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Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government

Cluster 1

Ministry of Health and Family Welfare
Ministry of Urban Development

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Contents

Exhibits

Abbreviations

AA & ES	Administrative Approval & Expenditure Sanction
ACR	Annual Confidential Report
ADG	Additional Director General
AE	Assistant Engineer
AUWSP	Accelerated Urban Water Supply Program
BIS	Bureau of Indian Standards
CE	Chief Engineer
CES	Central Engineering Services
CGHS	Central Government Health Scheme
CHS	Central Health Services
CMO	Chief Medical Officer
CPCB	Central Pollution Control Board
CPHEEO	Central Public Health & Environmental Engineering Organization
CPWD	Central Public Works Department
CSS	Central Secretariat Services
CTD	Central TB Division
CTE	Chief Technical Examiner
DDA	Delhi Development Authority
DDG	Deputy Director General
DEO	Data Entry Officer
DG	Director General
DGHS	Directorate General of Health Services
DMC	Designated Microscopy Centers
DOTS	Directly Observed Treatment with Short-term Course
DPR	Detailed Project Report
DUAC	Delhi Urban Arts Commission
EE	Executive Engineer
ERP	Environmental and Regional Planning
GoI	Government of India
GPF	General Provident Fund
HAG	Higher Administrative Grade
HRD	Human Resource Development
IDA	International Development Agency
IDDCP	Iodine Deficiency Disorders Control Programme
IEC	Information, Education & Communication
IEP	Industrial and Economic Planning
IRL	Intermediate Referral Laboratory
JE	Junior Engineer
JNNURM	Jawahar Lal Nehru National Urban Renewal Mission
JTS	Junior Time Scale
L&DO	Land & Development Office
LDC	Lower Division Clerk
LOC	Letter of Credit
LT	Lab Technician
MCD	Municipal Corporation of Delhi
MHFW	Ministry of Health & Family Welfare
MIS	Management Information System
MO	Medical Officer
MUT	Metro and Urban Transport Division
NBCC	National Building Construction Corporation

NCR	National Capital Region
NGO	Non-Governmental Organization
NIUA	National Institute of Urban Affairs
NLEP	National Leprosy Education Programme
NPCB	National Programme for Control of Blindness
NRHM	National Rural Health Mission
NSP	New Smear Positive
NTP	National Tuberculosis Programme
NUTP	National Urban Transport Policy
NVBDCP	National Vector Borne Diseases Control Programme
OECD	Organisation of Economic Cooperation and Development
PHE	Public Health Engineer
PHEE	Public Health & Environmental Engineering
PHI	Peripheral Health Institute
PM	Performance Measurement
PPD	Policy Planning Division
PPD	Patients attended per day
PRP	Performance Related Pay
PSU	Public Sector Undertaking
PWD	Public Works Department
RCH	Reproductive Child Health
RNTCP	Revised National Tuberculosis Programme
RTI	Right to Information
SAG	Senior Administrative Grade
SE	Superintending Engineer
SIU	Staff Inspection Unit
SLNA	State Level Nodal Agency
SLSC	State Level Sanctioning Committee
SMD	Socio-Economic & Monitoring Division
SMT	Small & Medium Towns
SPTTD	Special Projects, Traffic & Transportation Division
STDC	State TB Training and Demonstration Centers
STLS	Senior Tuberculosis Laboratory Supervisor
STO	State TB Officer
STS	Senior Time Scale
TCP	Town & Country Planner
TCPO	Town & Country Planning Organization
TU	TB Unit
UD	Urban Development
UDC	Upper Division Clerk
UIDSSMT	Urban Infrastructure Development Scheme for Small and Medium Towns
UPSC	Union Public Service Commission
URIF	Urban Reforms Incentive Fund
URIS	Urban & Regional Information System
WS & PSP	Water Supply & Printing, Stationary and Publications

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Chapter 1

Introduction

1.1 Performance Management in Government

Finding ways and means for improving government efficiency and effectiveness is one of the major challenges facing policy makers in India. This is especially so in public systems, where the role of government is dominant. It is widely believed that the performance of government organisations is less than satisfactory primarily because, in government, there is little distinction between high performers and low performers.

In the existing system of remuneration of government employees, pay, benefits and even promotions are determined more by seniority or length of service, rather than by performance. Most of the government employees receive fixed annual increments in salary, which are almost automatic, and there are hardly any adverse consequences for poor performance. As expected, this results in dismal performance of many public organisations and lack of accountability at all levels in the government system

It is also the case that the senior officers in government are paid significantly below the comparable level of salaries in the private sector. Further, there are no rewards for high performance in government as out-of-town promotions are extremely rare. It is sometimes argued that the poor quality of governance in India is the result of low salaries of civil servants (Gupta, 2006).

In the existing system of performance management in government, there are hardly any levers to motivate government employees to raise their levels of performance. Stricter enforcement of workload norms, along with use of adverse Annual Confidential Reports (ACR), is sometimes tried but it rarely works. The alternative approach that should be seriously considered is linking pay to performance. This is probably the most effective way of improving government efficiency, though other conventional approaches (such as promotions on in-kind benefits) can also produce positive results.

1.2 Performance Related Pay (PRP)

Since the early 1990s, many countries across the world have introduced PRP in government departments and agencies with the aim of improving efficiency and

effectiveness in the delivery of public services, and the results so far have been quite promising.

PRP refers to the variable part of pay which may be awarded on periodic basis to individuals, or groups, depending on their performance. It excludes promotion linked pay increase, annual increments or any automatic pay increase not linked to performance (OECD, 2005). The concept of PRP is based on the logic that linking pay to performance creates incentives for better performance.

The rationale for using PRP systems in government is based on several potential benefits that can accrue to public organisations. First, it can motivate employees to improve individual performance as has been observed in many private sector organisations where these systems are commonly used. Another major potential benefit of PRP is to enable governments to attract and retain talented and capable employees, especially at the managerial level. In recent years, there has been an exodus of technical professionals, such as doctors and engineers, and even IAS officers, from secure government jobs to much higher paying, but less secure private jobs (Expert Committee Report, 2005).

PRP can also be seen as a way of facilitating broader organisational changes in the way government departments' function. The experience of several OECD countries shows that, "It is not through the financial incentives it provides that PRP can contribute to improving performance, but rather through its secondary effects, that is the changes to work and management organisation needed to implement it"(OECD, 2005). It also sends a signal that public officials are accountable, which is a popular reform in most countries.

1.3 Issues Related to Performance Measurement

Performance Measurement (PM) is a necessary first step for PRP. After all, to be able to link pay to performance, you have to first measure performance. PM is a common management practice in the private sector. In recent years, several state and local governments in USA and Europe have introduced PM systems similar to the private sector, with emphasis on efficiency, service quality and final outcomes.

