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Performance Matters

A Quarterly Newsletter

Performance Management – Cabinet Secretariat

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From the Desk of the Cabinet Secretary

Today the question is not whether to improve performance of government departments, the real question is how? To be sure, this is not the first time in history that this question has been raised. It has been the preoccupation of policy makers in all civilized societies. However, just like all other technologies evolve so does the management technology. While the question still remains the same that is how to improve government performance, the answer to this question has evolved over time.

Last month, delegates from seven SAARC countries participated in a Workshop on Government Performance Management, hosted by the Performance Management Division, Cabinet Secretariat, in New Delhi, to take stock of how we are answering this eternal question in our respective countries in the SAARC region. While there is diversity in the approaches adopted to answer this question, I was impressed by the unity of purpose and the progress made by some of our neighbours in the area of Government Performance Management. of course, individual countries have to adopt approaches best suited to their unique environments, and that is precisely what they have done. Yet the delegates in the Workshop focused on those "good" principals of public management that are transcendental in their application. Further details of the SAARC Workshop can be found in the pages of this Newsletter and our website: www.performance.gov.in

I am also happy to note that Departments / Ministries have completed two rounds of Results-Framework Documents (RFDs) for 2009-2010 and 2010-2011. In fact, all 59 ministries and departments covered in the Phase I of this policy have already put the Results-Framework Document (RFD) for 2009-2010 on the internet. It is a collective achievement which does us all proud. I want to thank and commend the Secretaries and their departmental colleagues for participating in this exercise with great commitment, sincerity and seriousness.

We know that it will take a few years for the RFD policy to mature and become a robust barometer of departmental performance. Change of this magnitude cannot happen overnight. If however, the improvement in the quality of RFDs in the second round is any indicator of things to come, we may be pleasantly surprised by the swiftness with which we may be able to achieve our vision of a results-oriented government machinery that delivers what it promises.

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Management Accountability Framework (MAF): A Performance Management Tool for the Government of Canada

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What is the MAF?

The Management Accountability Framework (MAF) is a key performance management tool used by the federal government in Canada. Its purpose is to support management accountability of Deputy Ministers (Canada's equivalent to Permanent Secretaries) and improve management practices across departments and agencies.

More specifically, the objectives of MAF are to:

- Clarify management expectations for Deputy Ministers and inform ongoing dialogue on management priorities;
- Provide a comprehensive and integrated perspective on the state of management practices and challenges; and
- Inform the design of risk-based approaches that provide greater delegation of authority for organizations that have strong management performance.

The MAF summarizes the vision behind various management reforms into 10 high level management expectations of each Deputy Minister (see figure 1). In essence, the MAF strives at management excellence in areas such as stewardship, accountability and people management, which in turn enables organizations to effectively translate the government's strategic directions into results. Additional background information about the MAF is available at http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp .

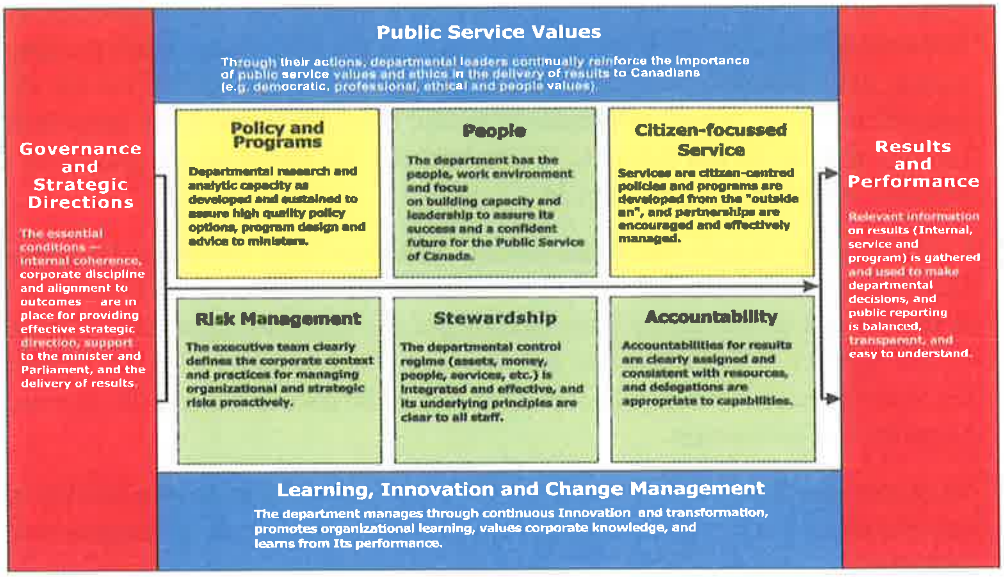

Figure 1: The Management Accountability Framework (MAF)

How does it work?

The MAF assessment process is performed annually by the Treasury Board Secretariat (TBS, a central agency) and is based on evidence submitted by organizations.

All major federal departments and a third of small agencies are assessed on an annual basis, which represents 55 to 60 organizations each year. Smaller organizations are assessed on a three year cycle using a more targeted approach, which reduces the burden of the exercise.

Each organization is assessed against specific criteria outlined under 19 areas of management, such as values and ethics, financial management, internal audit and risk management. As an example, the following criteria are measured under the financial management area: quality of financial reporting, adequacy of financial management capacity, and robustness of financial systems.

As part of the assessment cycle (see figure 2), departments and agencies submit detailed evidence of progress against the expectations and criteria. Rigorous assessments are then prepared by Treasury Board experts based on the evidence submitted. Drafts of the assessments are discussed with departments and agencies before they are finalized. Results are used as an input for annual assessments of Deputy Ministers (including performance pay). Summaries of final assessments are made available to the public.

The narrative assessments for each of the 19 areas of management also include an overall score using a four point scale maturity model. Organizations that meet expectations receive either an 'Acceptable' or 'Strong' score. An 'Opportunity for Improvement' score identifies specific areas for improvement while an 'Attention Required' score points to more systematic deficiencies that need to be addressed.

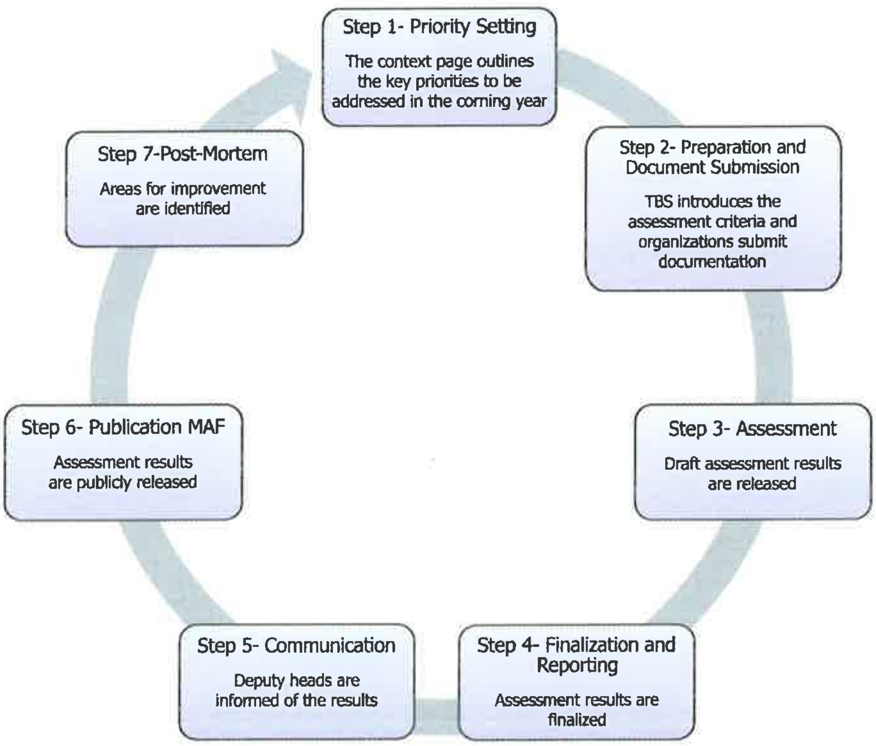

Figure 2: MAF Assessment Cycle

MAF has been key to improve management practices

TBS is currently finalizing its 7th round of annual assessments. Results show that Deputy Ministers are using the MAF to support their management accountabilities and to drive improvements in management performance with their executive team. Improvements have been made over the years across the various areas of management measured through the MAF.

Figure 3 shows that the result has been an increase in the number of organizations performing well in overall MAF ratings. In the last five years, the percentage of 'Attention Required' and 'Opportunity for Improvement' ratings decreased from 18% to only 1% and from 31% to 15% respectively. The percentage of 'Acceptable' and 'Strong' ratings rose from 51% to 63% and from 0% to 21% respectively.

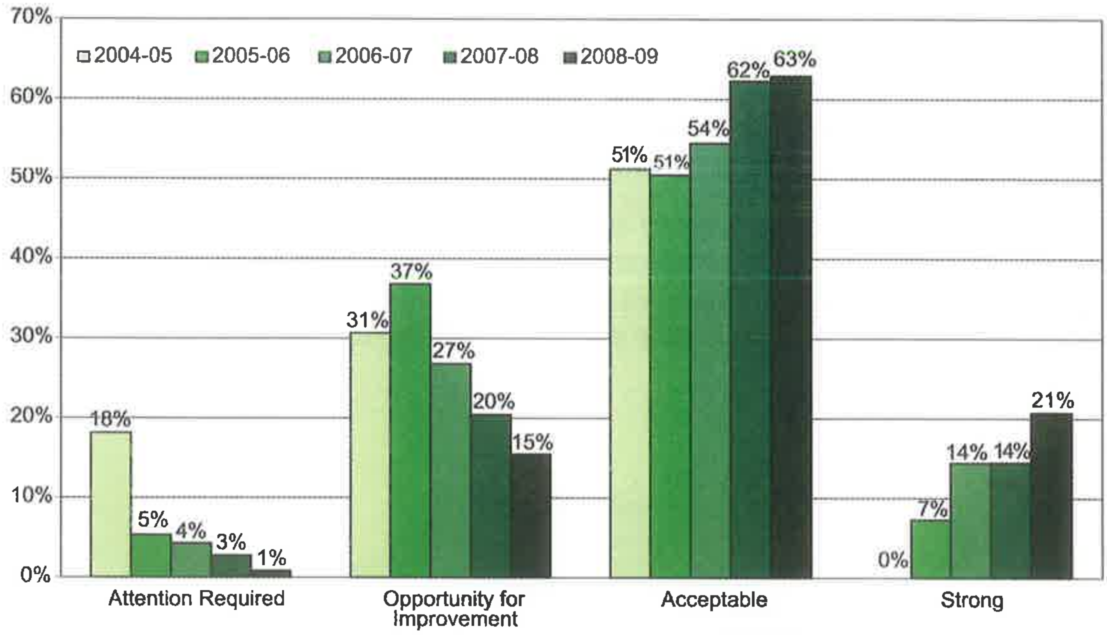

Figure 3: MAF Rating Improvements

Continuous improvement is a cornerstone of MAF

To ensure the MAF continues to be a relevant and strategic performance management tool, several improvements have been made over the years.

