experience. In addition, they will be encouraged to acquire specialist knowledge in areas relevant to the public sector requirements. For this purpose the S&GAD will develop and disseminate periodic requirements to guide individual civil servants. The training plans will lay out opportunities for acquiring skills. Additionally, the management cadres will be encouraged to acquire a level of specialization suited to specific sector management requirements of the provincial government. The S&GAD will also develop a system of placements for the management cadres enabling officers to acquire experience in a limited number of sectors.

5. Calibrating Accountability Systems.

Accountability is an essential dimension of civil service reform. Generally, this is different from internal disciplinary processes, even when they may feed into accountability. In the context of the civil service, the term 'accountability' means that the civil service and its agencies are answerable for their performance to the society. The mechanisms for accountability include access to information, transparency of processes and procedures, declaration of results and outputs and reporting requirements. The civil service will gain in prestige and motivation with strengthening of accountability measures. There are a number of areas of accountability that require attention. They will be addressed through the following reform actions:

(a) Review of the legal status.

All types of civil servants have the same legal status irrespective of the nature of their assignment and duties. A review of the legal provisions will be carried out to: (1) redefine the legal status of the civil servants according to the type of employment, including provisions for treatment of contract employment; (2) define important rights of the civil servants with consequential legal recourse, as distinct from grounds of grievance redress.

(b) A New Civil Service Law.

As a result of the review mentioned in the last para hereinbefore, a new civil service statute will be legislated to bring into force provisions for apposite management of different categories of government employees. The law will provide the legal basis for

new modes of recruitment, career management, determination of incentives, the contractual relationship between the state and the civil servant, definition of rights, enunciation of grounds for redress of grievance, presumption of good faith for acts carried out in pursuance of duties and principles of accountability of the civil service to the society. The law will also lay down the foundations for organizational principles, fixed term contract employment and differential treatment of assignments.

(c) Redress of grievance mechanism.

An independent mechanism will be created for redress of civil servants' grievances arising out of the grounds specified in the law. The mechanism will entertain applications to strengthen rule based management practices. The redress mechanism will be instituted through clearly drafted rules and procedures. It will be adopted as a civil service management instrument.

(d) Civil Service Oversight Commission.

An independent commission, with a statutory status, will be created with an active and qualified membership. It will house oversight mechanisms to provide ex post review of decentralized management authorities and also provide redress of grievance strictly on the basis of grounds laid down in the law.

(e) Support of the legislature.

Accountability of the civil service most commonly takes place through the provincial legislature. In order to secure and strengthen the support of the legislature for the reforms a number of steps will be taken: (1) an annual briefing of the Provincial Assembly will be conducted by the ACS. Among other things, the briefing will present issues in civil service management in the province, and major trends and problems that require the support of the legislature; (2) a series of briefings on CSR implementation will be conducted to inform the MPAs of the reforms actions, their concepts, need and implementation requirements; (3) a Civil Service Contact Committee (CSCC) will be established in the Provincial Assembly to deal with issues relating to the civil servant and legislator relations.

(f) Legislative oversight.

To strengthen legislative oversight the role of the Provincial Assembly committees will be built up. The Annual Departmental Performance Report will be discussed in the relevant committees. The exercise of legislative oversight will be governed by a code of norms developed by the legislature that will define the role of the members and set limits on their role in executive decision-making.

IMPLEMENTATION STRATEGY

The various components and strands of the Civil Service Reforms are interconnected even when spread over a very wide range. For efficient implementation their logical sequencing is of great importance. A map showing sequencing of reforms is given at Annex-III. It portrays important interconnections of key reform actions. There are other connections, which have not been depicted to avoid complexity. The map shows that some actions are necessary before others can be taken and therefore can be termed as prior actions. But for other actions following a particular sequence is not essential. There is yet another category of actions for which preliminary work does not need to wait fruition of the prior actions. For successful results, sequencing will be important where essential prior actions are taken before others are undertaken. The map at Annex-III depicts schematic linkages but does not describe a chronological order.

During implementation some actions even if they do not fall in the category of prior actions on the basis of sequencing, will still be taken earlier in order to create demand for reforms. While they may appear later in logical sequencing, initial work on planning and policy announcements will not be delayed till the completion of prior actions. Legal amendments, announcement of effectiveness dates and training and competency based promotion requirements, which are to become applicable on some future date, fall in this category. Decided and announced in the early phases, these actions will provide sufficient notice to individual civil servants. They will also allow departments and agencies to plan and implement, change management measures, ensuring re-skilling of staff, strategizing of activities and overall orderly implementation of reforms.