PM is a management technique that organisations use for regular monitoring of the performance of various programmes, departments or work units. It is concerned with not only how much is being done, but also how efficiently, of what quality, and to what effect. PM systems can also assist in the performance appraisal of employees by providing the basis

for decisions regarding annual salary increments, promotions or even punitive action against employees whose performance is unsatisfactory (Ammons, 2001).

When performance is measured at the aggregated level of a government department or work unit, the focus is on assessing the effectiveness in achieving the desired outcomes or results. These are normally stated in the organisation's mission statements as goals and objectives. Several state and local governments in the US, as well as some countries in Europe, have developed and implemented performance measurement in their budget allocation processes. This approach is more or less similar and has come to be known as the Input-Output-Efficiency-Outcome framework. It uses a combination of indicators representing these four dimensions of performance. It emphasizes the importance of moving up from measuring inputs, which is the usual focus of government operations, to measuring outputs, efficiency and final outcomes or results.

When performance is measured at the individual level, as in the performance appraisal of employees, a number of conceptual and operational issues arise. How should performance be judged? What are the appropriate benchmarks and how should these be determined? Should one use only quantitative measures or are qualitative measures of performance also relevant? Are measures of inputs, which capture the level of effort, put in by the employee, entirely irrelevant for measuring performance? Who should assess the performance of an employee and should there be a single assessor or should there be multiple assessors? Should performance assessment be confidential or should it be shared with the employee? What should be the frequency of appraisal? These are some of the critical issues that must be addressed in the design and implementation of a PM system.

Another set of issues relate to the enabling environment constraints in a work situation that make it difficult to assess an individual's performance, especially in government organisations. Employees point out that their individual efforts may not produce expected results or output because these depend on the performance of others, who can facilitate or hinder this process. Often staff in government department cite the absence of support from supervisors irrational distribution of workloads, inadequate resources, lack of clarity on what is expected and non cooperation from fellow employees, as the primary reasons for their failure to perform. These horizontal and vertical linkages, both within the agency and outside, should be taken into account in the performance measurement process.

In the private sector, performance measurement is normally an elaborate exercise, which is given very high priority by the top management. Most private organisations invest a lot of effort to ensure that the performance measurement process is objective and fair. Apart

from forming the basis of salary and promotion decisions, it serves the purpose of motivating employees and developing latent abilities on the basis of constructive feedback.

1.4 Issues Related to PRP

Since PRP systems are based on performance assessment of employees, most of the issues related to design and implementation of PM systems have direct bearing on PRP policies and strategies and vice versa. For example, whether performance should be measured at individual or group level depends on whether performance incentives are to be targeted to individuals or teams of employees. Similarly, if PRP policies do not permit performance payments for certain categories of staff, it would be futile to impose a very elaborate system of performance measurement for those levels.

Although introducing PRP in government is an appealing idea, its implementation is complex and difficult. Some of the critical issues that should be addressed in the design and implementation of PRP are:

- Should PRP only reward high performance or should there also be penalties for unsatisfactory performance?
- What should be the basis of awards- achievement of institutional objectives or standard performance criteria of the particular job/position?
- Should PRP be based on assessment of individual performance or collective performance at the group/team level?
- Can PRP awards be justified for achieving normal level of performance of a job/position or should these be given for exceeding expectations?
- Should PRP be extended only to managerial staff or to all categories of staff?
- In what form should performance incentives be given- monetary (merit increase/non-consolidating bonus/both) or non-monetary (in-kind benefits, recognition, etc.)?
- Should there be specific quotas for the proportion of staff that would be eligible for PRP?
- Should government agencies/departments be given greater autonomy and flexibility to design their own PRP systems or should PRP schemes be centralized?

1.5 International Experience of PRP Schemes

(This section is based on the report- "Performance-related Pay Policies for Government Employees", published by the OECD in 2005).

During the last two decades, PRP schemes have been introduced in government agencies of many OECD member countries. Among them the PRP systems of United Kingdom and New Zealand are considered to be pioneering. PRP systems also exist in countries like Singapore and Japan, which are not members of OECD.

PRP was introduced in U.K. in the early 1990s when there was a major shift in civil service policies that led to the creation of free-standing government entities to provide public services. These agencies and departments were free to decide their own arrangements for pay and performance management below the Senior Civil Service level. They can apply PRP at individual and collective level as they choose. At present, most government departments and agencies set a target rate for each job or position in accordance with the prevailing market levels of salaries. PRP schemes are designed to provide progression toward the target rate according to performance. There is near universal application of individual performance pay in the U.K.

In New Zealand, PRP was introduced as part of wider public service reform which gave full functional autonomy to public agencies. There is no standardised system of performance pay. Departments are free to design their own systems and must fund them from their own budgets. The performance incentives include merit increases and bonus payments, although the latter are being phased out. The departments set remuneration levels taking into account market demand, recruitment and retention factors, and comparative salaries in the private sector. The link between pay and performance at individual level are not specified but this is a major consideration.

Nearly two-third of the OECD member countries have already introduced PRP schemes for government departments. The key trends in the design and implementation of PRP systems in these countries are summarized below (OECD, 2005):

- The coverage of PRP varies greatly. In some countries, PRP is applied at management level only, but in most countries, it covers all categories of staff.
- Often PRP systems adopt centralised approach for senior civil service management and decentralised approach for rest of the employees.

- While individual PRP is the principal form used across countries, a combination of individual and collective PRP is becoming more common.
- Performance appraisal is commonly based on achieving pre-identified objectives rather than standard criteria based on job descriptions.
- Performance payments are in the form of merit increments and non-consolidating lump-sum bonus, usually in combination. The size of payments is a modest percentage of the base salary, especially for non-managerial employees. Systems which impose quotas on the number of beneficiaries are widespread.
- Generally, evaluation occurs once a year, though some countries have mid-year reviews.
- There is a noticeable trend towards 360-degree type feedback systems that include evaluation by superiors, peers and subordinates.

In conclusion, it can be said that PRP policies continue to be introduced on a large scale in many countries, especially in Europe. This is happening despite the fact that there is no conclusive evidence that PRP policies have resulted in greater motivation among government employees. However, it has been observed that the processes that accompany PRP lead to wider management and organisational changes, which in turn, contribute to improving performance (OECD, 2005).