For example, concerted efforts have been made to reduce the burden of the MAF process on federal organizations, which have allowed for more strategic discussions on management performance between TBS and departments.

An independent Five-year Evaluation of MAF was also conducted in 2009 to identify improvements that could be made to the tool. The evaluation concluded that "MAF is meeting its stated objectives" and that is compares well with leading international practices. The MAF evaluation report can be found at: http://www.tbs-sct.gc.ca/maf-crg/implementation-implementation/fye-eq/fyer-req-eng.asp .

The OECD cited MAF as "an exceptional model for widening the framework of performance assessments beyond managerial results to include leadership, people management and organizational environment". Table 1 presents an international comparison of leading performance management tools for the public sector.

Guidance and support to federal organizations are also provided to enable continuous improvement of management practices. This includes supporting the exchange of best practices through annual conferences, workshops and tools.

Table 1: International Comparison of Performance Management Frameworks

Assessment Area	MAF Canada	UK Capability Review	US President's Management Agenda	South Korea Performance Evaluation	EU Common Assessment Framework
Leadership	√	√			√
Organization structure	√	√		√	
Strategy and policy	√	√		√	√
Partnership working	√	√		√	√
Resource management	√	√	√	√	√
Financial management	√	√	√	√	√
Performance management	√	√	√	√	√
Risk management	√	√		√	
Learning and innovation	√	√		√	√
Customer focus	√	√		√	√
Performance results				√	√

Source: UK National Audit Office, Assessment of the Capability Review programme, 2009

Key success factors

Based on a 7-year experience of implementing the MAF, we have identified the following key success factors to effectively implement a performance management approach across government. These include:

- Leadership at the top is critical to improve management practices.
- Recognize at the outset that managing with a focus on results requires a culture shift and that progress will take time and sustained focus.
- Overall performance pay of Deputy Ministers should be linked to management performance.
- Performance management assessments should be constructive and encourage continuous improvement, not a means to penalize organizations.
- The assessment tools need to be kept evergreen and leave room for good judgment and contextualization.

Defining Mission and Goals in the Public Sector

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This article reflects on the question whether management concepts widely in use in private sector can be usefully adapted for use by public sector executives. At the outset, the differences between the two sectors may seem crippling. For example, the focus on competitors seems out of place, since many government organizations consider themselves monopolies. Similarly, the notion that government agencies might offer a portfolio of products with each one supporting another in financial terms also seems a little bizarre.

Yet the concept of corporate strategy applies meaningfully to public sector executives. For example, the notion that the organization might have a distinctive competence wider than its current use is consistent with viewing the library as a kind of indoor park that could be used to provide day care as well as a place to read and distribute books. There is also the proposition that public sector executives should connect their performance to the aspirations of citizens, overseers, and clients. And finally, the idea that organizations need to be positioned in an uncertain, dynamic market, and that a successful organizational strategy must embody a sustainable deal among stakeholders is far more realistic than the idea that they have a well-defined mandate to achieve. Corporate strategy may even help public sector executives accommodate themselves to a reality they have long fought-namely, that their mandate for action is both ambiguous and vulnerable to change, and that an efficient response to that reality may require organizations to be adaptive and flexible rather than rigidly focus on achieving a clearly defined objective.

The Strategic Triangle

For the last several years the public management faculty of the Kennedy School of Government has worked with a rudimentary concept of organizational strategy adapted for the public sector. In this conception, an organizational strategy is a concept that simultaneously: (1) declares the overall mission or purpose of an organization (cast in terms of important public values); (2) offers an account of the sources of support and legitimacy that will be tapped to sustain society's commitment to the enterprise; and (3) explains how the enterprise will have to be organized and operated to achieve the declared objectives.

In developing a strategy for a public sector organization, a manager must bring these elements into coherent alignment by meeting three broad tests. First, the strategy must be *substantively valuable* in the sense that the organization produces things of value to overseers, clients, and beneficiaries at low cost in terms of money and authority.

Second, it must be *legitimate and politically sustainable.* That is, the enterprise must be able to continually attract both authority and money from the political authorizing environment to which it is ultimately accountable.

Third, it must be *operationally and administratively feasible* in that the authorized, valuable activities can actually be accomplished by the existing organization with help from others who can be induced to contribute to the organization's goal.

These tests are powerful because they identify the necessary conditions for the production of value in the public sector. To verify their necessity, imagine what happens to managers and their organizations if anyone of these three conditions is missing:

i. If managers have an attractive purpose broadly supported by the political environment but lack the operational capacity to achieve it, the strategic vision must fail. Either the goal will be rejected as unfeasible or the political world will find a different institutional vehicle for accomplishing it.

ii. If managers have a substantively valuable goal that is administratively and operationally feasible but cannot attract political support, then that enterprise, too, will fail. The want of capital and resources will doom it.

iii. If managers conceive of some organizational activities that can command political support and are administratively feasible but lack any substantive significance, then, over the long run that strategy will fail not necessarily because the organization will be diminished, but simply because its operations will be wasteful and someone will eventually get around to blowing the whistle.

Finally and most painfully, if managers have substantively valuable ideas but are unable to attract political support or administer them feasibly, then those ideas must fail as strategic conceptions. Such ideas are "academic" in the worst sense of the word.

The Utility of the Framework

This framework, like the concepts of corporate strategy in the private sector, helps public sector executives draw back from the task of presiding over and maintaining their organizations, while refocusing their attention on the question of whether their political or task environments now either require or allow them to change their organizational purposes in the interest of creating additional public value. It helps them maintain a sense of purposefulness that allows them to challenge and lead their organizations toward the production of greater public value. (It is important to keep in mind that a manager might increase public value by downsizing the organizations's operations and returning money to private consumption. In the public sector as in the private, *growth* is not always desirable. Indeed, one of the persistent values in our political environment is the desire to keep the public sector as small as possible.)

More particularly, use of the concept encourages public sector managers to: scan their authorizing environments for potential changes in the collective, political aspirations that guide their operations; search their substantive task environments for emergent problems to which their organizations might contribute some part of the solution; and review the operations of their own and other organizations in search of new programs or technologies that their organizations could use to improve performance in existing (or conceivably new) missions.

Taken together, analysis of the external demands and of the internal capabilities helps managers understand why their organizations function as they do and the extent to which managers can count on smooth sailing in the future. If citizens and their representatives are demanding what the organizations are happily producing, managers might well rest easy. If, however, important inconsistencies exist between what citizens and their overseers desire and what the organizations supply, then the executives have to realign their mandates and their organizations.

Even the absence of trouble between mandates and operational capabilities does not necessarily imply that all is well. Managers, guided by the strategic triangle, have to consider the possibility that while citizens and overseers seem happy, somehow the organization still fails to produce anything of value. They have to check intermittently to find out if the assumptions they and citizens make about the ultimate effectiveness of their enterprises are, in fact, true. That is the challenge implied by defining the concept of public value some what independently of the political support and legitimacy of the organization, and by suggesting that analytic techniques such as program evaluation and benefit cost analysis have an important role to play in helping managers locate and recognize the creation of public value.

They also have to consider the possibility that things change, that new political demands will emerge, or that new technological possibilities will appear. To the extent that these changes redefine what is valuable for their organizations to do, managers have to be alert and respond with suitable adjustments.

In short, the concept focuses managerial attention *outward,* to the value of the organization's production, *upward,* toward the political definition of value, and *downward* and *inward,* to the organization's current performance. To the extent that this review reveals important incongruities in the position of the organization, then the manager of that organization would be encouraged to rethink his or her basic strategy until it was once more properly aligned.

Analytic Techniques for Strategic Planning

Each point of the triangle provides a different vantage point for considering the question of what would be valuable (and feasible) to do. More important, each point engages a different set of analytic methodologies for answering the basic question symbolized by that point on the triangle.

For example, in asking whether a particular organizational goal is substantively valuable, managers are encouraged to raise normative questions about the value of their efforts and to bring to bear the analytic apparatus that can help them answer those questions. The technical apparatus of program evaluation and benefit cost analysis can be wheeled out to help make this important determination. Managers can also apply philosophical and legal analyses of social justice, fundamental fairness, and any individual rights that might be affected by an organization's operations.

In asking whether a goal is politically sustainable, one invites an analysis of the politics surrounding the organization. This could include an analysis of the important values that are at stake in the organization's operations, the interests of those legislators who oversee the organization's operations, the claims pressed by interest groups, or the bits of conventional wisdom that now justify and guide the organization's activities. In asking whether a particular goal is organizationally doable, one can rely on the techniques of feasibility assessment and implementation analysis. These techniques draw on what is known about the ways in which, and the rates at which, organizations can change their activities.

In sum, thinking strategically in the public sector requires managers to assign equal importance to substance, politics, and organizational implementation. Currently, these elements remain disconnected. Some, such as academic experts and policy analysts, specialize in substance. Others, such as political appointees or the directors of legislative affairs offices, specialize in politics. Still others, such as those who direct offices of administration and management, specialize in administrative feasibility. Thus, thinking strategically means integrating these diverse perspectives. If any perspective is left out, some important consideration in choosing a value-creating path will be lost.

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Aspiration Alignment: A Hidden Key to Competitive Advantage

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A few years ago, an international consultancy presented a nine-point plan to the Prime Minister of India to accelerate the growth of the Indian economy. Their well-researched recommendations were derived from an analysis of other countries' experiences. The Prime Minister heard them patiently and with interest. When they finished, he is reported to have sighed and said, ''We know all this, but yeh sab kaise hoga?'' ''How will all this happen?'' was his question. Many CEOs of companies have the same question on their mind when they are presented with consultants' recommendations of strategies to increase the growth of their companies – especially organic growth strategies. Growth by acquisition is relatively easy to implement. A decision can be taken by the CEO with a few advisors, followed by the conclusion of a successful deal, once again involving very few people. When the formalities are completed, the company can report the increase in its size, and the CEO and her advisors can bask in the glory of their achievement.