Implementation will require a few essentials: (1) Ownership by high-level leadership will be necessary to take timely decisions; this leadership will be provided by a Task Force on Civil Service Reforms (TFCSR). It will meet periodically, to review progress and take policy decisions to remove hurdles in the way of reform actions. (2) Legal provisions will need to be put in place to enable implementation. The Punjab civil service is accustomed to following rules and regulations very closely and is not comfortable with policy initiatives that are yet to be enshrined in rules. Timely changes in rules will therefore facilitate implementation. For this purpose at different stages of implementation, legal constraints will be identified and surmounted through formulation and approval of legislative provisions. In the initial phases, the reform actions will be supported by guidelines with the legal effect of rules. Upon experience-based finalization, they will be legislated as rules. (3) Capacity to implement reforms may not be guaranteed at all levels. For this purpose PRMP resources will be used to draw up the details of institutional processes, legal provisions and impart training for new skills. Technical support pools may be established as a rapid response mechanism where departmental demands are voiced. (4) A vibrant policy dialogue in support of the reforms will be facilitated to assuage misgivings and communicate the rationale and purpose of various reform actions. This will be orchestrated by PPCMW guaranteeing voice mechanisms and platforms to different viewpoints. (5) Certain other allied actions will create space for reforms and help in implementation; these include a review of the role of government in various sectors, multiyear planning and budgeting, performance budgeting, allocation of resources to office space modernization and an overall legislative support. It will be important to carry out these actions even if they do not directly appear to be part of the CSR initiatives.

Implementation of reforms will span over a 10 to 15 years period, with essential steps taken during the first 3 years. Initial actions will require policy decisions and support to

implementation. They will be critical to creating reform momentum and will set in motion major changes in approach to the civil service management. At the same time some readily feasible steps will also be taken in the first 3 years to secure some quick wins. In addition to providing benefits in the short term, they will also create supportive environment for subsequent reform actions. A summary of the implementation plan is given at Annex-IV. The reform actions and their subsidiary activities are indicated in the matrix. The actions have been organized over a 10-year time horizon.

Overall implementation of reforms will take place in three phases:

Year 1: Initial Phase

In this phase, following approval of the CSR policy, five types of actions will be undertaken immediately:

firstly, those actions that can be undertaken in a small manageable number of departments will be initiated. Functional review followed by writing of technically sound job descriptions and further institutional development will be carried out in 3 to 4 departments. This approach will not only provide testing grounds for working out the detailed requirements but also create essential capacities and pools of expertise to support wider implementation.

Secondly, a number of reform actions, essential for institutional development in these departments, have a civil service wide application. They include application of performance management, review of salary packages, promotion policies and accountability systems. Without comprehensive application their effects may be vitiated in a single department. Such reform actions will be initiated in these departments, in addition to other substantive actions unfolding in their domains, with a view to their gradual up-scaling and eventual global application. Application of CEQ, grant of PH, initiation of work on PR methods, PGS and ISP will be started in this phase. But recognizing the fact that these reform actions have a civil service wide application, the first batch of departments to undergo institutional development will only serve as refining grounds for these actions, where the measures are initiated and refined for wider application. As a principle, the reform actions with wider application will not be pilot tested as experimental measures but their initial application will be used to work out details and refine application methods.

Thirdly, as an important vehicle for strengthening junior and technical cadres that have a direct impact on the quality of service delivery and regulatory functions of the government, CDPs will be initiated in this phase. The CDPs, comprehensive documents with a 5 to 10 year implementation horizon, for at least five junior and technical cadres will be prepared.

Fourthly, work on another set of actions that does not hinge upon the completion of prior actions will be commenced; monetization of benefits, study of cadres and their memberships, groundwork for performance evaluation and RPC will benefit later implementation. During this phase they will be important steps in building up the institutional impetus for CSR implementation.

