

International Experience of PRIS

History of "Performance and Reward Link" in government

The earliest implementation of PRI (Performance Related Incentive) in the government can be traced back to 1946 when France adopted the first Civil Services by-laws which made provisions for individual and/or group bonuses in order to recognise and reward exceptional performance. Japan introduced a "diligence allowance" for public employees in 1950 and it was implemented countrywide. The year 1964 saw the introduction of a merit-based pay enhancement system in Canada. The Civil Service Reform Act of 1978 introduced performance pay for managers, the Senior Executive Service, in the USA. This was extended to mid-level managers in 1981. The US government revised the scheme in 1984 when it became the Performance Management and Recognition System. However, it was abolished in 1993, after which many US government departments and institutions have moved to performance pay based on the broad guidelines issued by the Office of Personnel Management. Many other countries like Spain (1984), Denmark (1987), New Zealand (1988), and the Netherlands (1989) followed suit. However, most of these schemes were not PRI in the true sense because of two reasons: firstly, they were largely negative incentives where the emphasis was to avoid penalties; secondly, they were most of the time related to age and/or length of the service in the organization, which is not really what PRI (present concept) is about.

The present day PRI concept started towards the end of 1980's and early 1990's with OECD countries¹. Introduction of PRI implied rewarding government employees with financial rewards, in addition to the traditional methods of rewarding employees, namely by promotions. Finland and the postal department in Germany experimented with PRI in the 1980's and subsequently countries like Denmark, the Netherlands, New Zealand, Spain, Sweden, the UK and USA adopted PRI in different formats, most suited to their individual contexts and circumstances. Australia, Finland, Ireland, and Italy joined soon after. Recently countries such as Korea, Switzerland, Czech Republic, Hungary, Poland, and the Slovak Republic etc have also initiated the process of putting PRI systems in place for their government sector employees.

¹ OECD (2005) "Performance Related Pay Policies for Government Employees", OECD Publishing.

France implemented PRI admissible in the form of bonuses (to a maximum of 20% of the basic) at the very top level for its civil servants (Director's level) in six ministries as a pilot in 2004, i.e. Ministries of Finance, Defence, Interior, Equipment, Agriculture, and Civil Service. The USA also adopted a legislation in 2004 that gives the Departments of Homeland Security and Defence the flexibility to introduce PRI. Both these departments have adopted the system and announced that they would shift the 'General Schedule' employees to a salary system based on performance related pay. This system will cover about 750,000 employees.

In the USA, the performance-based incentive has been the norm of the day for a long time. In fact, many professionals earn much more in the form of incentives and bonuses than their fixed basic pay. The private sector in the USA lays great emphasis on the power of performance related incentives in motivating employees and pushing them to achieve ever higher levels of performance. PRI is becoming more and more common, including at the very top level – the CEO. As per the 'Mercer Human Resource Consulting 2006 CEO Compensation Survey'², performance-based pay is the norm and, more than 50% of the CEOs receive performance-based shares. According to the above report, one third of US CEO's did not get any pay increase, since they failed to show expected performance. In the UK, a survey conducted across 250 companies by the Business Intelligence and Personnel Today, has discovered that over 70 percent of these companies use PRI, and 71.4 percent of these gave PRI an effectiveness score of 3-4 (on a 1 to 5 scale, with 5 being totally effective as a performance motivator) .

In the US government, a number of agencies such as The General Accounting Office, the Internal Revenue Service and the Federal Aviation Administration have also moved towards implementing a performance related pay.

Even the Vatican has introduced pay for performance for its employees. Vatican salaries are considered modest. It has been reported that, the Vatican is introducing a pay system that also depends on factors of performance for its employees. According to a press release from the Vatican "...approved the introduction [of PRI] into the Vatican pay system of an element of incentive and remuneration that takes account of factors such as dedication, professionalism, productivity, and politeness." The PRI scheme will apply to the lay workers employed by Vatican, some 2600 employees working its own super market, a railway station, a post office, gardens, museums, and the official newspaper.