However, dramatic organic growth invariably requires changes in the strategies of key functions in the organization. In a company, it may require new product and marketing strategies, or new approaches to production and outsourcing. Invariably, such strategies require changes in behaviors of many people within the organization before the increased growth can be reported. In a country, where growth by acquisition or merger is hardly ever an option (the merger of the two parts of Germany being one rare instance in recent times), increase in growth invariably requires implementation of new policies, which affect the lives of people and may also hurt vested interests. (Even in mergers and acquisitions, the hard work to realize the value of the strategy is in the post merger integration and this is not easy, whether in the corporate sphere or in countries, as in the case of Germany.) Thus, for leaders of countries as well as companies, a critical problem often is not what the strategy is but how it will be implemented. At the end of the day, the brilliance of the strategy is worth naught if its benefits cannot be obtained.

> ''Thus, for leaders of countries as well as companies, a critical problem often is not what the strategy is but how it will be implemented. At the end of the day, the brilliance of the strategy is worth naught if its benfits cannot be obtained. ''

The Indian Prime Minister had another nagging doubt about the strategy recommended by the consultancy. He wondered whether the differences in the contexts in which the strategies had worked in the other countries and the present context of India had been properly factored into the analysis. For example, India is a large, diverse, and democratic country, whereas some of the other countries were much smaller and less diverse, or not democracies. Changes in policies in India required the cooperation of many different political constituencies. If they did not perceive the benets for themselves, they could bring the government down, as they did in India shortly afterwards where the benefits of globalization, the new economic policies, and new products and services were seen to have reached only the cities and there too, the better off people, and not the masses in the rural areas, nor the poorest people.

Life for CEOs of business corporations is easier. They do not have to worry about re-election by the masses and hence can afford to ignore the short-term pains of change for the sake of obtaining longer-term benefits. They are appointed by boards and so long as they can carry their boards or at least those on the board who have the requisite political power they are safe. But they are increasingly insecure. Unhappy shareholders have forced out several CEOs recently in the USA and Europe. Therefore, even though CEOs can take decisions to pursue strategies they are convinced about with relative ease, compared to elected heads of governments, they cannot be insensitive to the needs of the principal stakeholders and the political processes by which power is exercised within the governance of the enterprise.

About the same time that the Indian Prime Minister talked with the international consultancy, another management consultancy discussed their recommendations for the growth strategy of a large Indian business conglomerate with its CEO. He was the third generation scion of a family widely respected in India. His grandfather and father had built the conglomerate over seventy years. The consultants used the concept of increase in ''shareholder value'', much in vogue in management and financial circles since the 1990s, as the predominant justification for the strategies they recommended. The CEO wondered how a single measure could capture the diverse needs of different classes of shareholders. For example, some depended on income from dividends whereas others, not needing income from their investments, only wanted the stock price to appreciate. He also questioned how the strategies would affect stakeholders other than shareholders. After all, his family had earned the trust of society by taking into account broader societal concerns in a very poor country. He was concerned with such issues for moral, but also practical reasons. For instance, the cost of doing business could increase if the government, under political pressure, were to impose new regulations in environmental and employment matters. He therefore felt that strategies to increase shareholder value must be tempered by other concerns to obtain the support of all critical stakeholders. He also desired that outcomes for all important stakeholders must be measured, not just shareholder value. Furthermore, like the Indian Prime Minister, he also desired more rigor in the analysis of the different contexts in India and the countries from which best practices were recommended while transferring ideas from one to another.

Problems with the process of developing strategy

Both these leaders were realistic about the context in which they have to make change to obtain the benefits of strategies being proposed to them. That context includes the abilities, aspirations, vested interests, and fears of people. This is true not only in India but everywhere. Leaders in other countries also have to work with people to change the trajectory of performance of the enterprises they lead, whether they head governments or business corporations.

These examples from both public policy and business arenas raise two sets of issues regarding the process of developing strategies generally taught in business schools and widely practiced by strategy consultants. The first set of issues is about the connection between design and implementation of strategies:

- Strategy making cannot be a purely rational process, driven by analysis of numbers. To obtain support for the strategy, aspirational values of the principal protagonists as well as the political forces must be considered. After all, the value of any strategy is realized only if it is implemented for which, in most situations the commitment and support of key people beyond the head of government or CEO is essential. And to get their ''full-hearted'' support, engagement of their heads only is not enough their emotional commitment is essential also;

- The engagement of key stakeholders whose support is essential to implement the strategy cannot be post facto to the development of the strategy. It should be a priori so that their aspirations and concerns can be understood and can guide the process.
- Therefore, a widely prevalent paradigm which is, "first the strategy and then the implementation" (which goes along with the concept that "change management" is something that is done after the strategy is devised), must be challenged. In fact, the how must be considered along with the what while devising the strategy. A general principle of good design in many other fields, such as the designing of cars or buildings, is that the means of execution of the design must be considered in the design itself to ensure the quality of the product. This principle should also apply to business and national development strategies.

An objection that some purists in the art of strategy making have to the argument in the first set of issues is that objectivity gets lost if subjective considerations, such as the feelings of people about their aspirations are taken into account while developing the strategy. Therefore the second set of issues regarding the process of strategy making is about objectivity and relevance:

- The reality in which strategies are devised and implemented includes emotional and political concerns of people as we discussed. Therefore, to ignore these forces cannot be objective and would be irrational!
- Strategists rely on mental models to direct their attention to essential factors in a situation and to guide their analysis. The models are a stripped down representation of the phenomena they are dealing with. They give the strategist insight into the situation. However, if the model does not accurately represent the relationship between the principal forces in the situation, it will lead to wrong insights.
- It behoves a strategist to test the mental model he or she brings to a situation before jumping to conclusions about where the opportunities and threats may lie. A model derived from one context may not be valid in another.
- Understanding the context must be a critical requirement for a strategist. For example, the strategist should ask, ''In what ways is the context for Indian political leaders today the same as that in which political leaders in the USA, Singapore, or China were at similar stages of economic development, and in what ways is it dissimilar?'' The strategist should also ask in what ways the economic and demographic context of India, and of the world around India, is the same or dissimilar to the contexts in these other countries when they embarked on their successful strategies of development. Could it be that strategies and policies that worked in some other countries may not be appropriate for India today and new, contextually relevant strategies would have to be devised? The same intellectual rigor to lay bare the relevance of models (whether they are explicit or at the back of the mind as they generally are) guiding the strategists' thoughts is also required in the business arena.
- Leaders and consultants carry insights in their heads in the forms of examples, benchmarks, analogies, and metaphors. Thus each has a personal store of guiding ideas a subjective store. The same rigor recommended above while considering examples and benchmarks must also be used to objectively test the relevance of analogies and metaphors. Metaphors are a very powerful way for representing insight. But use of the wrong metaphor has often led to disastrous consequences, as Richard Neustadt and Ernest May of Harvard University point out in their book, Thinking In Time: The Uses of History For Decision Makers.

The theme running through these issues concerning the process of developing strategy is misalignments: misalignment between the models (and metaphors) of the strategist and the context in which a strategy is required; misalignment between the strategy and requirements for its successful implementation; and, related to that, misalignment between the aspirations and political concerns of people involved. Therefore what is required to make the process of strategy development effective are approaches and tools to align the people who must be involved and to align (what are presumed to be) facts and insights with reality. The purpose of this article is not to advocate yet another grand model of strategy, but to suggest three specific tools that have proved useful in overcoming these issues of misalignment. They have been applied successfully in both business strategy and public policy contexts. They are: aspiration alignment, generative scenario thinking, and story telling. I will briefly explain their conceptual underpinnings and how they are used.

Aspiration alignment

The poet, Robert Frost, wrote:

> Ah! When to the heart of Man Was it ever less than a treason To go with the drift of things And yield with a grace to reason . . .

The unique characteristic of man amongst all creatures is the desire to change the state of affairs in the world. Whereas all other creatures adapt themselves to the world in which they are born, man has learned to change his natural environment to reduce the effects of its vagaries on him and increase his comfort. He also continues to search for ways to improve his social and political environment an environment that, unlike the natural environment, is shaped almost entirely by the interactions of human beings. To make any significant and sustainable change in both these environments, people have to work together. Therefore, major change invariably requires cooperation.

Change also requires effort. And change involves risk. People may be willing to face up to the efforts and the risks if the gains expected are worthwhile. Leaders understand the need to address such concerns. Therefore they try to create compelling visions and sell them to people. And while their leaders cajole them to cooperate with changes in policies, some questions at the back of people's minds, to which they are looking for answers, are:

- What is there at the end of this journey that I would really want?
- I wonder what the risks are for me that I am not being told about?
- Am I just being used to carry others to where they want to go?

It is worthwhile to ask people what they care about and what they would aspire to have before attempting to sell them a vision. Leaders are often apprehensive to do this because they fear that people may want what cannot be provided to them. This is a mistake. The articulation by people of what they want, in their words, begins the enrolment of people in a transformational journey. The knowledge of what people really want is of great value to a leader in articulating a vision. Furthermore, by reminding people of what they want, the leader is able to make the case for the changes necessary.

The strengthening of the bond between leaders and followers by followers knowing they have been heard and understood is an important benet of the process of creating a ''shared vision''; as contrasted to the other approach of a ''vision shared'', in which the leader creates a vision and then tries to get it accepted. Another practical benet is that the leader is no longer in the dark about what people really want and knows what she may be up against should she want to take another course.

While leaders acknowledge these potential benets of understanding aspirations, they often fear that the process of asking people may open a Pandora's Box of problems. People may have very different aspirations to what the leader has, and there may be significant differences in the aspirations of diverse groups. It is worth repeating that it is better to know any differences than to pretend they do not exist. However, the pleasant surprise when people take the plunge to listen to each other's aspirations is that the common ground is much larger than they thought it would be. The acknowledgement of the shared aspirations provides strength to deal with the differences which will very likely be present also. Thus

the process of aspiration alignment begins to distil the "We" from the multitude of contending "I's".

This approach to aspiration alignment has been effective in many, and diverse situations in many parts of the world. Large business organizations have developed shared visions by involving people at all levels across the organization. For example, an Indian steel company invited unionized miners and blue collar steel workers, along with executives to participate in the creation of a vision to guide the company's progress in the following decade. The extent of alignment in the aspirations of the diverse groups was a pleasant surprise. The company had a long history of benevolent personnel practices. Therefore, what was most surprising was the wide-spread agreement that "economic value added" must be a critical measure of the company's performance. This empowered the leadership to propose some tough actions, with the cooperation of the unions, to change the benets the employees had historically enjoyed.