Chapter 2

Scope and Methodology

2.1 Scope of the Study

The Indian Institute of Management, Ahmedabad, has undertaken a set of five studies titled, "To formulate the concept, principles and parameters for Performance Related Incentives (PRI) in Government" on behalf of the sixth Central Pay Commission. These studies cover different ministries and departments of the Government of India, with each study representing a cluster of ministries. This report pertains to Cluster I, in which there are seven ministries that represent basic social infrastructure sectors. The Ministry of Health and Family Welfare and the Ministry of Urban Development were selected to represent this cluster. These two ministries are the focus of the study covered in this report.

The overall aim of the study is to assess the feasibility of PRI in government. Broadly this report makes an *a priori* assessment of whether PRI can be introduced in the two selected ministries and, if so, how should performance be measured and linked to pay. The common Terms of Reference of the five studies are as follows:

- The study should examine the correct basis of pay increases and their relation, if any, to performance and productivity of the employees; and examine possibilities of evolving a direct correlation between PRI and delivery of services to citizens/organisation/other departments, as the case may be.
- The study should evolve measurable, quantifiable criteria for judging performance and productivity of different grades of employees in various government organisations depending on the nature of their work and the relationship with their users/clients.
- The study should, *inter alia,* examine international best practices in this regard.
- The study should develop a model suited to Indian conditions which is transparent, measurable, fosters accountability and is linked to deliverables.
- The study should devise means by which PRI can be introduced in the government. Specifically, it should consider the following:-
    - Should PRI be applied to all jobs and all sectors, or higher managerial positions/ percentage of jobs or sectors to begin with?
    - Should PRI be individual based or group based?
    - Should specific percentages be prescribed for restricting number of posts to which PRI is given?

2.2 Methodology

The first step in our methodology was to study the organisation structure and functions of each ministry and to develop a preliminary understanding of the issues related to performance assessment and linking performance to pay. The next step was to select a sample of departments and sub-departments for in-depth study. Each of these formed a separate micro-study. For each micro-study, a detailed field investigation was carried out to develop a framework for performance measurement for each department and to formulate the best approach for linking performance to pay in their specific setting. Finally, the observations from the micro-studies were analysed in order to propose a PM system for each of the selected departments and to make specific recommendations for designing and implementing a PRI system.

2.2.1 Understanding the organisation

We began the study with a survey of the two ministries. The purpose was to understand the organisation structure of the ministry, functions of the key departments, the staffing pattern, and the existing systems of measuring and rewarding performance. Our approach was to interview the heads of each major department in the ministry. For the most part, these were officers in the rank of Deputy Secretary or Director. It was also an opportunity for us to explain to them the concepts of performance measurement and PRI, which was necessary to proceed further with our study. The discussions elicited their concerns and views about how to measure performance, the variety of issues involved in introducing a performance measurement system, and the feasibility of PRI in the specific context of their respective departments.

2.2.2 Selection of departments for micro-studies

As both ministries are very large in their size and scope, we decided to select a sample of departments/offices within each ministry for in-depth study. The choice of these micro-studies was made in consultation with the designated nodal officers (Joint Secretary- Urban Development; and Additional Secretary- Department of Health and Family Welfare). This meeting was also attended by the department heads whom we had met earlier. After some discussion, our suggestion was accepted that we should take up one Attached Office; one Subordinate Office; one major national programme office; and two administrative sections for detailed study in each ministry. The logic was that this approach would cover all different facets of a ministry's work. A number of options were discussed and after considering the

pros and cons of each, the following departments were selected to be taken up as micro-studies:

Ministry of Health and Family Welfare

- Micro-study 1: One major department of Safdarjang Hospital, New Delhi
- Micro-study 2: CGHS Dispensary, Laxminagar, New Delhi
- Micro-study 3: Central TB Division in the Ministry
- Micro-study 4: Two sections (admin.) in the Ministry

Ministry of Urban Development

- Micro-study 1: One Construction Circle and one Maintenance Circle of CPWD
- Micro-study 2: UIDSSMT Project Division in TCPO.
- Micro-study 3: CPHEEO office in the Ministry
- Micro-study 4: One Section and one Desk in the Ministry

2.2.3 Methodology for Micro-studies

Our general approach in each of the micro-studies was to hold structured discussions with the department heads, senior officers, junior staff, and representatives of unions and associations, when possible. The focus of these meetings was on exploring the feasibility of performance measurement in the respective units and identifying suitable performance criteria for staff in Group A, B, C and D categories. The following approach was used:

- Identify outputs of activities and tasks for each post
- Formulate appropriate performance criteria for key posts
- Identify enabling environment constraints
- Discuss feasibility of internal MIS to track performance indicators
- Elicit opinions about PRI related issues- such as group vs. individual incentives; whether performance incentives would lead to efficiency/productivity improvements; and the size and form of incentives.

On completion of the micro-studies, we held a final round of discussions with the heads of concerned departments, the Joint Secretaries and the Secretaries to brief them about what we had observed, and to elicit their views and feedback.