Fifthly, a set of activities in this phase will result in identification of required legal amendments. The most important review in this phase will be that of the role and functions of the government, concurrently carried out with a review of the Rules of Business. This will be used to unburden government agencies of functions best suited to the private sector. A timeline for legal changes will be worked out to clear out the thickets of rules and supply the necessary legal space for reform implementation. The initiation of work on S&GAD reorganization will result in creation of a repository of civil service laws, rules, regulations and notifications with online access to managers; the

reforms will bank on major information supplies. During this phase steps will be taken to generate all necessary information on cadres, rules, legal and institutional constraints and institutional resources.

Year 2-3: Major Implementation Phase.

During these two years most of the important reform actions will be initiated and nurtured to fruition. The important systemic changes in the form of work on DGS, PRS, TPE, CPP and grant of PH will be implemented. This phase will require technical support to departments. For this purpose technical support pools will be created under PRMP and S&GAD. At the same time the functional review, writing of job descriptions and further institutional development will be carried out in 3 to 4 departments each year. CDPs will be prepared and initiated for 10 to 12 junior and technical cadres during this phase. Work on legal changes will also continue. The most important legal change will be in the form of a new law on civil service organization and management. The law will be formulated as an enabling instrument setting out principles of organization and management, delineating important processes and authorities with allowance for growth and development in management practices and creation of space for subsidiary legislation.

Year 4-10: Implementation and Consolidation.

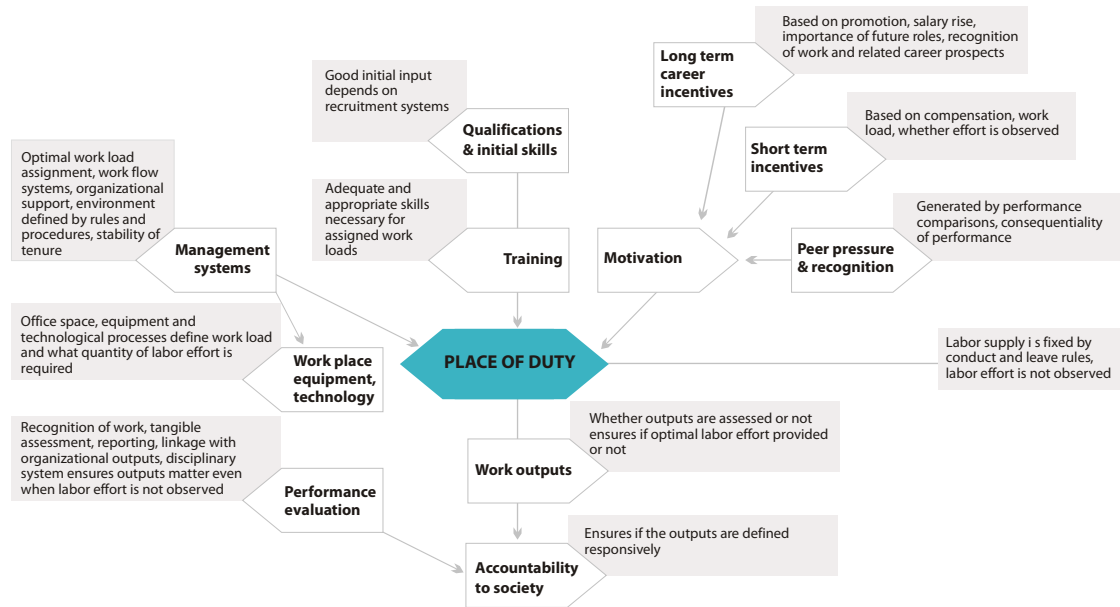
In this third phase, major changes having been designed and initiated in the earlier two phases, the focus will be on implementation. Thus, building on the experience of the previous phases, a departmental change management strategy will be evolved and used to implement reforms in the remaining departments. Implementation on CDPs will continue. At the same time, upon attaining institutional readiness DGS, TPE, performance based promotions, redress of grievance and legislative oversight will also be fully implemented.

Each of the above implementation phases will be punctuated by reviews, refining implementation plans and an ongoing communication with stakeholders. All these will take place under the leadership of the Task Force on CSR.