Similarly heart-warming (and surprising) was the experience in a process in India in which very diverse people students in schools, CEOs, social workers, farmers, senior government officials, teachers, homemakers, and politicians from different parties got together to listen to each other, to create a shared aspirational vision for the country and an analysis of what would be the critical areas in which changes in policies were required. They were surprised at how much they could agree about. This gave them more hope that the country would change in ways they wanted it to, realizing that fundamentally they all cared about the same things. Their prayer was that people across the country should participate in a similar process of aligning aspirations.

> " Strategy making cannot be a purely rational process, driven by analysis of numbers. To obtain support for the strategy, aspirational values of the principal protagonists as well as the political forces must be considered. "

Generative scenario thinking

Strategy is a process of focusing on the few essentials that will enable a desired outcome. It is a process of concentrating on the few essentials that can provide advantage in a competitive world. The process of focusing and concentrating requires that other ideas be set aside. If one continues to do many things, only some of which will lead to the desired outcome, and if one does not consciously and explicitly concentrate on these few things, it cannot be said that one has a strategy. Unless one's strategy is to do anything and everything!

To focus the mind on a few things, one must not be distracted by other things even if they appear interesting. Therefore, the process of being "strategic" in thought and action is also a process of preventing distraction. It is a process of putting on blinkers as it were to avoid temptations that may distract. While focus may be necessary after a strategy has been chosen, it can be a dangerous limitation before a strategy is formulated. Indeed, at this earlier stage, blinkers can be dangerous. They prevent strategists from seeing the entire scene, with the interesting paths that could be explored, and the sources of danger lurking on the side. Unfortunately, we have blinkers on all the time that we are generally not even aware of. These are the ideas that we have at the back of our heads that enable us to make judgments quickly and unconsciously, so that we can carry on our lives efficiently. For example, we know, instinctively that we should give a snarling dog a wide berth, and that dark clouds threaten rain and so we should look for shelter or an umbrella. Such ''theories-in-use'' at the back of our minds guide most other aspects of our lives also. They are based on ''mental models'' in our heads of what causes what to happen, and what goes with what. We learn these models through experience or through some form of education. We also have beliefs and prejudices which are also ''theories-in-use'' about what is good or bad.

When we look at a new scene, our mental models and beliefs act as filters to help us concentrate on what may be most relevant to focus on. We are not even conscious of what they are filtering out, or how they may be distorting our view of the reality before us, perhaps causing us to jump to the wrong conclusions. Consider an encounter between a Westerner whose custom is to put out his hand in greeting to a stranger, and a traditional Oriental whose custom is to fold his hands close to his chest to greet. They have different mental models of the proper way to show friendship, and they do this instinctively. The Westerner, used to having a hand come forward to clasp his in greeting, may be offended, or at least confused. The Oriental, seeing a stranger put a hand out to touch him may be momentarily alarmed.

An effective way to overcome the limitations that embedded mental models and beliefs impose on our ability to perceive reality completely and accurately, is to ask others, who are not like us, who do not think like us, and indeed may be people we usually do not agree with nor even like to be with, what they see and what they think. This is not easy. And when we do, and when they begin to express ideas we instinctively disagree with, we mentally start building up our arguments against them rather than trying to see things from their point-of-view. However, if we listen to many diverse views of the same reality, we can construct a more accurate model, and opportunities we would not otherwise have noticed.

> ''The reality in which strategies are devised and implemented includes emotional and political concerns of people as we discussed. ''

This is the approach of generative scenario thinking, in which a group of diverse people, with knowledge of different facets of the scenario for which a strategy is desired, together construct a model of the forces that will shape the future. The question before the group may be the future of a country, or the growth possibilities of a business, as they were in the processes of aspiration alignment mentioned earlier. Combining their insights, and using a systems' thinking and inductive approach, (as contrasted with the more usual linear thinking and deductive approach), an integrated model is developed of the interplay of forces that needs to be understood before developing an effective strategy to produce the desired outcome. The analysis of the scenario to be understood can reveal stakeholders they were initially unaware of, who can then be included in further stages of the process of aspiration alignment and generative scenario thinking. Thus, alignment between people as well as alignment between the model and reality increases iteratively.

Strategy staffers and financial analysts often construct ''scenarios'' to describe the different outcomes should a critical variable in their model take different values. The important difference between the generative scenario thinking approach described here and their narrower approach is in the open-minded dialogue amongst diverse people before developing a model and selecting the critical variables. By the generative approach, a new and better model may emerge and point to a critical variable and strategy that could not have been foreseen otherwise. This happened when the World Economic Forum, along with the Confederation of Indian Industry developed scenarios for the future of India. Their initial scenarios were built around conventional models developed by economists, adjusted a bit to suit the Indian context. However, when a large group of diverse people (as mentioned before) engaged in a generative dialogue, another scenario emerged. In this scenario, faster and more inclusive development of the country was possible than had been previously envisaged and the strategy required to achieve it was also much clearer.

Story Telling

The third tool that pulls it all together is a story. The most useful descriptions of strategies and scenarios are not merely sets of numbers and bulleted points, but complete stories that also include characters representing typical people whose actions will bring the strategy to life. Stories have the ability to weave into a coherent narrative events and factors that can be described in quantitative terms, along with other factors which can be described only in qualitative terms, such as the aspirations of people and their reactions to unfolding forces. Contrast a travel story with a travel guide. The latter may describe the important things one may want to know on a journey and even suggest a journey to take. The former weaves in information about the feelings and actions of characters on the journey, making it more complete and closer to reality. Good stories have the ability to logically combine diverse developments that will affect the outcome of a strategy. They show how the strategy may unfold. Hence they are a good way to test its viability.

Some years ago, executives and union leaders of a US paper company sat down to convert the strategy developed, with the assistance of a consultant, to turn around the company into stories written by each of them in which they explained their roles as a central character in the story. They discussed the stories they had written and in this way converted the abstractions of strategic thinking into alignments around concrete actions they would take.

Alignment is necessary along many dimensions to improve strategic thinking and action, as discussed at the beginning of this article. Aspiration alignment, generative scenario thinking, and story-telling the three tools described here create alignments amongst people, amongst the elements of the strategy, and between the strategy and the context in which it has to be implemented. They are not a substitute for other tools of strategy development, but a powerful supplement. They enable deeper, systemic insights in the process of developing strategy, as well as impact through the effective implementation of strategy by people involved.

Alice in Wonderland

Alice: "Which road do I take?"
Cheshire Cat: "Where do you want to go?"
Alice: "I don't know,"
Cheshire Cat: "Then, it doesn't matter."
"If you don't know where you are going, any road will get you there."

Performance Matters

Volume 1 April 21, 2010 Issue 4

Greed is Good: Making a Profit Doesn't Always Mean Making Money

Ken Miller is the founder of the Change and Innovation and author of *We Don't Make Widgets: Overcoming the Myths That Keep Government From Radically Improving*, published by Governing Magazine (email: ken@changeagents.info)

Last fall I had just completed a workshop about the concepts in my book We Don't Make Widgets when I was approached by one of the participants. She said, "Look, I get where you are going with this: We do have widgets and processes; we have customers; we should try to improve our operations. But" and I knew exactly what was coming "you just can't run government like a business."

In my most sympathetic voice I said, "I understand your feelings. When you say we can't run government like a business, which aspect are you most concerned about?"

Her body then contorted and convulsed, like someone who's been told they have a bug on them. "Businesses are so … so … greedy," she said. "All they care about is profit."

"Exactly," I replied. "Now imagine if we were as greedy about profit as the private sector. How great would that be?"

The look on her face said what I've heard a thousand times: "We're not here to make a profit." Except that we are. It's just not measured in dollars.

In the private sector, the performance outcome is obvious money. We in the public sector are here to achieve a profit also, but it's shown in the form of results. As I contend in my book, the purpose of any organization is to maximize return to its investors by building better widgets for customers in more efficient factories. Investors? ROI? Customers? Have I lost you? Let's step back.

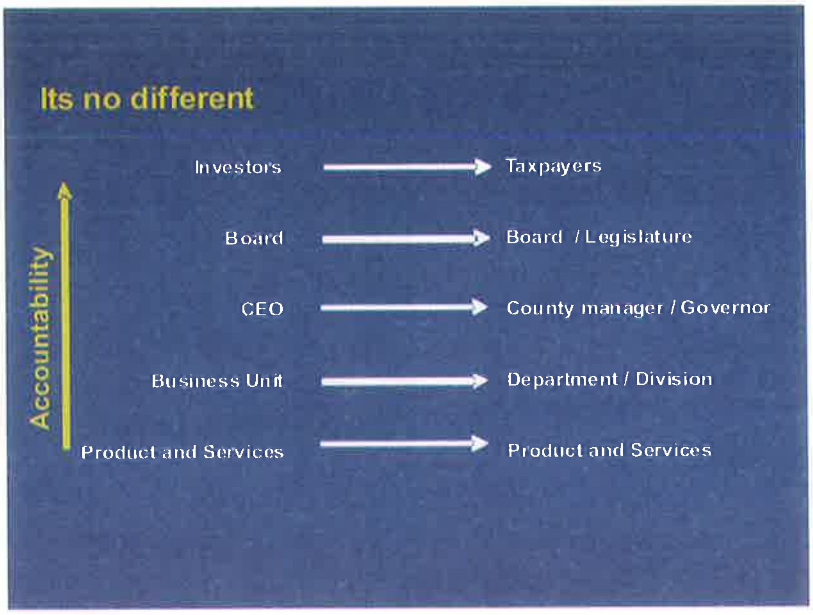
One of the classic misperceptions we have in government concerns the role of taxpayers. Quite often, we think of taxpayers as customers. But are they? Let's check this out. Would you say Apple's shareholders are its customers? The answer is, it depends. If you look at the graphic below, you see the typical business structure. A business has investors. What do investors want? The maximum return for the least amount of investment. The investors then get together and democratically elect a board of directors. It is the job of the board of directors to ensure that the investors' resources are being put to their best use that is, they are maximizing profit now and in the future.[1]

1 *Eli Goldratt offered the insight that the goal of a business is to make money now and in the future. The goal is to prevent sacrificing long-term good for short-term gain.Any business that wishes to make money for the long-term will not make unwise and unethical decisions to maximize short term gain.*

The board hires a CEO to carry out its wishes. Underneath the CEO are business units and inside the business units are where the "widgets" are made for customers in this case MacBooks, iPods, iPhones, iPads, etc.