Chapter 3

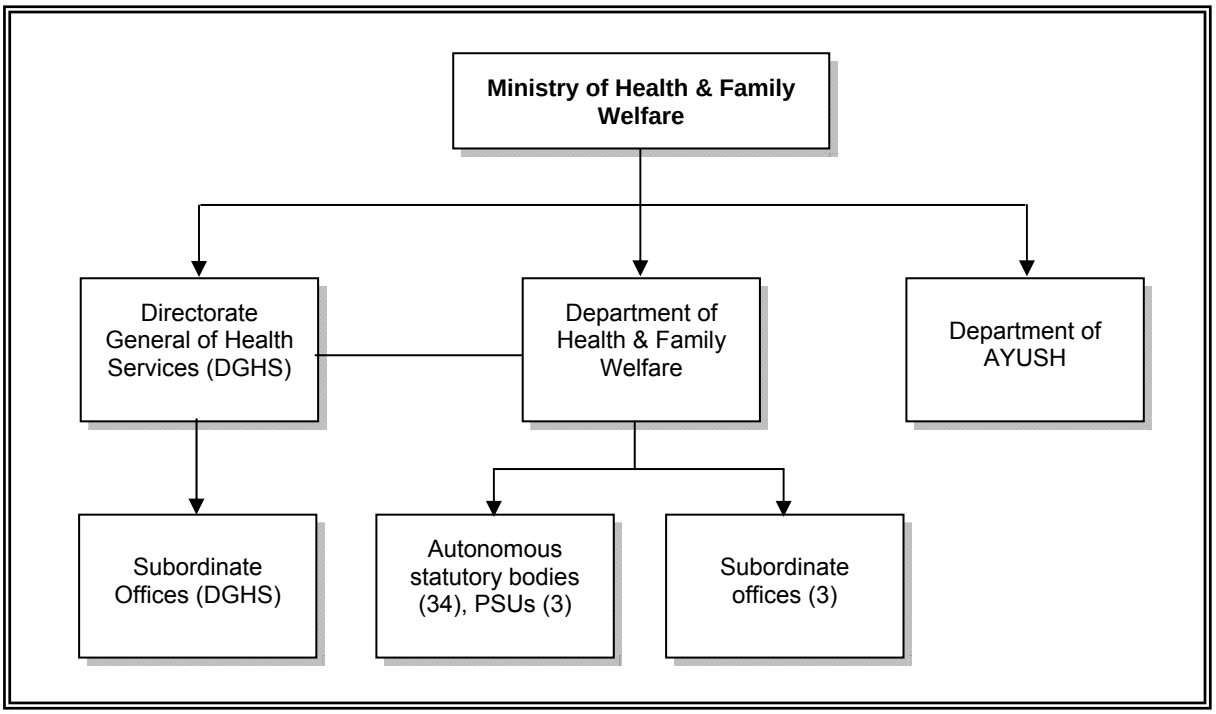
Ministry of Health and Family Welfare

3.1 Context

Although in the Constitution of India, many health-related functions of government are included in the State List, the role of the central government in the health sector is both substantial and extensive. The Ministry of Health and Family Welfare is the apex agency of the Government of India for implementing a large number of national programmes and schemes in the areas of- health and family welfare; prevention and control of communicable diseases; and promotion of traditional and indigenous systems of medicine.

The Ministry comprises of two major departments – the Department of Heath and Family Welfare and the Department of AYUSH (Ayurvedic, Yoga-Naturopathy, Unani, Siddha and Homeopathic systems). The Directorate General of Health Services (DGHS) is an attached office of the Department of Heath and Family Welfare. The DGHS provides technical inputs on all medical and public health matters and is also involved in the implementation of various health schemes. It has several subordinate offices situated at different locations across the country. The ministry also controls a large number of autonomous statutory bodies, PSUs and research institutions (Exhibit 3.1).

Exhibit 3.1 : Ministry of Health & Family Welfare, Organisational Set-up



The Ministry of Health and Family Welfare implements a large number of programmes for control of communicable and non-communicable diseases, some of which are centrally sponsored, while others are purely central schemes. Several major hospitals and dispensaries as well as medical education, training and research institutions are under the administrative control of the Ministry.

In 2005, the Ministry launched the National Rural Health Mission (NRHM) which is now the umbrella for some of the most prominent national health programmes such as:

- National Vector Borne Diseases Control Programme (NVBDCP)
- National Leprosy Eradication Programme (NLEP)
- Revised National Tuberculosis Programme (RNTCP)
- National Programme for Control of Blindness (NPCB)
- Iodine Deficiency Disorders Control Programme (IDDCP)
- Reproductive Child and Maternal Health Programme (RCH II)

We selected four units under the Ministry for in-depth study to understand the issues related to performance measurement and feasibility of introducing PRI:

- Micro-study 1: Department of Obstetrics and Gynaecology – Safdarjang Hospital
- Micro-study 2: CGHS Dispensary, Laxminagar
- Micro-study 3: Central TB Division
- Micro-study 4: Administrative Sections

3.2 Micro-Study 1: Department of Obstetrics and Gynaecology - Safadarjang Hospital

3.2.1 Safdarjang Hospital

The Safdarjang Hospital was established during World War II as a base hospital for the allied forces. In 1954, it was placed under the Ministry of Health (GOI). Since then it has grown into one of the largest tertiary-level, multi-specialty healthcare institutions in the country. There are 29 clinical departments in Safdarjang Hospital, including 10 super-specialty departments with more than 300 senior and about 600 junior resident doctors. They are responsible for managing 26 OPDs and supervising 34 wards with total bed strength of 1531. Their duties also include surgeries and teaching in the medical college of the hospital.

The Safdarjang Hospital has an annual Plan and Non-Plan budget of about Rs.140 crore. Nearly 55% of the total expenditure goes for salaries, about 20% for materials and supplies, 10% for equipment, and the rest for office expenditure, minor works and miscellaneous expenses.

The total staff of Safdarjang Hospital is about 4400 persons. This includes about 900 doctors, 1300 nurses, 700 laboratory technicians and 1100 persons in other categories of regular staff. About 350 security and sanitation staff is outsourced from private contractors. The hospital also has a medical college with annual intake of 100 students. There are 500-600 students in the campus at a time.

Exhibit 3.2 shows the aggregate workload in the hospital in terms of selected output indicators. Nearly 6500 patients visit the hospital OPDs daily. About 200 operations are carried out and 60-90 babies are born daily. On an average, about 700 patients come to the hospital's casualty department daily. About 40% are trauma cases and about one-third require admission.

A unique feature of the Safdarjang Hospital is its policy – "To not turn down any patient for any reason". The consequence is the extremely high patient load in most of the departments. Another unique feature is that the hospital provides free treatment to all. There are no charges for food, bed or medicines. Except a few investigations, that have nominal user charges, most of the tests are free of cost. The total revenue collection amounts to only 0.5% of the total budget. According to the Medical Superintendent of Safdarjang Hospital, most of the service providers are providing care under tremendous strain. Their workload is

three times what it should be by generally accepted standards. This applies to all categories of staff in operation theatres, laboratories, OPDs and wards along with the doctors.

Exhibit 3.2: Workloads & selected output indicators – Safdarjang Hospital

Indicators	Total in the year (2006)	Daily Average[a] (2006)
• Patients examined in OPD (out patients)	21,17,201	5,801
• Admissions	1,15,441	316
• Total number of patients attended	22,32,642	6,117
• Emergency Cases	3,17,839	871
• Deliveries	23,070	63
• Major operations performed	21,385	59
• Minor operations performed	57,827	158
• X-Ray examinations	2,14,802	588
• Lab examinations	33,92,554	9,295

Notes:
a. Daily averages based on 365 days

3.2.2 Department of Obstetrics and Gynaecology

We selected the Department of Obstetrics and Gynaecology for further investigation into issues related to performance measurement and performance related pay. Our observations and findings are based on discussions with the head of the department and three other senior doctors on the department's faculty. Our team also took a tour of the OPDs and wards to get a first hand feel of the daily operations.

The Department of Obstetrics and Gynaecology is one of the busiest departments of the hospital. Apart from handling a large patient load on daily basis, the department also acts as a tertiary referral centre for complicated and high risk cases. The Department is organized into three units with six resident doctors each. The total workload of the department is divided among these units and equalized as much as possible. Each doctor is assigned two days in OPD, two days in wards and two days in OT's, by rotation every week.