Reform Components	Reform Actions
Ensuring Competencies	<ul style="list-style-type: none"> (a) Optimization of government functions (b) Reform of Recruitment systems: <ul style="list-style-type: none"> (i) Recruitment Policy Committee (ii) Multi-sector Recruitment Policy (iii) Decentralization and Oversight mechanism (iv) Punjab Public Service Commission (c) Capacity development and training: <ul style="list-style-type: none"> (i) Reassignment of roles to MPDD (ii) Government Trainings Committee (iii) Training Strategy (d) Cadre Development Plans (e) Enabling Senior Management Positions (f) Contract Employment Policy
Aligning Work Place Environment	<ul style="list-style-type: none"> a) Tenure Stabilization (b) Upgrading work places for junior positions (c) Organizational Setting & Process Reengineering <ul style="list-style-type: none"> (i) Functional Reviews and Institutional Development (ii) Job descriptions (d) Compensation Reform: <ul style="list-style-type: none"> (i) Monetization of benefits. (ii) Differential Grade System (iii) Performance Grades System (iv) Competitive Salary for Senior Positions (v) Pension reform.. (e) Enabling Senior Management. <ul style="list-style-type: none"> (i) Senior Management Position-Category I (ii) Senior Management Position-Category II
Building Up Consequentiality of Performance	<ul style="list-style-type: none"> (a) S&GAD reorganization. <ul style="list-style-type: none"> (i) Institutional development (ii) Assignment of new or substantiated roles. (iii) Creation of computerized databases of employees (iv) Development of PRS; (vi) Support to Civil Service Oversight Commission (b) Institution of Performance Based Management System <ul style="list-style-type: none"> (i) Designing ACR forms (ii) Tangible Performance Evaluation System (iii) Linking organizational performance with individual evaluation

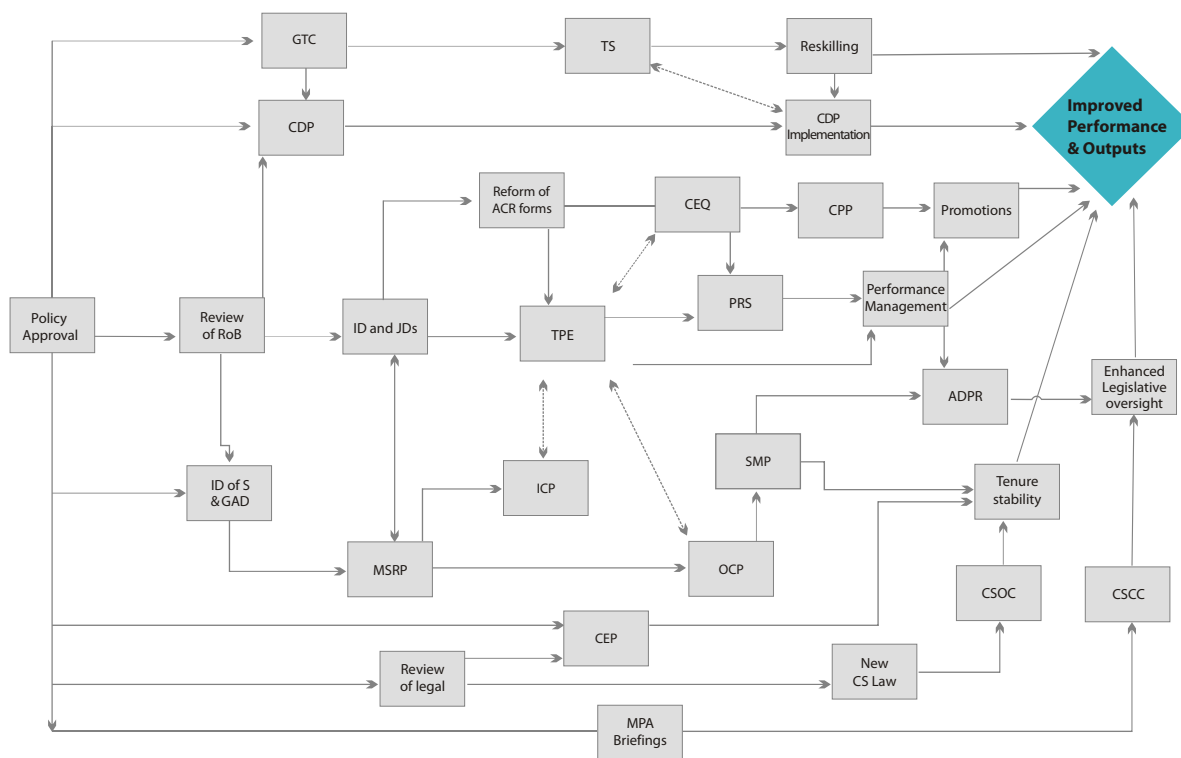
Reform Components	Reform Actions
Building Up Consequentiality of Performance	<ul style="list-style-type: none"> (iv) Annual Departmental Performance Report (ADPR) (c) Building up performance based consequentialities (i) Comparative Evaluation Quota (CEQ) (ii) Performance Honoraria System (iii) Mandatory Sanctions on Low Performance (iv) Reassignment Pool (v) Performance Records System (vi) PRS-Promotion Link (d) Strengthening Disciplinary Processes
Developmental Career Progression	<ul style="list-style-type: none"> (a) Development of a Comprehensive Promotion Policy (b) Performance Grades System (c) In situ Promotions for some technical cadres. (d) Accelerated Promotion (e) Internal Competitive Placement (f) Open Competitive Placement (g) Continuing Professional Development
Calibrating Accountability Systems.	<ul style="list-style-type: none"> (a) Review of the legal status (b) A New Civil Service Law (c) Redress of grievance mechanism (d) Civil Service Oversight Commission (e) Support of the legislature (f) Legislative oversight