So to repeat the question, are Apple's shareholders its customers? No. They are investors, and investors want maximum return for minimum investment. Apple's customers are the people who buy the iPods, MacBooks, and songs from iTunes. If you were an investor in Apple but never bought an Apple product, you would not be its customer. Investors want profit; customers want widgets that are fun, easy to use, reliable and cool. These are totally different roles and expectations.

Now, why am I talking about Apple so much? Because this exact situation applies to taxpayers and government. What role do taxpayers play? Taxpayers are investors. (Granted, they are investing against their will, but work with me here.) What do investors want? Return. More specifically, the maximum return for the smallest investment possible. What is return in government? It's not dollars it's results. Clean air, safe neighborhoods, a thriving economy, educated citizens, healthy children: those are the outcomes of government, our "profit."



The graphic above completes the analogy. As investors, the taxpayers democratically elect a board of directors (a legislature, a city council) to manage the investors' resources to maximize return. Underneath the board is the CEO (a governor, county executive), and underneath the CEO are business units (departments, divisions, bureaus) where the "widgets" are made for customers. In this case, the widgets are building permits, mental health treatment plans, road and bridge designs, tax refunds and so on.

Which brings me back to my recoiling class participant and her fear of corporate greed. Businesses are greedy. Yes. And just like Gordon Gekko said in the classic movie Wall Street, greed is good. When a corporation makes money, lots of people benefit. Sure the shareholders benefit, but so does the economy. A moneymaking enterprise hires people, pays taxes, funds schools and develops the skills of the workforce.

The same holds true for government. When government agencies achieve results when we are greedy about our profit lots of people benefit. Our greed changes lives, builds communities, transforms families, revitalizes cities, safeguards the environment. And just like in business, our "board of directors" (the legislature, city council, etc.) has a moral obligation to put tax money where it will best yield these great returns. To continue investing money in a losing enterprise a program with no demonstrable results squanders precious capital that could be used productively elsewhere.

In short, we do not run "not-for-results" agencies. Recognizing that we, too, are profit-making enterprises helps us to focus our attention on results, communicate our value to our investors, develop innovative ways to get more profit, and share our profit with our employees (stew on that one for awhile).

I'll leave you with the immortal words of Michael Douglas' Gordon Gekko. (Most people forget the second half of his speech.)

"The point is, ladies and gentleman, that greed, for lack of a better word, is good.

Greed is right.

Greed works.

Greed clarifies, cuts through, and captures the essence of the evolutionary spirit.

Greed, in all of its forms greed for life, for money, for love, knowledge has marked the upward surge of mankind."

What is your organization greedy about?

Glimpses from Workshop on

How to Prepare Strategy and Strategic Plans for Government Departments

Indian Institute of Foreign Trade, New Delhi, February 3, 2010

Mr. Rentala Chandrasekhar, Secretary Department of Information Technology

Workshop participants working on a group exercise

Mr. Alvin Didar Singh, Secretary, Department of Overseas Indians, making a comment

Mr. Arun Maira, Member Planning Commission, delivering lecture

Improving Performance in Government: From Vision to Action

Address by Mr. **K. M. Chandrasekhar,** Cabinet Secretary, Government of India, at the National Defence College, New Delhi

I am delighted to be with you this morning. A visit to institutions like the National Defence College is a reminder not only of the visionary leadership of our founding fathers, but also the importance of institutions in the task of nation building. Indeed, the contributions of NDC to our national life are immeasurable. Every aspect of NDC has historical significance. This includes not only the illustrious alumni and their valuable contributions in national and international spheres but also the buildings that house this great national institution.

While inaugurating the National Defence College in 1959, Pandit Jawaharlal Nehru said it best and I quote:

"...Defence itself is not an isolated subject. It is intimately connected with the economic aspects, industrial aspects, and many other aspects in the country..." End of quote.

Today we can see all over the world a strong correlation between economic development and security. The two are intimately intertwined. It is not possible to remain secure militarily without achieving economic security.

I believe that performance management in Government is a key determinant of economic security and hence I have decided to focus on this aspect of economic security in my comments this morning. I have also decided to speak on this topic because improving performance of government is one of the major initiatives of this Government.

The importance of performance management in government is now treated as a self-evident truth. No civilized society can function effectively without an effective government. This statement was as true for Chanakya in the 3rd Century BC and for Sher Shah Suri in the 16th century AD as it is for us today. While talking of performance of any entity, be it Government or a private enterprise, we are talking of a dynamic process. At no stage can we say that we have reached the end of this process and that we have in place a system that meets all situations and all contingencies. As history unfolds, there are new requirements and new challenges that emerge. Government has to undergo a process of constant reinvention to meet each situation and each phase in history.

All countries use government as a mechanism to provide services that benefit all citizens: police, judicial services, national defense, and municipal services. Government serves as a means of making some of the most important collective decisions: nature of the health system, education system, water and sewage system, roads and highways system.

Our work on performance management is inspired by our belief that returns from improving effectiveness of the government are immense. Further, we believe that the majority of these benefits will accrue to the socially and economically weaker sections of our society. Hence, we do not believe that there is a trade-off between efficiency and equity.

Enhanced government effectiveness not only affects the welfare of citizens in the short run but also in the long-run. In the increasingly globalized world, government effectiveness is the key determinant of a country's competitive advantage. Experts agree that in the long run, the race among nations will be won or lost not on the basis of comparative advantage arising from resource endowment, but by the competitive advantage created by effective governments.

Having established the importance of enhancing performance of government, I want to divide the balance of my comments into four broad categories. First, I would like to share our long-term Vision in this area. Second, I want to discuss the current status of performance management in Government and look at our strengths and weaknesses, our opportunities and the threats that we face. Third, I would like to outline the broad contours of our emerging performance management strategy. Finally, I would like to share some important initiatives that we have launched to implement this strategy.

Our vision for performance management is to create a results-oriented government machinery that delivers what it promises. We seek to create a government that not only does the right things but does them right that is more efficiently and effectively. We want a government that works better and cost less. Indeed, I want to see the day when private sector would look up to our systems to improve their performance management.

While I am confident we can realize this vision in not too distant a future, there is a perception that the gap between our vision and current reality is rather wide.

We may not like it, but there is a perception that the Government at all levels can do better, indeed, do much better. Fortunately, there is also near unanimity among all sections of our society that the Government must do better.

This concern for improving performance of Government is neither new nor unique. There has been a succession of high-level committees and commission that have examined the barriers to performance in the Indian Government and recommended changes. The latest being the 10th Report of the Second Administrative Reforms Commission. In fact there is a full chapter devoted to performance management. If you have not read this chapter, I would strongly urge you to do so. This Report is available on the Cabinet Secretariat's website dealing with Performance Management. You can visit this website at www.performance.gov.in

This preoccupation with improving government performance is also part of a global trend. Most progressive governments in the developed and developing countries have been reforming, reinventing and re-imagining their governments on a continuous basis.

The idea of reinventing the government may seem audacious to those who see government as something fixed, something that does not change. But in fact governments constantly change. At one time no one expected the governments to take care of the poor; the welfare state did not exist until Bismark created the first one in the 1870s. Today not only do most governments in the developed world (and many in developing world) take care of the poor, they pay for their health care and retirement pensions also.

To understand the current status and changes that are needed, we must start by having a shared understanding of the concept of performance management in government.

A complete system for performance management in government should consist of three interrelated systems: (a) Performance Information System; (b) Performance Evaluation System and (c) Performance Incentive System. Let me describe each of these three subsystems briefly.

i. Performance Information System

Without proper information regarding the activities of the government departments and agencies, it is impossible to even begin to evaluate performance, much less improve performance. However, an adequate performance information system does not imply collection of huge amounts of data. A thoughtfully designed information system allows evaluators timely access to necessary information in an appropriate format. Often, a properly designed system reduces the data overload on agencies. When evaluators are not sure about what matters most, they tend to collect as much information as they can to insure against the risk of not having the necessary data when required.

ii. Performance Evaluation System

Once we have the necessary information, it is possible to design an effective evaluation system. Availability of data, however, does not automatically guarantee a sound evaluation system. As we will see later, many of the existing evaluation systems in India are conceptually flawed. Hence, no amount of success in gathering information can allow us to manage performance effectively.

iii. Performance Incentive System

Civil servants, like most other people, respond to incentives. No matter how sophisticated an information and evaluation system you may design, if you do not link the evaluation of government departments to the welfare of the government managers, you cannot expect to improve the performance of government departments. I hasten to add that it is not necessary for the incentives to be monetary, but it is necessary to have incentives. Good performance or lack thereof must have some consequences.

While all three subsystems are necessary for designing an effective performance management system, an evaluation system provides the necessary platform to design an appropriate incentive system and an adequate information system. The other two systems can be designed once the government is clear about what it is that it wants to achieve. The answer to this is provided by the evaluation system.

Existing Performance Management Systems in Government

Let me now turn to the existing systems of performance management in Government of India. The major instruments for performance management in the Central Government include the following: Outcome Budget, Annual Reports of the Ministries, Performance Appraisal Reports for civil servants, Performance Audits by CAG, and Memorandum of Understanding for public enterprises. I am sure many of you are familiar with these systems. For others, let me describe them briefly.

Outcome Budget

The "Outcome Budget" is an endeavour of the Government to convert the "outlays" into "outcome" by planning the expenditure, fixing appropriate targets, quantifying the deliverables in each scheme and bring to the knowledge of all, the "outcomes" of the Budget outlays provided for each scheme/programme.

Outcome budgets have been an integral part of the budgeting process since 2005-06. At the Centre, they have replaced Performance Budgets that were introduced in 1975-76. Similarly, the concept of Zero-Based Budgeting introduced in the mid-1980s has also been largely abandoned by most departments.

Performance Appraisal Report

Let me now turn to the system of Performance Appraisal Reports in the Government. While Outcome Budget focuses on the performance of the ministry / department, a performance appraisal system is meant to evaluate the performance of individual government officials.

Individual performance appraisal systems can be categorized into two broad categories. There is the conventional closed system of Annual Confidential Reports with which you are familiar and the significant feature of which is secrecy both in process and results. Then there is the more open performance appraisal system, practised in the Armed Forces and more recently in respect of the All India Services on the basis of recommendations of a Committee constituted under the chairmanship of Lt. General (Retd.) Surinder Nath in 2002. This involves a numerical grading system, introduction of a pen-picture of the appraised officer and sharing the entire report with the officer. There are variations of this theme. I understand that in the Navy, a system of peer review exists in the form of a feedback from the batchmates of the officer being considered for promotion. In my view, we need to further redesign our system of performance appraisal. The performance appraisal format must be the foundation on which career progression is built. We need to spend far more time on performance appraisal in order to ensure that performance is properly assessed and rewarded.