Some African and other developing countries have also introduced PRI for motivating their employees and to ensure performance improvements, especially in services delivery to common citizens³. For example, countries like Cambodia, Tanzania, Uganda and Kenya instituted performance related incentives for improving health services and strengthening health systems in the hinterland. Though their social and physical

² www.mercer.com/pressrelease/details.html/dynamic/idcontent/1263210

³ OECD (2005) cited earlier.

infrastructure leaves much to be desired, an early beginning has been made and they are confident that they will be able to evolve performance management systems and monitoring mechanisms over time, in order to effectively implement PRI. More countries like Ethiopia, Ghana, Indonesia, Mali, Mozambique, Myanmar, and PNG are considering PRI as an innovative strategy to be adopted and implemented for improving health services in their respective countries⁴.

PRI has been largely put in place by most of the OECD countries for the government sector⁵. These countries were faced with the problems of economic pressures and dwindling government efficiency and output around twenty years back when they gradually started to put PRI systems in place to tackle these problems. Things have changed now for these countries. Socio-economic pressures have led to the development of incentives (financial and otherwise) other than promotion to improve performance in the government. Today most of the civil servants, specially the senior managers in many OECD countries are covered by PRI scheme of one kind or another. Over the years PRI has also taken non-managerial employees into its fold.

Two-thirds of the countries have implemented PRI or are in the process of implementing PRI, though very few countries have an extended, formalized PRI policy - Denmark, Finland, Korea, New Zealand, Switzerland, and the United Kingdom. Mostly, countries which have developed the strongest links between performance appraisals and pay as employee incentives are those which have the highest delegation of responsibility for human resources and budget management and usually have position-based systems. Delegation of authority is very crucial and can not be over-emphasized for the effective implementation of PRI systems in government. This is especially relevant in the Indian context where a lot of decentralization, delegation of authority and autonomy to take decisions will have to be passed on to regional/local levels for effectively introducing and implementing PRI systems in the government.

Different countries have pursued different objectives with PRI, depending on their perceived need for focus and the inherent differences in the culture, working conditions and constraints faced by the country. Nordic countries focus on the personnel development concepts; Westminster countries try to achieve the PRI objectives of motivational aspect; France and Germany emphasize the leadership and accountability concepts; and others such as Finland, Hungary and Italy use PRI as a tool to achieve flexibility and responsiveness in governmental working. This highlights and complements the life-cycle concept of PRI that we have discussed earlier i.e. PRI systems can be designed and adapted to serve the need of the organization/country.

⁴ Making Health Systems Work: Working Paper No. 5; Department of Health Policy, Development and Services Evidence and Information for Policy, WHO.

⁵ OECD (2005)

Different countries have also adopted different methodologies for introducing PRI, ranging from introduction by the central government to consultative mechanisms instituted at the organizational level. For example, PRI was introduced by law in Germany, Hungary, Italy, Spain, Switzerland, USA whereas PRI was introduced by collective agreement in Denmark, Finland and Sweden. The UK implemented PRI through negotiations between Cabinet Office and HM Treasury. Even within the same framework of implementation, countries have evolved PRI over the years. For example, Denmark concluded a Collective Agreement in 1997, 2002 and in 2005. Subsequent to the 2002 agreement, most of the unions agreed to enter the new incentive system. The choice of the methodology to introduce PRI also depends on how centralized or devolved the public service within that particular country is. In centralized countries, PRI can be introduced by law and be made applicable to the entire government machinery (Examples: Australia, USA, UK, Canada, Ireland etc). In countries that have a higher level of decentralization, there is a higher level of uniqueness and thus diversity amongst the departments and units which has to be factored-in while implementing PRI (Examples: Denmark, Sweden, New Zealand). Most of the countries lie somewhere in between these two extremes – partially decentralized (Examples: Finland, Italy). A related influence on the choice of methodology is the strength of the influence of unions on the operation of the performance appraisal system.

Most of the countries have implemented PRI after a long drawn pilot project and gradually over the years. The biggest advantage of a pilot system is that it allows the new system to be tested on a limited number of employees and it can be experimented with and improved before extending it to all the members within an organization. It also makes the implementation process smooth and relatively trouble free as there is reduced resistance to the new idea, it is adapted to the organization, unions have tested its implementation, and some champions emerge for the cause. Pilots give an opportunity to learn and adapt, to evolve and reform (incremental) rather than bring about a revolution.