FIGURE.A



⁹ Details given in Appendix 9 of the report titled 'Calibrating Civil Service Reform Institutions for People's Wellbeing in Punjab: Review and Reform Options'

FIGURE.B: SEQUENCING OF REFORM ACTIONS



Key to Figure B:

- ACR: Variegated ACR forms development and institution
- ADPR: Annual Departmental Performance Report production under the rules
- CDP: Cadre Development Plans for junior and technical cadres
- CEQ: Comparative Evaluation Quota instituted through Performance Evaluation Rules
- CEP: Contract Employment Policy revised and widely applied
- CPP: Comprehensive Promotion Policy with sectoral sections for sector specific arrangements
- CS: Civil service
- CSCC: Civil Service Contact Committee of the PA made functional
- CSOC: Independent Civil Service Oversight Commission provides redress of grievance
- GTC: Government Trainings Committee notified with a technically competent secretariat
- ICP: Internal Competitive Placement for select positions with introduction of quasi-contracts
- ID: Institutional development (phased application with 3-4 departments per year initially)
- ISP: In situ Promotions introduced for selected technical cadres
- JDs: Job descriptions written as part of the functional review and institutional development
- MPA: Member Provincial Assembly
- MSRP: Multi-sector Recruitment Policy with decentralized recruitment authorities
- OCP: Open Competitive Placement introduced for a select number of positions with quasi-contracts for predictable tenures
- Performance
- Promotions: Performance based promotions introduced to cover xx percent of promotions
- PRs: Performance Records System for records keeping and generation of performance scores
- S&GAD: Department assigned new and substantiated roles with systems installed
- SMP: Senior Management Positions given managerial authority, quasi-contracts and TPE
- TPE: Tangible Performance Evaluation System with its components
- TS: Five yearly strategy for building up skills in the public sector with focus on junior and technical cadres

Explanatory note:

Figure B explains the logical linkages between different reform actions. The diagram flows from left to right with reform actions appearing toward the left requiring an earlier initiative than those on the right. The arrows indicate the logical connection and they flow from an action that enjoys primacy in reform over the one where they end. The dotted arrows show strong linkages even where logical order is less relevant. Only important linkages are depicted in the figure. Other linkages despite their logical import have been left out for the sake of simplicity