Annual Report

The other instrument of performance management is the system of producing Annual Reports. All ministries / departments are required to publish an annual report. The annual reports have two main objectives:

a. First to enable the members of Parliament to evaluate adequately their own performance, besides making debates in the Parliament better informed, which in turn, could help the departments in better policy formulation and program execution.

b. Second to serve a wider purpose of supplying well arranged information about Government's activities to the public as a whole.

Performance Audit

Performance auditing is an independent assessment or examination of the extent to which an entity, programme or organisation operates efficiently and effectively, with due regard to economy. CAG India has been carrying out performance audits over many years on a variety of subjects across all sectors of public sector programmes in the Central and the state governments. Performance auditing is an independent assessment or examination of the extent to which an entity, programme or organisation operates efficiently and effectively, with due regard to economy. Performance audit is concerned with the audit of economy, efficiency and effectiveness.

Memorandum of Understanding (MOU)

Finally, let me describe the MOU system. MOU stands for memorandum of Understanding. It is the main instrument for managing performance of public enterprises. It is essentially a negotiated performance agreement between government and the management of public enterprises. It specifies the expectations and responsibilities of both parties and once the MOU is signed, the government is expected not to interfere in the day to day operations of the enterprises. This system improves accountability and enhances autonomy. The First set of MOUs was signed in 1987-88 based on the French system which only pointed out whether a particular tartget was met or not. Later MOUs adopted the Korean System which is also called the Signalling System. This system assigned weights to targets to derive composite scores based on the performance of the enterprise on a number of parameters.

The current system of performance management has several strengths. First, there is a near consensus on the importance of improving performance of Government Ministries and Departments amongst Government and non-Government observers. Second, there is a strong determination to enhance governmental performance. In fact, over the years, we have experimented with many systems to achieve this objective, such as Zero Based Budgeting, Performance Budgeting and more recently the institution of the Outcome Budget. Thirdly, since we have had experience of implementing management innovations in the Government of India, we are relatively comfortable with the idea of change.

While the performance management systems in Government of India have several strengths listed above, unfortunately our systems are not perfect. I now turn to some of the weaknesses of these systems. First, many of the key performance management systems are implemented as a routine procedure and consequently do not have the intended effect. Secondly, there is fragmentation of institutional responsibility with Departments being required to report to multiple principals who often have multiple objectives, not always consistent with each other. Thirdly, several important initiatives have fractured responsibilities for implementation and hence accountability for results is diluted. Fourth, some of the systems are selective in their coverage and report on performance with a significant time lag, as in the case of Performance Audit Reports of the CAG. Fifthly, different systems provide information on performance from particular points of view rather than in a holistic manner. Sixthly, incentives for improving performance in Government are weak or non-existent. Finally, as I have mentioned earlier, we have a serious problem with the performance evaluation methodology. Performance in Government is largely undefined and nebulous. We tend to chase too many objectives without a clear sense of priorities. We rarely apply ourselves to the task of defining our own objectives and the manner in which we need to apportion our time and our resources to achieve the maximum impact.

We need to leverage our strengths and eliminate our weaknesses to achieve success in performance management. We have the well-considered recommendations of the Second Administrative Reforms Commission with us today which we could use effectively to bring about changes. I may mention that one of the significant recommendations of the Commission is to put in place a sound performance management strategy. We need to ensure clarity regarding the goals and objectives of Departments. We need to devise a uniform performance evaluation methodology. We must focus on all three sub-systems of performance management mentioned earlier – information systems, evaluation systems, and the incentive system.

Her Excellency, the President of India referred to the need for governance reform in her Address to Parliament last year. She said, "*An area of major focus for my Government would be reform of governance for effective delivery of public services. Reports of the Administrative Reforms Commission would guide the effort. Reform of structures in the higher echelons of Government, increased decentralization, inclusion of women and youth in governance, process reform and public accountability would be key areas for focused action.*" One important area of immediate action that she identified was the establishment of mechanisms for performance monitoring and performance evaluation in Government on regular basis.

Pursuant to the announcement made in the President's Address to both Houses of the Parliament on June 4, 2009, the Prime Minister approved the outline of the Performance Monitoring and Evaluation System (PMES) for Government Departments on September 11, 2009. The essence of PMES is as follows:

Under this system, at the beginning of each financial year, with the approval of the Minister concerned, each Department will prepare a Results-Framework Document (RFD) consisting of the priorities set out by the Ministry concerned, and the action programme as defined in Government announcements through the President's Address, Budget Speech and policy directions of the Cabinet and the Prime Minister. The Minister in-charge will decide the inter-se priority among the departmental objectives.

After six months, the achievements of each Ministry / Department will be reviewed by a Committee on Government Performance and the goals reset, taking into account the priorities at that point of time. This will enable us to factor in unforeseen circumstances such as drought conditions, natural calamities or epidemics.

At the end of the year, all Ministries/Departments will review and prepare a report listing the achievements of their ministry/department against the agreed results in the prescribed format. This report will be expected to be finalized by the 1st of May each year.

The Results-Framework Documents (called RFDs) and the corresponding performance results against the commitments made in RFDs will be put on the respective departments' websites.

It was decided that in Phase I of implementation 59 ministries / departments out of a total of 84 will be covered under this system. You would be happy to know that all 59 ministries and departments have prepared a Results-Framework Document for the remaining last quarter of 2009-2010. These documents reviewed by an independent group of experts and are available on the web.

The generic name for Results-Framework Document is performance Agreement. In the words of Second Administrative Reform Commission:

"Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems."

Often, in the Government we are so busy doing what we do that we never pause to think about the final results. That is, we tend to focus on the "means" and not the "ends." However, the citizens of India are primarily, if not exclusively, interested only in the "end results" and not in intermediate "procedures" and "activities." Thus, it is imperative that all of us in the Government become more results-oriented both individually as well as collectively.

The Performance Monitoring and Evaluation System seeks to facilitate this transformation towards a results-oriented government. It builds on our previous attempts to enhance results-orientation in the government, such as the "performance budget" and the "outcome budget." Like any other discipline, public management is constantly evolving in response to lessons of experience. Results-Framework Documents (RFDs) are an outcome of this evolutionary process.

I believe that the essence of this system is simple. It seeks to address three basic questions: (a) What are the main objectives of the Government department for the year? (b) What actions are proposed to achieve these objectives? and (c) How would we know at the end of the year the degree of progress made in implementing these actions? That is, what are the relevant success indicators to measure progress in implementation?

While the concept of the Results-Framework Document is indeed simple, its proper execution required a rigorous methodological approach. We studied many similar systems around the World and have come up with a system that is not only analytically sound but also adapted to the Indian context.

In launching the Results-Framework Document we are not alone. Rather, we are part of a distinct global trend in public management of a clear movement away from the so called Administrator Model to the Management Model. The Management Model represents an internal culture of making managers manage, as opposed to the Administrative Model which values compliance to pre-determined rules and regulations. It requires the managers to assume greater responsibility while at the same time, giving them greater operational freedom and holding them accountable for results. Many countries, including Canada, New Zealand, Australia, Netherlands, Denmark, the United Kingdom, the United States and Finland, have made significant progress using such techniques with New Zealand being clearly the leader of this pack.

Now that we have a fair, objective and comprehensive way to measure performance of government departments, we are working on linking it to a performance related incentive scheme. As you may be aware, the Government of India has already accepted the 6th pay Commission recommendation to implement such a scheme. We are hopeful that this will happen soon.

Having a way to measure overall performance of a Government department will also allow us to better align the Performance Appraisal Reports of individuals to departmental performance.

All elements of a good performance management system seem to be falling in place. Therefore, I am very optimistic and hopeful of achieving our Vision of creating results-oriented government machinery that delivers what it promises.

Thank you very much for your time

2010-2011 RFD Deadlines

WHEN		WHAT	WHO
2010	March 5	Submit final draft of Results-Framework (RF) document to Performance Management Division (PMD), Cabinet Secretariat.	Departments/ Ministries
	March 15-26	Review Meetings with the Ad-hoc Task Force (ATF) on Results Framework	Departments / Ministries / ATF
	April 12	Finalise Results–Framework document after incorporating suggestions of High Power Committee (HPC) on Government Performance	Departments/ Ministries
	April 15	Place Results-Framework document on departmental websites	Departments/ Ministries
2011	May 1	Submit year-end evaluation report on progress during the year	Departments/ Ministries
	May 10-18	Review Meetings with the Ad-hoc Task Force (ATF) on year-end evaluation results	Departments / Ministries / ATF
	May 27	Finalise year-end evaluation results after incorporating suggestions of High Power Committee (HPC) on Government Performance	Departments/ Ministries
	June 1	Place the Evaluation Results before the Cabinet.	Departments/ Ministries
	June 1	Place the Evaluation Results on the website of the Ministry/Department.	Departments/ Ministries

Workshop on How to Prepare Strategy & Strategic Plans

February 3, 2010, Indian Institute of Foreign Trade (IIFT), New Delhi

The Results-Framework Document (RFD) is an instrument to get the "things done right." The Strategy and the corresponding Strategic Plan tell us the "right things to do." We need both if we are to do the right things and do them right.

The Guidelines for drafting Results-Framework Documents for 2009-2010 approved by the Cabinet Secretary for 2009-2010 include the following mandatory indicator

Success Indicator	Unit	Weight	Target / Criteria Value				
			Excellent	Very Good	Good	Fair	Poor
			100%	90%	80%	70%	60%
Finalize the Action Plan to make the Strategic Plan for next 5 years	Date	2%	March 1 2010	March 2 2010	March 3 2010	March 4 2010	March 5 2010

Basically, we asked all departments that have not already developed a strategic plan to tell us their plans to develop such a 5-year Strategic Plan for their departments by March 1, 2010. We are happy to report that out of 62 departments 61 have submitted their action plans to develop a strategy in the coming months.

To facilitate this task we **conducted a one-day Training Workshop on "How to Prepare Strategy and Strategic Plan for Government Departments" on** February 3, 2010, at the Indian Institute of Foreign Trade (IIFT), New Delhi. Mr. Arun Maira, Member Planning Commission, kindly agreed to conduct this one day workshop for all 59 departments. Former Chairman of Boston Consulting Group, Mr. Maira is considered one of India's leading thinkers in this area.