Most of these countries have developed a formal performance appraisal system which relies on the mutually agreed upon performance agreements rather than on standard job descriptions for those particular positions. The performance measurement strategy brings about goal congruence by linking individual and organizational objectives. PRI for senior management is operationalised along multiple parameters than for lower levels of staff. In fact, the focus is strongly on the managers so that the government is able to retain their key employees and keep them motivated. Most of the countries are focusing on developing systematic policies to address the problem of under-performance (some by instituting sanctions for the same) by relying on strong incentives to promote good performance. Most countries, apart from differentiating between performance levels also impose caps on the maximum amount payable under PRI. We now present a brief description of eleven different countries' experience with PRI. Table 1 highlights different models of PRI, contexts faced by eleven select countries and their response with respect to PRI implementation in the government sector.

Table 1: Form and Maximum Size of Individual PRI Payments

Country	Merit Increments	Bonuses
Australia		Departmental secretaries and executive agency heads are eligible for annual performance bonuses.
Canada	Progression of 5% p.a., up to three years	10-25% bonus lump sum.
France		<p>1. Indemnities represent about 17% of the remuneration of civil servants, but this number varies greatly by ministry, sector, and level of qualifications of staff.</p> <p>2. Senior civil servants receive higher bonuses than other categories of staff (about 40% of their remuneration depends on bonuses). Indemnities are not included in the basic salary.</p> <p>3. In 2004, France experimented with PRI in six ministries where bonuses up to 20% of the base salary can be given.</p>
Germany	Merit increments, known as performance steps, are granted to not more than 15% of civil servants and military personnel under remuneration scheme A, for people who have not yet reached the final basic salary.	<p>1. Up to 15% staff in civil and military can receive performance bonuses and performance allowances for outstanding special services.</p> <p>2. Performance bonuses shall not exceed the initial base salary of the respective pay grade.</p> <p>3. Performance allowances shall not exceed 7% of the initial basic salary.</p>
Hungary	Merit increments of up to 20% of the salary.	--
Italy		Bonuses for senior managers. The annual PRI cannot be less than 20% of the annual value of the award for the particular post, within the limits of available resources.
Korea	Merit increments are added to the annual salary of a higher-level government employee and	1. Bonuses are paid to government employees annually and designed for mid and lower level employees. Lump

	linked to his performance ratings. Up to 7% of the performance standard amount (nearly the equivalent of half of annual salary) for those rated excellent.	sum bonuses vary from 100% to 40% of the monthly base salary p.a. 2. Performance bonuses can be provided in various ways: on an individual basis/departmental basis, and on a combination of both.
New Zealand	Merit increments are decided by individual departments within the pay range set out in voluntary agreements.	Bonuses are also decided by individual departments.
Switzerland	Merit increments: from 4.1-6% for outstanding performance (ranked A++). Increase of 3% if assessment is A (good performance).	Bonuses can reach 12% of salary for outstanding performance. If bad performance, no bonus and after two years decrease of the salary to 94% in the range of the salary.
UK	Merit increments.	1. Non-consolidated bonuses - now being used as one of the main vehicles for delivering PRI to staff performing above a satisfactory level. 2. Bonus levels vary in different organizations and can be substantial in some and much less substantial in others.
United States	In the General Schedule base pay system an agency may advance an employee who meets a high performance bar - outstanding performance - to the next step of a grade (approximately a 3% increase). Merit increments are based on the manager's annual performance rating and current position in the pay range. A full merit increment is equal to approximately 3% of the average pay rate for that grade. Managers who are rated 'unacceptable' receive no general increase.	1. Cash performance bonus for above average performance is typically 1-2% of salary. Funding for both Quality Step Increases (QSI's) and bonuses is provided out of the regular budget for salaries and expenses. This scheme applies to about one million employees. 2. Cash bonuses of up to 10% of the base pay can also be paid to managers. In the case of unusually outstanding performance, a department head may pay an individual a larger bonus, but not more than 20% of the base pay.

Source: OECD (2005) "Performance Related Pay Policies for Government Employees", OECD Publishing.

Experiences of PRI in Asia: Governments

Like other governments in Europe and North American continents, Asian countries have also introduced performance related pay in the government, covering different ministries/ departments. In this section we present some Asian experiences of PRI.

Singapore⁶

The Singapore government provides a highly successful example of implementing PRI for civil servants (government employees). The traditional seniority based pay and promotion have been replaced by performance linked pay and promotions. Thus instead of fixed annual increments, the employees have a chance to earn bonus and merit increments, based on their competence and performance. To implement this, care has been taken to provide an elaborate performance assessment system as well as providing a centrally determined pool of funds for distribution of the bonus. The strategic intent behind the move has been that a well-paid and corruption-free civil service is important for the overall development of the country, and that civil service pay should be in congruence with the private sector pay so that the civil service is able to retain and attract talent that is critically in short supply these days.