On an average, there are 20 admissions per day in Gynaecology wards and 90 admissions per day in Obstetrics wards. The average length of stay per patient is 4-5 days. The average bed occupancy is 73% in Gynaecology and 230% in Obstetrics. Thus, there are

more than two patients per bed. The total number of beds is about 300. It is obvious from these statistics and our direct observation that the patient load is extremely high. So it would be seemingly impossible for the doctors to devote adequate time to care for the patients.

Similarly, the OPD of the Gynaecology department gets about 350 patients daily (including 90 casualty cases) and the Obstetrics department gets about 240 patients per day. With six senior resident doctors on OPD duty on any given day and working from 10 a.m. to 1 p.m., this amounts to average time per patient of less than 5 minutes. In the opinion of the doctors we met, the norm should be 10-15 minutes for new patients and 5-6 minutes for repeat patients. Obviously, the conditions in Safdarjang Hospital are of excessive patient load compared to the availability of doctors.

Another norm for staffing pattern mentioned by the doctors is the WHO norm of "one doctor for five beds and one nurse for three beds". At present there are about 300 beds in all. Using the WHO norm, the department should have 60 doctors and 100 nurses. The current level of staff is significantly lower than this.

Exhibit 3.3: Workloads in the Department of Obstetrics & Gynaecology

Indicators	Gynaecology	Obstetrics
• Admissions (2006)	5,911	27,097
• Average admissions per day[a]	20	91
• Average length of stay	4.4	5.3
• Average bed occupancy	73%	230%
• Total number of Patients examined in OPD (2006)	79,429	73,306
• Average number of patients examined per day[a]	260	240
• Total number of casualty cases (2006)	31,950	-
• Casualty cases per day[b]	88	-

Notes:
a. Daily Averages based on 298 working days
b. For Gynaecology casualty cases daily average is based on 365 days

The department does not have any system of performance measurement either at group level or individual level. Like other departments of the hospital, all information is recorded in paper registers in various wards, OPDs and OTs. Only at the end of the year, various statistics such as admissions and discharges, OPD data, deliveries and operations,

etc., are compiled, which are then reported in the hospital's statistical bulletins, annual report and budget requests.

The department does not have a formal management information system (MIS). The staff of the department is appraised annually through the standard ACR process.

3.2.3 Performance Measurement and Related Issues

In the opinion of the doctors we met, measuring performance of medical staff is difficult, especially at individual level. The usual workload indicators, such as patients attended per day in OPD and wards, are accurate but do not reflect the quality of care provided. Further, in a situation where the patient load is very high, the average time per patient starts declining and the classic conflict between "quantity" and "quality" comes into play.

Other aspects of a doctor's performance, such as the patients' response to treatment, quality of diagnosis, caring attitude and responsiveness are very difficult to measure, and probably not worth the cost and effort. The doctors were also concerned that patient satisfaction surveys may be distorted by various biases that are inevitable in the measurement process. It is not feasible to assess the performance of doctors in OTs on the basis of specific performance indicators and defining measurable standards would be impossible. Only a medical audit can be used to assess performance in major or minor operations.

The doctors were unanimous in their opinion that only group-level measurement of doctors' performance was desirable and feasible. The following indicators could be useful:

- Patient load (patients per day in OPDs and wards)
- Average length of stay (less is better for greater efficiency, however a floor level may be specified)
- Number of patients returning excessively for repeat visits
- Number of surgeries performed (deliveries, major operations, minor operations)

The nursing staff plays a crucial role for patient care and in providing assistance to doctors in various wards, OPDs and OTs. It would seem obvious that doctors are in the best position to assess the performance of nursing staff. However, the nursing staff has their own cadre of seniority and they are only answerable to senior appointees of their own cadre. Our

discussions revealed that nursing staff in the hospital would resist any attempt to involve doctors in their performance assessment.

The overall conclusion of our discussion with the doctors, and the tour of wards and OPDs, is that most of the activities and functions in a hospital are performed in a group/team format, where individuals are assigned specific duties and tasks, the workloads are quite evenly divided, and cooperation among various categories of staff is essential to improve performance.

The doctors felt that PRI was a good idea, especially in a busy hospital where the workload is far in excess of the norms. However, it would be better if, instead of performance incentives, additional staff could be provided in proportion to the workload.

3.2.4 Proposed Approach for Performance Measurement

It is apparent that the organisation of work in a public hospital is far more structured compared to other public service departments in government. Further, the distribution of workload among teams and individuals is more even. However, it came as a surprise that the concept of an MIS was altogether absent in this department and we believe throughout the hospital. The level of computerization is quite low. Only basic data from various registers is entered into computers for producing aggregate hospital statistics. The administrators and department heads do not use statistical data as the basis of managerial decisions. No MIS type reports are available to them.

Even more surprising was the fact that, despite it being a very scientific environment, there are no established norms that could be applied for staffing decisions or for measuring performance. How many deliveries is a doctor expected to perform in a day, and how many patients can a doctor attend daily in OPD? The doctors we met, did not know whether these norms existed or not, but no such norms were being applied in Safdarjang Hospital. Given this situation, we propose the following approach for performance measurement:

- The key activities of the department involve OPDs, wards and OTs. We should begin by identifying performance indicators to measure outputs of these activities.

- In the OPDs, a useful indicator of performance is – number of patients attended per day (PPD). In supervision of wards, the simplest performance indicator is the total number of admitted patients attended, which is a function of number of beds in the ward and the bed occupancy rate. In the OTs, the output of doctors and their teams

can be measured in terms of the number of deliveries, major operations and minor operations performed.

- The performance indicators suggested above, measure only quantity of output. The quality of output should also be reflected in the measures of performance. However, measures of quality are more complicated and not easy to implement. For example, quality of consultation in OPDs and wards could be measured by conducting a patient feedback survey. This may require considerable effort to design the survey instrument and to administer it, and follow it up with analysis of data.

- To measure the quality of surgeries performed (or deliveries in the case of this department), probably the best approach is to conduct formal medical audits of a sample of operations. There is already a provision for such audits in the Safdarjang Hospital but these have been ignored in recent years. We feel that the performance measurement system should be implemented gradually beginning with simple and easy to measure performance indicators which can be expanded and refined in stages as the enabling systems are put in place.

- Because of the above limitations in the early stages, the PM system should try to measure performance at unit/group level. Subsequently, the system can be extended to measure performance at the individual level.