We invited 2-3 persons involved with RFD from each of the 62 ministries and departments included in the Phase II of RFD policy. Since making a strategy is a task for the top leadership, we also invited all 62 Secretaries of the departments preparing RFDs. In addition we invited a select group of Ad-Hoc Task (ATF) Members also. Finally around 150 people participated in this workshop.

"Better to have an approximate answer to the right question, than an exact answer to the wrong question." Paraphrased from statistician John W. Tukey

"Better to be approximately correct than precisely wrong."
Paraphrased from Bertrand Russell

Workshops on
Results-Framework Document (RFD)

Since the last issue of this Newsletter in October 21, 2009, the Performance Management Division, Cabinet Secretariat, has conducted eight major 2-day workshops on RFD and six mini training sessions on Results Framework Management System (RFMS) in collaboration with NIC. In all these workshops we trained more than 300 senior officers at various levels. We believe that this has been a key success factor for the swift implementation of RFD system.

Workshop Objectives

These workshops were interactive, hands-on exercises. They sought to achieve the following objectives:

a. Provide an overview of the international trends in public sector management
b. Provide tools and techniques for implementing a results-based management framework in participants' work units.
c. Illustrate the usefulness of these tools and techniques by applying them to various divisions of the Department.

Workshop Structure

The workshops consisted of the following three categories of activities:

a. Class room lectures that provide (i) an overview of international trends and best practices in the area of public sector management; (ii) tools and techniques to implement results-based management framework in the participant's work units.
b. Group discussions and group work that provide an opportunity to apply concepts developed in the lectures to the real world issues.
c. A competition among groups to prepare a state-of-the-art results framework document.

Winning Group from the RFD Workshop held on February 22-23, 2010, at IIFT

The Winners' Circle

In the spirit of practicing what we preach we present the winning teams from the workshops we conducted since the publication of the last issue of this Newsletter. In each workshop the participants evaluated the quality of results-framework documents prepared by their colleagues. Thus the winners where chosen by their peers based on an agreed set of criteria. We salute the winners and thank them for taking the task seriously. It is this spirit that provides the foundation for the good work that the government does.

Workshop Date	Winning Team
November 3 - 4, 2009	1. Dr. D. S. Gangwar, Joint Secretary, Dept. of Rural Development 2. Dr. Amar Singh, Joint Secretary, Dept. of Rural Development 3. Shri G. V. Subramaniam, Adviser, Ministry of Environment & Forests 4. Mr. P. K. Kesavan, Director, Dept. of Panchayati Raj 5. Mr. G. Sajeevan, Director, Dept. of Land Resources 6. Dr. M. Subarayan, Deputy Secretary, Dept. of Agriculture & Cooperation 7. Dr. C. S. Prasad, Asstt. Dir. Gen., ICAR, Dept. of Agr. Res. & Education 8. Dr. C. P. Reddy, Assistant Commissioner, Dept. of Land Resources
November 5 - 6, 2009	1. Mr. P. K. Jha, Director, Dept. of Ayush 2. Mr. Sanjiv Datta, Financial Adviser, ICMR, Dept. of Health Research 3. Mr. Rajesh Kumar Singh, Technical Officer, Dept. of AIDS Control 4. Mr. K. Mathivanan, Director, Dept. of School Education & Literacy
November 9 – 10, 2009	1. Dr. P. V. Rajeev Sebestian, Dept. of Chemicals & Petrochemicals 2. Mr. N. K. Sharma, Director, Dept. of Chemicals & Petrochemicals 3. Mr. H. Abbas, Deputy Secretary, Dept. of Fertilisers 4. Mr. K. C. Samria, Director, Dept. of Coal 5. Mr. C. K. Rawat, Under Secretary, Ministry of Mines 6. Mr. Rajesh Bhatnagar, Deputy Secretary, Ministry of Steel
November 12 – 13, 2009	1. Mr. Pravir Kumar, Joint Secretary, Min. of Micro, Small and Med. Ent. 2. Dr. J. N. Singh, Joint Secretary, Ministry of Textiles 3. Mr. Rakesh Sarwal, Joint Secretary, Dept. of Public Enterprises 4. Dr. R. N. Pandey, Addl. Director General, Ministry of Tourism 5. Ms. Nirupama Kotru, Director, Ministry of Corporate Affairs 6. Mr. Vijay Mittal, Deputy Secretary, Dept. of Water Supply 7. Ms. Anita Sinha, Director, Ministry Culture

Workshop Date	Winning Team
November 16 – 17, 2009	1. Mr. S. K. Sinha, Chief General Manager, Dept. of Posts 2. Mr. A. P. Singh, Deputy Director General, Dept. of Posts 3. Dr. S. K. Das, Adviser, Ministry of Earth Sciences 4. Mr. L. Raja Shekhar Reddy, Director, Ministry of Civil Aviation 5. Mr. Ashok Kumar, Joint Administrator (Tech.), USOF, Dept. of Telecommunications 6. Mr. Prawin Kumar, Director, Ministry of Information & Broadcasting 7. Mr. Praveer Asthana, Scientist 'G', Dept. of Science & Technology 8. Mr. K. V. S. P. Rao, Scientist, Dept. of Science & Industrial Research 9. Dr. Sandeep Sarin, Joint Director, Dept. of Bio-Technology
November 19 – 20, 2009	1. Mrs. P. Bolina, Joint Secretary, Dept. Woman & Child Development 2. Mr. K. M. Gupta, Economic Adviser, Ministry of Labour & Employment 3. Mr. P. L. Negi, Director, Ministry of Social Justice & Empowerment 4. Mr. S. L. Vashishta, Deputy Secretary, Dept. of Consumer Affairs, 5. Mr. Mithlesh Kumar, Department of Overseas Affairs 6. Mr. P. C. Joshi, Senior Research Officer, Ministry of Social Justice & Empowerment
February 22-23, 2010	1. Mr. P. K. Jha, Dept. of Administrative Reforms & Public Grievances 2. Mr. Angshuman Dey, Dep. Secy.. Min. of Micro, Small and Med Ent. 3. Mr. P. S. Nageshwar Rao, Scientist 'F', Dept. of Information Technology 4. Mr. Nanak Chand Bhanwal, Dep. Secy., Ministry of Rural Development 5. Mrs. G. Madhumita Das, Director, Dept. of Post 6. Mr. Rajiv Mittal, Director, Dept. of Personnel & Training 7. Mr. M. C. Luther, Deputy Secretary, Dept. of Personnel & Training 8. Mr. Y. P. Mittal, Economic Adviser, Ministry of Human Resources Development

Glimpses from the RFD Workshops in November 2009

'SEVOTTAM'- Excellence in Service Delivery

Tanmoy Chakrabarty is the Vice President & Head - Government Industry Solutions Unit at TCS – Tata Consultancy Services Limited. He is responsible for Operations & Business Development for TCS's IT Services offerings to the Government Industry worldwide. He is a member of the IT Sub-Committee at CII, FICCI and PHDCCI. He is on the Defense IT Sub Committee for FICCI. Additionally he is a Member of the IT Task Force of the Chief of Air Staff, Indian Air Force and a Member of the IT Think Tank for the Chief of Army Staff, Indian Army.

In 1997, the Government of India introduced Citizen's Charters as a means to improve citizen service delivery. In 2004, focused attempts to derive benefits out of the effort were undertaken, eventually leading to the development of *SEVOTTAM* [1]. The Department of Administrative Reforms and Public Grievances (DAR & PG) developed a macro-quality model *Sevottam* for recognizing Excellence in Service Delivery in Government Organizations. The model has been tailor made for government organisations with specific focus on citizen interface and expectations. The model acknowledges the critical issues in the realm of public services to provide best service under conditions that involve huge volumes, limited resources, and multiplicity of stakeholders with varied and conflicting interests. *Sevottam* uses generic principles of quality management, in doing so, it synthesises the ground realities in India with international best practices. The model recognizes proper implementation of citizen's charters, effectiveness of public grievance redress mechanism, status of service delivery enablers from a citizen's perspective and the efforts made by a public service authority in improving their own capability to deliver. The model has been tested among several organisations and was presented in workshops involving NGOs, Citizen Groups and Government Departments. These discussions have eventually culminated in finalisation of a *Sevottam* certification requirements. Using the tools provided by this model, government agencies can self assess and improve quality of their service delivery and over a period of time graduate to a level where an objective evaluation can be done and excellence can be publicly recognized.

About Sevottam

Today *Sevottam* has emerged as an umbrella initiative consisting of:

- A 9-criteria model (*Refer Table1*) for evaluation of the way a public service organization manages the quality of its service delivery. The model is based on principles similar to those underlying best practice models like Malcolm Baldridge in the US, the EFQM in Europe and their variants.

- A standard for Quality Management Systems for public service delivery in India. This standard, IS 15700:2005, was published by the Bureau of Indian Standards aligned to ISO 9000 series. The substantive issues underlying this standard are derived from the *Sevottam* model. The standard and its associated certification mechanism is one way of helping all organisations to start achieving a basic, uniform standard in service quality management.

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1 The term '*Sevottam*' was coined by synthesizing two Hindi words: Seva (Service) and Uttam (Excellent). It means 'Service Excellence' and is the name given to the service delivery improvement framework developed by DAR & PG and recommended by the 2nd Administrative Reforms Commission for implementation in all central and state government organisations.

- A self-assessment tool for public service providers to help build internal capacity to identify gaps in service delivery mechanisms and develop specific action plans.

Sevottam does not provide prescriptions for service delivery improvement –instead it provides a framework for organizations to assess their own performance and use the assessment results to derive prescriptions suited to their context. It is therefore natural that different organizations will derive different prescriptions for improvement using the same framework. The *Sevottam* framework embodies service quality in simple terms and provides a focused approach to the pursuit of quality in public services. The essence of *Sevottam* is captured in a 7-step model. [2]

Seven Steps to Sevottam*

- **Define** your services and identify your clients
- **Set** standards and norms for each service
- **Develop** capability to meet the set standards
- **Perform** to achieve the standards
- **Monitor** performance against the set standards
- **Evaluate** impact through an independent mechanism
- **Continuous improvement** based on monitoring and evaluation

Details about Sevottam are available at

www.darpg.nic.in

While defining services and developing standards creates the basis of service quality monitoring and improvement; developing capability and performing to achieve standards takes quality from drawing board and leadership discussions to ground level implementation. Internal monitoring enables checking performance against the standards to identify gaps and to take action to close them. External, independent evaluations to assess the process of setting standards and monitoring their achievements strengthen best practice adoption and benchmarking process. Through continuous improvement the organization can reach progressively higher levels of service quality, as new technologies and ways of improving service delivery emerge; thereby developing capability within the organization re-iterates as a part of continuous improvement.