Three justifications are given for the high level of reward for high public offices (RHPO) in Singapore. Firstly, retention of talent is important for the government and good pay and incentives help retain and attract talent. Secondly, it minimizes corruption in government as well-paid employees do not succumb to the temptation of corruption. The emphasis placed on this fact is amply reflected in the following words of the Prime Minister of Singapore (Lee Kuan Yew 1985, in a parliamentary debate):

“How is Singapore to preserve its most precious asset, an administration that is absolutely corruption free...why does it attract banks, financial services...in preference to so many countries better endowed – in terms of natural resources, manpower and markets? ...Do we want to maintain our system?...I am probably the highest paid in the Commonwealth if you go by the official salary...I am one of the best paid and probably one of the poorest of the third world Prime Ministers...There are ways and ways of doing things and I am suggesting my way – moving with the market is an honest, open, defensible and workable system. You abandon this for hypocrisy; you will end up with duplicity and corruption. Take your choice”.

⁶ Part of the write-up is drawn from the presentation made by Shri Suresh C Gupta IAS at IIMA during a workshop on ‘Pay for Performance’, May 1, 2007.

The third justification emphasizes meritocracy, implying that good salaries attract brightest employees to join the government, and that this meritocracy must spread upwards to include virtually up to all elected political leaders holding office, since competent political leadership is a pre-requisite to growth and quality governance.

The amount of PRI that individuals receive is partly dependent on their individual contribution to the job that they are performing (assessed as an individual/group) and partly on the overall performance of the economy. This is especially helpful in keeping the performance related incentive payouts relevant and in proper perspective.

The defining mark of Singapore government's compensation system was the system of salary benchmarking for paying market rates. The first higher benchmark was for the Ministers and the top Administrative Service Officers (Staff Grade I appointment); the second benchmark related to salary of relatively young, middle level officers, who are identified as potential civil service leaders (Super scale G officers). Their salary is also set at par with the private sector as the problem of attrition of talent is very acute at this level.

Table: Salary Benchmarks in Singapore

	1994 Benchmark	2000 Benchmark
Ministers and the top Administrative Service Officers (Staff Grade I appointment)	<ul style="list-style-type: none"> - 2/3rd the average of the annual earnings of the top four professionals in Singapore representing following professions: bankers, accountants, engineers, lawyers, MNCs and local manufacturing companies. - Further adjustment by discounting it by 1/3rd was also made as a "demonstration of sacrifice" for assuming high public office. - The objective is to equate the earning with that of the top 101st private sector earner in Singapore. 	2/3 rd the median income of top eight people in the six professions.
Super scale G officers	<ul style="list-style-type: none"> - Average of the earning of the 15th person from top in the age group 30-34, from the aforesaid six professional. - The logic: A 32-year-old officer could "easily rank among top 90 in his cohort in terms of ability" and thus should earn equal to them in order for him to continue to stay with the Government. 	Same as 1996

Source: as cited in the report

The new system was introduced in 1987 and had the aim of aligning all future adjustments in pay only through the variable component - both monthly and annual. This made civil servants total remuneration variable up to 18%, which has now risen to over 40% of the total annual salary. The civil service wage structure has the following five components:

- i) Fixed Component - Basic monthly pay (this has remained unchanged since 1987).
- ii) Variable components - this consists of -
 - a. Monthly Variable Component (MVC)
 - b. Monthly Non-Pensionable Variable Payment (NPVP)
 - c. Non-Pensionable Annual Allowance (NPAA)
 - d. Annual Variable Component (AVC): equal to up to 3 months pay to be decided by Government and paid twice in a year, in line with the performance of the national economy.
 - e. Annual Special Bonus: one off special bonus equal to 0.25 month's pay was made in the year 2004 in view of exceptional economic performance.

The components are truly variable. For example, in 1998, after the Asian Financial Crisis the AVC was reduced. In 1999, monthly NPVP component was also reduced. However, in 2000, as the economy recovered, monthly NPVP was restored and AVC was raised. Till the year 2003, the AVC was equal to 1.5 months pay, but was revised to only ½ month's pay in view of declining private sector salaries in November 2003, which was again raised in 2004 (2 months) and 2005 (2.15 months' pay).