Annex-III IMPLEMENTATION STRATEGY MATRIX

No.	Reform Action	Associated and Sub-sequential Actions
Year 1		
1.	CSR Policy Approval	CSR Policy and implementation plan are approved by the Cabinet Task Force on CSR provided a functional secretariat Implementation arrangements and responsibilities put in place
2.	Functional review of 4 departments (first batch)	The departmental roles and responsibilities are clarified Departmental reorganization in light of clarified roles and responsibilities JDs are written Institutional development carried out Necessary legal changes made
3.	CEP evaluation and revision	A field surveys based evaluation to be carried out to recommend revisions which are purposeful and help achieve efficiency gains CEP provides the basis for fixed term government contracts in various sectors
4.	Review of Rules of Business	Functional review of government completed with clear statements on roles that the government needs to perform and those that the government needs to leave to the private sector Departmental roles reformulated, discussed Revised version of Rules of Business produced
5.	Reform of PPSC	Role as the central recruitment agency clarified Technological innovation brought in to shorten recruitment process Membership and staffing rationalized Type of exams redesigned Certification exams instituted
6.	Reform of S&GAD	New roles assigned to S&GAD Assignment of new or substantiated roles in areas critical to civil service management RPC created and secretariat staffed with expertise Maintenance of a disciplinary roster Initial work for preparation and dissemination of guidelines for managers Creation of up to date repository of civil service management laws, rules, regulations and guidelines Creation of computerized databases of employees Work on TORs of the CSOC
7.	Generation of necessary data and information	Mapping of all cadres and their strengths Market wages study Repository of civil service rules
8.	Government Trainings Committee (GTC)	GTC Notification GTC secretariat staffed with appropriate expertise
9.	CDP formulation (5 junior and technical cadres)	Identification of 5 junior and technical cadres Preparation of detailed CDP Approval of CDP and allocation of budgets Implementation plans refined

No.	Reform Action	Associated and Sub-sequential Actions
10.	Monetization planning	Study on monetization of benefits Preparation of transition strategy and implementation mechanisms Drawing up of budgetary impact
11.	Review and development of variegated ACR forms	Review of ACR forms Study of performance records systems Preparation of departmental and position specific variegated forms
12.	Initiation of CEQ	Preparation of guidelines on CEQ Setting initial CEQs Approval of CEQ application by competent authority to override other instructions and legal provisions
13.	Work on Performance Evaluation Rules initiated	Review of existing legal provisions and instructions Identification of systemic components for legal provisions Identification of experts and legal draftsmen
14.	Performance Records System (PRS).	Initial work on drawing up the institutional requirements for setting up PRS Work on software options Sketching out systemic provisions and roles and responsibilities Cost estimates
15.	Study to examine legal status of government employment	TORs finalized Team recruited Study report submitted and analyzed Recommendations in the form of legal provisions
16.	Annual Departmental Performance Report (ADPR).	Guidelines on preparation of ADPR with formats Technical assistance in preparation First edition of ADPR produced
17.	MPA briefings	First briefing on CSR policy and its implementation plans Sector specific briefings
18.	Amendments to rules	Necessary amendments to rules made A timeline of legal changes prepared in sync with the implementation timelines
Year 2		
19.	Functional review of 4 departments	The departmental roles and responsibilities are clarified Departmental reorganization in light of clarified roles and responsibilities JDs are written Institutional development carried out Necessary legal changes made
20.	First Five Yearly Training Strategy	GTC prepares a five yearly training strategy with focus on new roles and skill enhancement of junior and technical cadres
21.	Recruitment Policy Committee (RPC)	Committee notified with clear TORs RPC secretariat staffed MSRP prepared and presented to government
22.	Upgrading work places for junior positions	Development budget allocations released Work on upgrading started and substantial progress achieved
23.	Reform of MPDD	New roles assigned Expertise recruited on short to medium term contracts Support to departments initiated

No.	Reform Action	Associated and Sub-sequential Actions
24.	CDP formulation (5 junior cadres)	Identification of 5 junior and technical cadres Preparation of detailed CDP Approval of CDP and allocation of budgets Implementation plans refined
25.	Monetization implementation	Monetization initiated and completed for xx positions
26.	Differential Grade System (DGS).	Plans approved for monetization of another xy positions Research on market studies completed Reclassification of positions Main categories of scales created Initial estimates drawn up
27.	Enabling Senior Management Positions	Notification of SMP Category I and II Enabling provision in budgetary allocations made Legal changes in departmental rules made
28.	Performance Evaluation Rules and CEQ implementation	Performance Evaluation Rules notified with progressive application timeline CEQ implemented in xx departments
29.	PRS	PRS established Data for xx departments fed into PRS Initial reports generated from PRS
30.	Tangible Performance Evaluation (TPE) System	TPE initiated with adoption of variegated ACR forms Evaluation trainings for evaluation officers Evaluation guidelines prepared and disseminated to xx departments xx percent evaluation reports submitted on time at the end of evaluation periods
31.	ADPR	Second edition of ADPRs prepared by xx departments ADPRs published and discussed in public fora
32.	Performance Grades System (PGS).	Work on the design of PG completed for xx cadres Legal provisions formulated Performance assessment basis established and performance reports generated Salaries for PG approved and budgetary allocations made PGs instituted for xx cadres
33.	In situ Promotions (ISP) for some technical cadres	Work on the design of ISP completed for xx cadres Legal provisions formulated Performance assessment basis established and performance reports generated Salaries for xx ISP positions approved and budgetary allocations made ISPs instituted for xx cadres
34.	Internal Competitive Placement (ICP)	Legal provisions formulated Standard ads prepared and vetted xx positions selected for ICP Guidelines for application of ICP formulated and disseminated Standard quasi-contract design approved xx position filled through ICP
35.	Civil Service Contact Committee (CSCC)	CSCC of Provincial Assembly formed ACS briefing to CSCC CSCC starts entertaining civil servant applications
36.	Review of the legal status	Study completed with identification of important rights and grounds for grievance Legal provisions vetted Discussions at public fora Plan for incorporation in law finalized