The *Sevottam* transformation levers correspond to key areas in the delivery of public services. It enables implementing organizations to achieve improvement in quality of public service delivery through an integrated service delivery approach by developing citizens' charter, by building a robust mechanism to acknowledge and address public grievances and by developing capability.

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2 Administrative Reforms Commission (7-Step Model)

12th Report (Feb. 2009) of 2nd ARC interpreted *Sevottam* as a 7-step model; recommended making it mandatory for organizations with public interface

Sevottam- Deployment

The *Sevottam* framework seeks to integrate service quality management principles into day-to-day service delivery of a public service organization. DAR & PG is fully cognizant of the fact that development of the *Sevottam* framework is only one part of the story; seeing the framework in action is the other, more important part. Under the Capacity Building for Poverty Reduction (CBPR) programme, projects for developing *Sevottam* implementation models in diverse sectors have been taken up. The first project was initiated in Himachal Pradesh for water and sanitation services. Three others are at varying stages of implementation in Karnataka, Madhya Pradesh, and Orissa in the areas of women and child development, health and family welfare, food and civil supplies, respectively. At the union government level, Department of Post created the first success story in *Sevottam* implementation, where the department finished the pilot implementation handholding with obtained *Sevottam* certification for Gol Dakkhana. Currently, DAR & PG is assisting 9 central government ministries for *Sevottam* implementation. Tata Consultancy Services (TCS) Limited has been associated with DAR & PG on *Sevottam* conceptualization and implementation for the past five years gaining unique insights into its implementation complexities. TCS has worked with Department of Posts New Delhi, Municipal Corporation Shimla-Himachal Pradesh, and are currently working with 9 central government organizations. TCS has been working closely with the DAR & PG to provide the requisite handholding support to the implementing organizations.

Sevottam *Modules, Criteria and Elements*

	Modules (3)	Criteria (9)		Elements (11*3=33)	
Integrated Model for Assessing Service Delivery	Module 1: Citizen's Charter and Service Standards	1.1	Implementation	1.1.1	Identification of Services offered and their Standards
				1.1.2	Understanding Citizen Expectations
				1.1.3	Aligning Services offered with Citizen Expectations
				1.1.4	Preparation of Citizens' Charter
				1.1.5	Understanding of Charter Contents
		1.2	Monitoring	1.2.1	Comparison of Actual with Prescribed Standards
				1.2.2	Communication about differences in Actual and Prescribed Standards
				1.2.3	Elimination of differences between Actual and Prescribed Standards
		1.3	Review	1.3.1	Charter Effectiveness assessment
				1.3.2	Alignment of Charter with changes in environment
				1.3.3	Awareness about changes in Service Standards and Charter
	Module 2: Grievance Redress Mechanism	2.1	Receipt	2.1.1	Public awareness of Grievance lodging process
				2.1.2	Convenience in lodging Grievance
				2.1.3	Classification of Grievances at the point of Receipt
		2.2	Redress	2.2.1	Determination of Time Norms
				2.2.2	Adherence to Time Norms
				2.2.3	Instant Disposal of Grievances
		2.3	Prevention	2.3.1	Identification of Grievance prone areas
				2.3.2	Action on Grievance prone areas - Annual Action Plan
				2.3.3	Action on Grievance prone areas - Charter Review
				2.3.4	Action on Grievance prone areas - Inter-divisional co-ordination
				2.3.5	Awareness about Progress on Controlling Grievance prone areas
	Module 3: Service Delivery Capability	3.1	Customers	3.1.1	Measurement of Citizen Satisfaction Levels
				3.1.2	Use of Citizen Satisfaction Measurement for Charter Review
				3.1.3	Differences in Citizen Satisfaction levels across delivery outlets
				3.1.4	Differences in Citizen Satisfaction improvements across Outlets
				3.1.5	Differences in Service Delivery Performance across Outlets
		3.2	Employees	3.2.1	Employee Behaviour for Courtesy, Punctuality, Delivery Promptness
				3.2.2	Employee Acceptance of Responsibility and Accountability
				3.2.3	Employee Motivation for Service Delivery Improvement
		3.3	Infrastructure	3.3.1	Basic Infrastructure for Physical Facilities to Service Recipients
				3.3.2	Infrastructure Upgradation with prescribed Service Standards
				3.3.3	Control on Resource Wastages and Leakages

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SAARC Workshop on Government Performance Management

March 30-31, 2010, New Delhi

The Performance Management Division, Cabinet Secretariat, in collaboration with the SAARC Secretariat organized a workshop on "Government Performance Management" from March 30-31, 2010 at The Claridges, Aurangzeb Road, New Delhi. This workshop was organized pursuant to a decision taken at the meeting of Cabinet Secretaries from SAARC Countries held in November 2009 to hold a regional workshop to share experience of SAARC member states in the field of Government Performance Management. India offered to host this unique Workshop and fully fund the participation of delegates from other SAARC countries. This was done in view of considerable interest in India's swift implementation of a sophisticated Performance Monitoring and Evaluation System for Government departments.

Inaugural Address by Mr. K. M. Chandrasekhar, Cabinet Secretary, Government of India

While the primary goal of the SAARC workshop was to share knowledge and experience on Government Performance Management practices in SAARC countries, it was also intended to provide (a) an overview of the international trends in public sector management and (b) tools and techniques for implementing a results-based management framework in government departments of SAARC countries. The workshop also demonstrated the usefulness of these tools and techniques by applying them to select departments and ministries in SAARC countries represented in the workshop.

Agenda

The workshop consisted of the following three categories of activities:

a. Class room lectures by practitioners and thinkers that provided (i) an overview of international trends and best practices in the area of public sector management; (ii) tools and techniques to implement results based management framework in the participant's work units.

b. Group discussions and group work that provided an opportunity to share regional experiences and apply concepts developed in the lectures to the real world issues.

c. A competition among groups to prepare a state-of-the-art Results Framework- Document for select ministries and departments of SAARC countries.

The workshop was inaugurated by Mr. K. M. Chandrasekhar, Cabinet Secretary, Government of India, and the inaugural session was chaired by the Secretary General of SAARC, Mr. Sheel Kant Sharma.

The workshop faculty consisted of a mix of practitioners and academicians, including Mr. Arun Maira, Member, Planning Commission, Prof. Raghuram and Prof. Prem Pangotra of Indian Institute of Management Ahmedabad (IIMA), Dr. Prajapati Trivedi, Secretary Performance Management, Cabinet Secretariat, and Joint secretaries Sudhir Kumar (Power) and Dharmendra Gangwar (Rural Development) and Suchitra Pyarelal, Senior Technical Director, National Informatics Centre.

Participants

Workshop was attended by senior officials from Afghanistan, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka. Unfortunately The number of participants from various countries was as follows: Afghanistan (2); Bhutan (4); India (6); Maldives (2); Nepal (2); Pakistan (2); and Sri Lanka (3).

Mr. K. M. Chandrasekhar, Cabinet Secretary, Government of India, with SAARC Delegates

Workshop Output

The Workshop participants were divided into four groups and each group was requested to prepare a Results-Framework Document (RFD) for a government department in one of the SAARC countries. Participants decided to prepare the following four RFDs:

Group One: M/o Population Welfare, Pakistan
Group Two: Department of Education Nepal
Group Three: Royal Civil Services Commission, Bhutan
Group Four: Plan Implementation, Sri Lanka

Given the time constraint, this was an only illustrative exercise. Participants used the software developed by NIC to input and process the data. Participants found the software useful and have been given access to this software. They can use it even from their home countries.

SAARC Delegates visiting the Rashtrapati Bhavan, New Delhi

Extra-curricular Activities

In addition to the academic / technical sessions, following four extra-curricular events were organized for the entire group during the Workshop:

a. Visit to the Rashtrapati Bhavan

b. Visit to the Indian Parliament

c. Informal dinner at one of the iconic restaurants of Delhi

d. Formal dinner at the top of another fine hotel in Delhi.

In addition, each delegation was provided a dedicated car to take them for shopping and sightseeing.

Valedictory Function and Acknowledgements

The workshop concluded with a reception for the delegates by Mrs. Parbati Sen Vyas, Secretary (Economic Relations), Ministry of External Affairs. The Performance management Division, Cabinet Secretariat would like to thank Mrs. Vyas and her colleagues in the SAARC Division for their strong support throughout the Workshop. This support was complemented by an equally helpful support from the Secretary General of SAARC and his colleagues. It was a truly collaborative exercise and there was seamless coordination among all three organizations.

Workshop Recommendations

At the end of the Workshop, delegates unanimously recommended the following to the SAARC Secretary General:

1. Creation of a SAARC wide Government Performance Management Network to share experiences and emerging regional best practices on an on-going basis.

2. Institution of a SAARC Award for Innovations in Government Performance Management

3. Development of a system to facilitate government to government (G2G) consulting services in the SAARC region.

RFD Implementation Update

The Results Framework Document (RFD) initiative has now been extended to sixty two departments/ ministries of the Government of India, during the second phase of implementation of the RFD initiative. Review of the Results Framework Documents prepared by the ministries/departments covered under this phase, have been reviewed by the expert group of non-governmental experts. Fifty two Secretaries to the Government of India attended these review meetings, held at the IIFT from the 15th to the 29th of March 2010.

In the earlier phase of implementation of the initiative 59 ministries / departments out of a total of 84 were covered under the Performance Monitoring and Evaluation System (PMES). Actions taken to implement pilot RFDs for January 1 – March 31, 2010, can be categorized into three broad categories:

(a) System Design: International best practices were reviewed; guidelines and checklists for preparing Results Framework Document (RFD) were designed; a Task Force of non-Government experts for reviewing the quality of RFDs, was constituted.

(b) Capacity Building 13 intensive, hands-on training programs were conducted in collaboration with IIM Ahmedabad on RFD for around 500 senior officers of the Government of India ; training materials and manuals were prepared.

(c) Implementation RFDs approved by concerned ministers were received ; meetings of the independent Task Force of experts were organized with 59 ministries / departments to provide feedback on their respective RFDs; it was ensured that the revised RFDs are consistent with the suggestions of independent experts; a software to automate monitoring and evaluation of performance based on RFDs was developed.

All 59 ministries and departments have finalized their Results-Framework Documents (RFD) for the last quarter of 2009-2010. This 100 % compliance in implementing the PMES was achieved as a result of the intensive capacity building exercise and enthusiastic cooperation from all ministries and departments.

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