To administer the PRI system, a central pool of funds is placed at the disposal of all the Ministries, who have the flexibility to take final decisions on distribution of bonus among employees, subject to the overall dollar limit. The actual payout is determined by one of the three Personnel Boards, depending on the assessment of performance, rank and the position of an employee (within the overall pool of each ministry). The quantum of reward varies significantly according to levels, higher the position greater the reward (for performance).

Individual performance is measured through a performance appraisal system. It assesses current performance and includes an estimation of the future potential of an officer. The appraisal results in a rating done on a five grade scale (A to E) on the basis of parameters like work output, quality of work, organizational ability, behaviour under stress, sense of responsibility, service quality, team work and work related knowledge. For Division I officers, team performance, organizational contribution and concurrent appointments are also assessed for evaluation of the overall performance grade. These ratings are moderated at the ministry level based on a pre-determined quota. For lower grades, the system works in a fairly routine manner, given the high probability of almost everyone

getting it if the overall organizational and economic performance is found to be acceptable.

South Korea

In South Korea, performance evaluation has undergone a sea-change. In the traditional, seniority-based compensation system the evaluation was not important, however, the evaluation system has been gaining more importance and is now being applied for both employee development decisions as well as compensation decisions. The Asian financial crisis accelerated the transition of companies from the *Ho-bong* style (pay-table reflecting seniority) to the *Yeon-bong je* (Korean style merit pay). Almost 80% of the companies that adopted *Yeon-bong je* adopted it right after the financial crisis and the move has served them well. By 2005, almost 50% of all Korean firms had some form of performance related incentive in place to keep employees motivated and to reward differential performance. The adoption of performance related incentive system has been found to be related to increases in labor productivity and firm performance. This is increasing the popularity of PRI in Korea.

The Korean government supported the initiatives of the industry by putting in place initiatives on Human Capital Management (HCM) in 2003⁷. President Roh's Participatory government put the HCM reform at the top of reform agenda. It regarded human capital as: the aggregate of people's potentials for lifetime self-development, knowledge accumulation, and technological advancement. Therefore, a distinct feature of human capital is to embrace a non-commercial, qualitative and quantitative, social and external effect. The participatory HCM system put in place four distinct goals:

1. HCM system should be both autonomous and responsible for its actions
2. Be both fair and transparent
3. Focus on strengthening professionalism and core competencies, within its domain
4. Induce active participation by public servants, under the principle of "putting the right person in the right job."

The HCM reform strategies (necessary to achieve these aims) included:

1. Encouraged a general acceptance of reform and to include further ideas in reform processes at all levels of the organization.
2. Differentiated the HCM reform program as per Grades of employees. Higher level of employees (Political appointees and Grade 1-3) were required to play a leading role in driving HCM reform and acting as change agents; while lower levels were required to proactively participate in supporting the reform agenda.

⁷ Kim, Pan Suk (2007) 'Transforming higher-level civil service in a new age: a case study of a new senior civil service in Korea' Public Personnel Management • Summer

3. Introduced a promotion and compensation system based on acknowledged transparent and fair appraisal system to achieve a well-balanced HCM based on employees' competency and self-development.

Job analysis was implemented to establish a flexible HCM system and an open government structure and jobs were classified into different categories (in 2003-04). The Ministry of Foreign Affairs and Trade was the first one to adopt the Job Classification System for its HCM needs, which has since been improved and expanded to various central agencies. A job analysis was initially carried out for all the Director-General level posts in the government ministries and then gradually to Grade-4 posts and below. Another objective behind job analysis was to enable job mobility amongst occupations or agencies, from the situation of bureaucratic rigidity.

The Korean government now has an annual incremental merit pay program for its civil servants in Grade-3 and above, and for contracted workers⁸. Pay, thus consists of two components - fixed pay (and allowances) and a variable pay component, which depends on appraisal results under an MBO⁹ system. Individual ministries are given the freedom to set the amount and grades of PRI, but overall quotas (scope) are set for performance levels (evaluated on 4 points Excellent, Outstanding, Normal and Unsatisfactory). Payment varied between 8%, 5% to 3% for normal as merit increments for top level officials and for others annual bonus from 110% for excellent, 80% and 40% for Normal. Around 30% of employee strength fall under unsatisfactory group and they are denied any performance pay.