Exhibit 3.4: Performance Measurement Framework for Doctors

Performance Indicators	Type	Level	Benchmark
OPD • Total no. of patients attended • No. of OPD days • Patients attended per day	Output Input Productivity	Group / Individual	Norms/standards, recent trends and peer comparisons
Wards • Total no. of patients attended • No. of days in wards • Patients attended per day	Output Input Productivity	Group / Individual	Norms/standards, recent trends and peer comparisons
OT • Total no. of deliveries / major operations / minor operations • No. of OPD days • Operations per day	Output Input Productivity	Group / Individual	Norms/standards, recent trends and peer comparisons

The proposed PM system for the department of Obstetrics and Gynaecology is shown in Exhibit 3.4. It is based on simple workload measures. The key assumptions are as follows:

- The indicator “patients per day” includes new and repeat patients. It would be better to attach a higher weight to new patients as they require more time during consultation.

- It is assumed that all units/teams have equal number of doctors, otherwise the indicator can be modified as “patients per day per doctor” to make valid comparisons across units.

- Two indicators are suggested for supervision of wards by doctors. These are “total number of patients attended” and “average length of stay”. The first indicator can be computed by multiplying the number of beds in a ward with the bed occupancy rate. The “average length of stay” has to be computed for each ward separately and then attributed to the unit that is supervising the ward.

- The proposed performance indicators for OTs are — “Number of deliveries per day”; and “Major/minor operations performed per day”. The classification “major or minor” would require expert opinion to decide how each type of operation should be

classified and what should be the relative weights given to deliveries, major operations and minor operations in the scoring system.

- A critical aspect of a PM system is setting performance benchmarks so that various scores can be standardised. These benchmarks may be decided on the basis of accepted norms or derived from empirical studies. The benchmarks have to be set carefully to be able to distinguish exceptional performance from less than satisfactory performance and various grades in between.

- Eventually, the PM system should produce an aggregate score of performance. This requires attaching weights to the scores of the three components – OPD, Ward and OT. For example, the relative weights could be – OPD (25%), Ward (25%) and OT (50%). However, these are only indicative. The PM design team and other experts should determine the appropriate weights.

- Performance measurement of nursing staff requires a slightly different approach. Their workload (output) cannot be co-assessed with that of doctors as their duties are not attached to a fixed unit of doctors. Most of their work is in the wards and clinics. At a basic level, their performance may be partly measured in terms of patient load using the same indicators as for doctors. However, the nature of their work is entirely different. It combines direct patient care together with a number of supervision and administrative tasks. Therefore, performance assessment of nursing staff should also include a component based on feedback of supervisors, doctors and, if possible, patients.

- Technicians and support staff of the department are more directly attached to doctors or administrators who are in the best position to assess their performance. A combination of workload indicators and feedback of supervisors and doctors can be used.

- Attendants and other Group D staff work according to well-defined responsibilities and clearly assigned tasks. Their performance is adequately measured with “input” indicators, such as the number of hours worked. This can be supplemented with qualitative feedback from immediate supervisors.

- Finally, it should be stressed that even simple performance indicators, as suggested above, require a well-designed MIS supported by comprehensive processes of information gathering, recording and data analysis. As performance assessments

shift from group level to individual level, the demands on the MIS would increase considerably.

3.2.5 Relating Incentives to Performance

The administration of Safdarjang Hospital is managed by the Medical Superintendent (MS), Additional MS, CMOs and Heads of Departments (HODs). Apart from the administrative responsibilities, all of them also attend to patients and perform teaching duties just like the other doctors. We recommend that their performance should be assessed on the basis of their managerial performance in addition to normal duties. Thus, each person in these positions should submit an annual plan with specific targets at the beginning of the year. These plans should include development activities, e.g. starting a new department or a new course; creating new infrastructure; inducting new technologies; expanding or strengthening new programmes. If the achievements exceed targets in most areas and the individual has performed all normal duties up to expectations, then he or she should be given PRI in the form of merit increments (Exhibit 3.5).

Doctors

The performance of doctors is measured in terms of workload and efficiency indicators. This has to be assessed each year as performance can change from year to year. Therefore, PRI in the form of annual bonus is proposed. This could go up to 10% of annual pay for “high” performance (Level 1) and 20% for “outstanding” performance (Level 2).

Nurses, Technician and Clerical Staff

For nursing staff, technicians and clerical staff (Group C), performance is measured in terms of workloads and efficiency. Annual bonus up to 10% of annual base pay is proposed for Level 1 (“high” performance) and 20% for Level 2 (“outstanding” performance).

Group D Staff

The individual performance at this level has little effect on the overall performance of the organisation. Further, the performance of Group D staff is measured in terms of inputs rather than output indicators. Accordingly, we recommend that Group D staff should be eligible for overtime allowances as permissible and those individuals whose routine performance is “satisfactory”, should be awarded an annual bonus.

Exhibit 3.5: Proposed Structure of PRI for Safdarjang Hospital

Employee category	Performance Criteria	Level	Proposed Incentives
Administrators: - MS	• Based on achievement of annual targets & plans	**Level 1:** Achievements exceeding targets in most areas **Level 2:** Achievements exceeding targets in all areas	**Merit increments:** • Up to 5% of basic pay for Level 1 • Up to 7.5% of basic pay for Level 2 • To be evaluated once in two years
Doctors: - Additional MS - CMOs - HODs - Consultants - Specialists - Senior Residents	• Output & efficiency indicators	**Level 1:** Exceeding norms/standards on most indicators **Level 2:** Exceeding norms/standards on all indicators	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Nurses : - Senior - Staff	• Workload indicators • Feedback of supervisors, doctors & patients	**Level 1:** High rating on most of the indicators **Level 2:** High rating on all indicators	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Technicians and supplementary staff (Group C)	• Workload indicators • Feedback of supervisors and doctors	**Level 1:** High rating on most of the indicators **Level 2:** High rating on all indicators	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Attendants (Group D)	• Input indicators e.g. hours worked • Feedback of supervisors	–	• Overtime allowance as permissible • Annual bonus conditional on "satisfactory" routine performance

3.3 Micro-study 2: CGHS Dispensary, Laxminagar

3.3.1 Central Government Health Scheme (CGHS)

The CGHS provides comprehensive healthcare to all retired and serving central government employees, current and ex-members of Parliament, sitting and retired judges of the Supreme Court of India, VIPs, Freedom fighters, and their dependent family members. The scheme was initiated in 1954 with its first dispensary in New Delhi. Today there are 319 CGHS dispensaries in 24 locations all over India. They cater to a population of approximately 43 lakh.

The CGHS services are provided through dispensaries (which are the backbone of the scheme) and several government and private hospitals, which have been empanelled. The range of services include outpatient healthcare, emergency services, free supply of necessary drugs, testing laboratories and domiciliary visits to seriously ill patients. In addition, the CGHS facilitates specialist consultation, specialised investigations and emergency treatment in government and recognized private hospitals through referrals. The dispensaries also provide family welfare and RCH services to the beneficiaries as well as general population. In addition to treatment based on allopathic system of medicine, the CGHS also provides treatment based on homeopathic and other systems of medicine such as Ayurveda, Unani, Yoga and Sidha system. These alternative systems are offered only in select dispensaries.