No.	Reform Action	Associated and Sub-sequential Actions
37.	Amendments to rules	Necessary amendments to rules made in accordance with the timeline of legal changes
Year 3		
38.	Functional review of 4 departments	The departmental roles and responsibilities are clarified Departmental reorganization in light of clarified roles and responsibilities JDs are written Institutional development carried out Necessary legal changes made
39.	CDP formulation (5+ junior cadres)	Identification of 5 junior and technical cadres Preparation of detailed CDP Approval of CDP and allocation of budgets Implementation plans refined
40.	Upgrading work places for junior positions	Development budget allocations released Work on upgrading started and substantial progress achieved
41.	Multi-sector Recruitment Policy (MSRP)	MSRP approved Necessary dissemination carried out Guidelines for implementation sent out by S&GAD
42.	DGS	Implementation initiated in xx categories A multiyear plan for adoption of DGS formulated and approved in light of the government revenue constraint
43.	Pension reform	Work initiated
44.	PRS	PRS functionality attained for xx departments Online evaluation report submission for the first phase departments Initial performance scores generated
45.	PGS	PGs implemented for xx cadres
46.	Competitive Salary for Senior Positions	Guidelines for competitive salary prepared Performance assessment mechanism streamlined Legal provisions made Competitive salary instituted for xx positions
47.	Linking organizational performance with individual evaluation	Guidelines prepared and disseminated Training of departmental heads and middle management Departmental output requirements disaggregated and assigned to positions and entities in the first phase departments
48.	Tangible Performance Evaluation System	TPE established and functional for 10 departments
49.	ADPR	Third edition ADPRs ADPRs published and discussed in public fora TPE data used for reporting on performance
50.	ADPR laying before PA	ADPRs laid before PA
51.	Performance Honoraria (PH).	PH budget provisions made PH granted to xx percent civil servants
52.	Development of a Set of Promotion Policies	SPP formulated with a progressive implementation Timeline for implementation approved and enshrined in rules
53.	Open Competitive Placement	OCP for xx positions initiated Competitive salary packages approved Standard contract documents approved OCP used for xx positions
54.	New civil service law	Draft law prepared Draft submitted for discussion Draft discussion initiated in PA
Year 4 to 10		
55.	Functional review of xx departments	The departmental roles and responsibilities are clarified JDs are written Institutional development carried out Necessary legal changes made

No.	Reform Action	Associated and Sub-sequential Actions
56.	DGS	DGS implemented phasing out uniform scales
57.	CSOC	Statutory provisions for CSOC made Commission established Staffing provided
58.	Reassignment Pool	Pool created and guidelines prepared
59.	Mandatory Sanctions on Low Performance	PR carried out on the basis of TPE PR recommendations implemented Redundancy addressed
60.	Performance Records System (PRS).	PRS fully functional Performance appraisals fully institutionalized Departmental performance linked with individual performance Online submission of ACRs for xx departments Analytic reports generated from the database
61.	System of performance scores (PS)	Rules for PS formulated and implemented PS recognized and understood by civil servants
62.	PRS-Promotion Link	PS used for promotion decisions Performance based promotions in xx cadres
63.	Open Competitive Placement	OCP used for xx positions xx percent of civil service positions in some categories through OCP
64.	Redress of grievance mechanism	CSOC established Redress provided
65.	Legislative oversight	PA committees functional and ADPR discussed in their meetings

Annex-IV GLOSSARY OF IMPORTANT TERMS

Cadre Development Plan

A detailed plan for upgrading systems, institutional processes and skills of employees including use of IT where feasible. The plan to have an implementation horizon of 5 to 10 years, with provisions for bringing in fresh intake where necessary.