Malaysia

Malaysia, in the process of "reinventing government," introduced what is commonly known as the New Public Management (NMP) practices aimed at improving public sector efficiency and performance in the delivery of services.

The New Remuneration Scheme (NRS) was introduced in 1992, the purpose of which was to establish clear linkages between employee performance and reward. It also enabled the government in reviewing, restructuring, and reducing the flab of the government. For example, between 1992 and 1997, a total of 570 government agencies were reviewed and rationalized. NRS also brought about important changes in the area of performance appraisal and made public sector pay and promotions more objective. NRS also linked performance with rewards by introducing a Matrix Salary Schedule (MSS) and provided for flexibility in salary progression, as opposed to the prevailing linear salary structure. The MSS payout was based on the employees' performance and depending on performance the salary could move on four ways: static, horizontal, vertical and diagonal. Top performers move diagonally, thus enjoying double annual increments compared to average performers, while poor performers are not rewarded. As a part of the introduction of NRS, the performance evaluation system was also revised to become

⁸ <http://www.csc.go.kr/eng/csS/css06.asp>

⁹ MBO- Management by Objectives

more systematic, transparent, and reliable while minimizing subjectivity in performance appraisal. The whole performance appraisal was decentralized and a panel was created and endowed with powers to assess employees' performance and determine salary progressions.

Vietnam

As Vietnam moved from the Soviet-style command economy towards a market economy (known as *doi moi*), it tried to incorporate 'performance' as a factor in the remuneration of civil servants. As a part of the post-1993 pay reforms, some important allowances were added to the basic pay, one of them was linking job description to the salary rather than just rank. A substantial restructuring program - Master Program on Public Administration Reform for the period 2001-2010 (PAR) was undertaken by the Government of Vietnam to effectively meet the demands of managing a mixed, open economy.

Decree 10 of December 2002 gave public service delivery units significant budgetary autonomy, which allowed them to:

1. Carry forward funds unspent in the current/previous financial year
2. Set their own administrative spending norms, which could be different from the norms set by the government
3. Manage their own revenue accounts
4. Adjust salary payouts to provide for performance related rewards/incentives
5. Review, re-organize and restructure to achieve efficiency and effectiveness in staffing.

Each public service delivery agency was classified on the basis of its capacity to generate revenue. The state funding to these agencies was thus decided and fixed for a period of three years. The most important aspect of this mechanism was the autonomy and the discretion granted to managers to payout "above-award" rates in recognition of improved performance and productivity, thus effectively creating the provision of performance related incentives in Vietnam. In 2003, the Ordinance on Cadres and Civil Servants sanctioned greater flexibility in remuneration and terms and conditions of employment.

Decree 10 also accentuated the commercialization of service production (provision for fee-paying services) which led to revenue enhancement and significant wage increases (based on performance). These were accompanied with rationalization and cost reduction. For example, the government allowed Hanoi schools to admit "Grade B" students (students who did not meet academic or residential entrance requirements) who could be charged fees at a rate much higher than the government regulated and controlled fees. These students became a source of extra revenue for the schools as only a small proportion of the fee charged had to be shared with the government. When the salary increase of 2003 was announced by the government, these surplus funds were allocated by the schools to the salary budgets and were often paid out as incentives for improved performance and productivity.

Pakistan

Pakistan has also taken initiatives to introduce performance-based remuneration in the government and the public sector. It must be noted here, that private enterprises in Pakistan already have the concept of performance related incentives.

As part of reforms in higher education, a Higher Education Commission was created in Pakistan in 2002. The commission focused on a number of initiatives such as sending students abroad on scholarships, building of universities, emphasized on teaching quality and research, targeted plagiarists, etc. With a view to improve teaching quality and research, performance related incentives were introduced by the Commission. The introduction of PRI in the education system has started to yield positive results in terms of enhanced effort being rendered by employees, and improving teaching quality. Similarly, Pakistan's Central Board of Revenue (CBR), has also instituted performance related pay for its employees to create motivation and incentives for better performance. According to published information, the performance of CBR across a range of measures has gone up after instituting performance related incentives and by paying special attention to capacity building, welfare, training etc of its employees.

(Source: Extracts from Chapter II, Performance Related Incentive in Government: Concept and Practices in 'Synthesis Report of studies on Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government', IIM Ahmedabad)