At present, the city of Delhi has about 90 CGHS dispensaries. For the purpose of this scheme, the city is divided into five zones – North, East, West, South and Central. Each zone is under the charge of an Additional Director who heads the zonal office. Each dispensary is headed by a CMO in-charge. The norm for extension of CGHS to a new city is the presence of 6000 or more central government employees/pensioners. The norm for opening a new dispensary in a city is 2000 central government employees/pensioners residing within a radius of 3 km.

3.3.2 CGHS Dispensary, Laxminagar

Our second micro-study in the Ministry of Health and Family Welfare covered the CGHS Dispensary in Laxminagar, which comes under the East Zone in Delhi. This is an area which has experienced very high growth during the last decade. The population in this area comprises mostly of middle and lower income groups.

The Laxminagar dispensary is one of thirteen CGHS dispensaries located in the East Zone. It also houses the zonal office of East Zone. It is a double-shift dispensary. The first shift (7:30 am – 1:30 pm) offers regular OPD services. The second shift (1:30 pm - 7:30 pm) has OPD services with skeletal staff. Some emergency services are also available from 7:30 pm – 7:30 am. Along with allopathic treatment, the dispensary also offers homeopathic and Ayurvedic treatment options.

The staffing pattern of the Laxminagar Dispensary is shown in Exhibit 3.6. There are 12 doctors on the staff, including two Ayurvedic doctors and one homeopathic doctor. The CMO in-charge is the head of the dispensary. Seven pharmacists, two nurses, one clerk and one lab technician constitute the Group C staff. In addition, there are 12 Group D employees including dressers, attendants, sweepers, peons and a chowkidar.

Exhibit 3.6: Laxminagar CGHS Dispensary – Staffing Pattern

S.No.	Designation	Staff (no.)
1.	CMO-Incharge	1
2.	Other Doctors	11
3.	Nurses & Midwives	3
4.	Laboratory Staff	2
5.	Clerks (UDC, LDC)	2
6.	Pharmacists	6
7	Storekeeper	1
8.	Others (Attendants, Dresser, Peons, Sweepers, Chowkidar)	12
	Total	**38**

The Staff Inspection Unit (SIU) of the Ministry of Health and Family Welfare carries out studies from time to time to determine the workload norms of different categories of staff and proposes staffing norms. The SIU carried out a study of the CGHS (allopathic) dispensaries in 1999. Their recommendations are shown in Exhibit 3.7.

At present, the Laxminagar dispensary gets about 500 patients per day. The existing staffing pattern of the dispensary is slightly lower than the SIU recommendations. However, during our discussions with the CMO In-charge and other staff, it was pointed out that due to multiple shifts, emergency duties and leave of absence, the actual workload is significantly higher than the SIU norms. As a result, doctors ignore the preventive and promotive aspects of healthcare; nurses have no time for family welfare related work and general nursing duties; and pharmacists and clerks are clearly overworked.

Exhibit 3.7: Recommended Workload Norms for CGHS Dispensaries

S. no.	Category	Avg. time per patient (min.)	Workload Norm (Patients per day)
1.	Doctors	4.8	75
2.	Pharmacists	2	180
3.	Lab Technicians	10.3	35
4.	Clerks	1.75	200

Source: Staff Inspection Unit (SIU) Report, 2001

Presently, there is no formal system for measuring performance of the unit or individuals. The information recorded in activity registers is not analysed. Some broad statistics are produced but these are not useful for measuring work output. Performance appraisal of doctors, staff nurses, pharmacists and lab technician is carried out through the standard Annual Confidential Report (ACR). Most of the staff felt that the ACR process is very subjective and should not be confidential. The usual overtime allowances are also available in CGHS dispensaries, though not for doctors. There are no performance-linked incentives.

The Laxminagar dispensary is one of the very few dispensaries with a reasonably high level of computerisation. The OPD consultation as well as pharmacy and stores are fully computerised. However, the system with its present software does not generate the type of reports that are needed for performance assessment. The present system only records prescriptions and indents for medicines. Patient records are still not computerised. A full-fledged MIS would not only measure performance, but would also support many other types of managerial decisions, such as planning and budgeting.

3.3.3 Performance Assessment and Related Issues

Our discussions with the senior medical officers of the Laxminagar dispensary focused on several aspects of measuring performance in the setting of a dispensary. Since the dispensary is more like an OPD, the doctors' work is individually assigned unlike in a hospital where doctors often work in a group/team format. Other staff, such as pharmacists, nurses and lab technicians, also perform tasks that are more easily measurable in the dispensary setting than in the hospital setting.

Patient load (number of patients per day per doctor) is an obvious choice as a useful indicator of performance of doctors. While using this indicator could lead to doctors reducing

the time per patient in order to maximize the number of patients attended, it is still the best measure of a doctor's workload. Further, by assigning appropriate relative weights to the type of case (major/minor/indent of medicine), this perverse incentive can be reduced. Similarly, greater weight can be assigned to a patient's first visit compared to subsequent visits.

There was considerable discussion on whether the quality of treatment should be measured in terms of the final health outcomes for the patients. However, this type of information would be very difficult to collect and attributing the outcome entirely to the doctor's intervention may not be justified. Most of them felt that if a doctor was satisfying the norm of attending to 75 patients per day, she or he should be rewarded with additional pay, but not encouraged to increase patient load beyond some critical point.

In a dispensary, there are some jobs where performance needs to be measured collectively. For example, the four pharmacists and the store keeper work more like a team. The activities of the person in charge of the store are linked to the person in charge of indenting the medicines from suppliers and also to the person dispensing the medicine to the patients. The pharmacists may also rotate their duties in this chain.

We had a lot of discussion on the feasibility of using patient feedback and ratings to assess the performance of doctors and other dispensary staff. Some felt that patient ratings was a good and valid approach while others thought it would be highly biased and prejudiced. Analysis of patient history can be another possible way of measuring the dispensary's or the particular doctor's performance in effectiveness terms. Even when the patient records are fully computerised, this can be a complex exercise.

3.3.4 Proposed Approach for Performance Measurement

In our assessment, introducing a performance measurement system in CGHS dispensaries is both desirable and feasible. The Laxminagar dispensary was a good case-study as it has high level of usage, reasonably adequate staff, very good infrastructure, and it has been recently computerised.

To implement a performance measurement system, the first step should be to define the objectives of the dispensary in each of its functional areas, such as outpatient care, emergency services, supply of medicines, domiciliary care, family welfare, RCH services, and referrals. This should be followed by relating the job responsibilities of various categories of staff to the specific objectives of the dispensary. This would clarify how each

individual's job contributes to achieving the desired outputs and outcomes and what is expected from the employees.