Civil Service

All categories of employees recruited under the Punjab Civil Servants Act 1974; for the purpose of the policy other categories of government employees including contract employees and federal government employees assigned to the government of Punjab are also included.

Civil Service Oversight Commission

An independent statutory commission set up for ex-post review of management authorities and redress of grievance. It will be a mechanism to ensure grant of sufficient enabling authorities to management within the civil service with accountability.

In situ promotion

Promotions granted to highly qualified technical experts in the same position of work without a change in job descriptions or nomenclature of the position. They will be mandatorily based on an objective assessment of performance and only granted if a tangible and meritorious contribution to service delivery or provincial economy is demonstrable.

Legislative oversight

The concept of the legislature scrutinizing the members of the executive for policy, program and budget implementation without encroaching upon the executive domain. Its practice grants sufficient powers to the legislature to oversee the work of the executive but also does not grant limitless authority to adopt executive roles through informal instructions or exercise of influence.

Needs analysis

Comparison of organizational requirements worked out from program goals with present status of the organizational system leading to identification of capacity and institutional needs.

Performance appraisal

A systematic evaluation of performance of a subordinate carried out by the evaluation officer, comparing the observed performance with the agreed upon and assigned tasks and responsibilities.

Performance Grade

A one time promotion granted strictly on the basis of demonstrable performance; the individual becomes entitled to a higher salary; the grade is granted initially for three years only and is subject to continued high performance on annual performance appraisal.

Performance Honorarium

A lump sum payment to an individual civil servant in recognition of performance assessed through the tangible performance evaluation and when placed in the top quintile of CEQ.

Performance Records System

A computerized system for recording ACRs and other assessments, synthesizing reports and generating performance scores, installed in the S&GAD.

Performance Review

The formal process of review of an official's performance after repeated placement in the lowest quintile of CEQ carried out by a board allowing the official being evaluated to be present during the consideration of his or her case. It may recommend any of the measures it is asked to consider under the rules.

Performance Scores

A system of quantification of ACRs where quantified numbers are assigned to ACRs; averaged over time they generate the performance scores of an individual officer. The quantification system will allow comparability to a large extent.

Quasi-contract

It is a document, developed and approved to clarify responsibilities and duration of assignment of an officer. It may spell out terms and conditions specific to the assignment, notices of intent, procedure and authority for resolution of issues and any other relevant matters.

Senior Management Position

A position of the head of agency or other senior position designated as such. All these positions require a range of management decisions to be taken with associated professional risk.

Tangible Performance Evaluation System

The system comprising of four components. Evaluation Rules framed to delineate the evaluation officers' responsibilities and duties, evaluation and record keeping methods, stages for setting targets and carrying out evaluation, principle issues in evaluation and rights of the evaluated officials. (2) A list of evaluation duties prescribed for evaluation officers through the rules. (3) A two stage evaluation system created to incorporate setting managerial targets and responsibilities. Stage 1: concurrent with the beginning of an evaluation period, the evaluation officer fills out the specified sections of the ACR forms, setting out targets and assigning responsibilities after discussion with the subordinates. The targets and assignments pay due regard to the organizational assignments. Stage 2, the evaluation of the subordinates, based on the targets and responsibilities assigned at stage 1. (4) training of evaluation officers with an emphasis on concepts and methods of evaluation, the effects of evaluation outcomes on departmental performance, techniques of setting targets, motivational aspects and details of the ACR forms.

Training needs assessment

It is the process of identifying the areas where both individuals and groups in an organization would benefit from training in order to become more effective at achieving their own objectives and the objectives of the organization.

Training Strategy

A five yearly document prepared by the GTC under the leadership of MPDD which refers to needs analysis and TNAs, provides guidelines for skill development in the public sector, sets principles for departmental initiatives for skill development, creates a strategic plan for trainings and lists monitoring and evaluation indicators, mechanisms and methods. The strategy is most useful when developed as an enabling and guiding document, for multiple level initiatives.

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