The next step is to identify appropriate performance indicators for each category of staff and a methodology for measuring and benchmarking performance.

CMO In-charge

At the top of the hierarchy, the performance of the CMO in-charge should cover the management of daily operations in various departments, the administrative responsibilities and the overall service delivery output of the dispensary (Exhibit 3.8). In that sense, the performance of the CMO in-charge, who is the chief executive, is synonymous with the overall performance of the organisation.

The performance evaluation should be done by a committee of experts appointed by the Additional Director. The performance ratings can be benchmarked with established norms or standards, comparisons with other dispensaries, and patients' feedback.

Exhibit 3.8: Performance Measurement Framework for CMO In-charge

Performance Indicators	Type	Level	Benchmark
Management of daily operations • OPDs • Pharmacy • Laboratory • Quality of services	Competency	Individual	Based on evaluation by a committee, and patients' feedback
Administration • Staff workloads & discipline • Office administration • Maintenance of facilities	Competency	Individual	Based on evaluation by a committee
OPD (overall for the dispensary) • Total no. of patients attended • No. of OPD days • Patients attended per day	Output Input Productivity	Group	Based on Norms/standards, and Peer comparisons

Doctors (CMO, SMO, MO)

The performance of medical officers (CMO, SMO, MO) should emphasize the total patient load handled by them, as this is an indicator of the gross output of the dispensary. It would be tricky to assess the quality of consultation on the basis of patients' feedback which may be very subjective although it could be used in a limited way. The performance indicators have to be operationalised carefully to avoid critical measurement problems. For example, the doctor on night duty may not see a single patient on many occasions, but that does not imply zero workload. This has to be accounted separately. With a computerised MIS, it becomes possible to measure the performance of doctors at individual level. Norms/standards (e.g. 20 domiciliary visits per doctor per month, as currently stipulated) and peer comparisons can be used to benchmark the performance of doctors (Exhibit 3.9).

Exhibit 3.9: Performance Measurement Framework for Medical Officers (CMO, SMO, MO)

Performance Indicators	Type	Level	Benchmark
OPD (am/pm shifts) • Total no. of patients attended • No. of OPD days • Patients attended per day	Output Input Productivity	Individual	Based on Norms/standards, and Peer comparisons
Other duties performed • Night shift (no. of days) • No. of domiciliary visits per month • Administration work (hrs. per day)	Workload Output Workload	Individual	Based on Norms/standards, and Peer comparisons

Nursing Staff

The nursing staff of the dispensary has multifarious duties and the output is difficult to measure in quantitative terms, except the patient load. It is the other parameters, such as efficiency in managing supplies of vaccines and drugs, maintaining records and assisting doctors, which are more important. During the initial stages the nursing staff could be assessed as a group rather than individually (Exhibit 3.10).

Pharmacists & Storekeeper

Pharmacists and storekeeper perform activities that are closely inter-linked. Thus, we suggest measuring performance of the pharmacy and stores as one unit and preferably as a

group. The emphasis in the pharmacy operations is on dispensing procedures, dealing with patients and maintaining records. The stores operations involve efficient management of materials and maintaining records. The proposed performance indicators are shown in Exhibit 3.11.

Exhibit 3.10: Performance Measurement Framework for Nursing Staff (Staff Nurse, Nursing Sister, Nursing Mid-Wife)

Performance Indicators	Type	Level	Benchmark
Patient load (Injection room; RCH, DOTS etc.) • Total no. of patients attended • No. of days on duty • Patients attended per day	Output Input Productivity	Individual /Group	Based on Norms/standards, and Peer comparisons
Other duties • Managing records & registers (patients, vaccines, drugs) • Managing linen • Assisting doctors	Workload Workload Workload	Individual /Group	Based on evaluation by a committee and doctors' feedback

Exhibit 3.11: Performance Measurement Framework for Pharmacists/Storekeeper (Pharmacist In-charge, Pharmacists, Storekeeper)

Performance Indicators	Type	Level	Benchmark
Pharmacy • Average patient load • Efficiency in dispensing procedures • Dealing with patients • Maintaining records	Output Efficiency Competency Competency	Individual/Group	Based on evaluation by a committee and patients' feedback
Stores • Indenting efficiency • Checking stock, expiry dates, issuing locally purchased medicine • Maintaining records	Efficiency Efficiency Competency	Individual/Group	Based on evaluation by a committee

Lab Technicians

Lab technicians perform a variety of tests which vary greatly in terms of complexity. Their output has to be assessed accordingly. Still indicators such as “average number of tests per day” can be used on the assumption that the variances are averaged out. Other aspects of a lab technician’s performance require subjective judgment. Therefore, evaluation by a committee is suggested in Exhibit 3.12.

Exhibit 3.12: Performance Measurement Framework for Lab Technician

Performance Indicators	Type	Level	Benchmark
Lab Tests • Total no. of tests performed and reports issued (by category) • Average no. of tests per day • Efficiency in test procedures and quality of test reports	Output Productivity Competency	Individual	Based on evaluation by a committee
Other duties • Maintenance of equipment and chemicals • Cleanliness & upkeep • Dealing with patients	Competency Competency Competency	Individual	Based on evaluation by a committee

3.3.5 Relating Incentives to Performance

The performance assessment of the CMO in-charge is based on the overall performance of the dispensary. Therefore, we propose PRI in the form of merit increments. Merit increments up to 5% of basic pay are proposed for Level 1 (“high” performance) and 10% for Level 2 (“outstanding” performance).

The doctors’ performance is measured in terms of output and workload indicators. This can vary from year to year in both directions. Therefore, PRI in the form of annual bonus is proposed. This could go up to 10% of annual base pay for “high” performance (Level 1) and 20% for “outstanding” performance (Level 2).

For nursing staff, pharmacists, storekeeper and lab technicians, performance is measured in terms of workloads and efficiency. The individual’s contribution at these posts

to the overall performance of the dispensary is smaller in comparison to doctors. Annual bonus up to 5% of annual base pay is proposed for Level 1 (high performance) and 10% for Level 2 (outstanding performance).

We recommend that attendants and other Group D staff should not be considered for PRI. The individual performance at this level is quite dissociated from the organisation's overall performance and their performance is measured in terms of input rather than output indicators. Accordingly we recommend that Group D staff should be eligible for overtime allowances as permissible and those individuals whose routine performance is rated as high or outstanding should be awarded an annual bonus.

Exhibit 3.13: Proposed Structure of PRI

Employee category	Performance Criteria	Level	Proposed Incentives
CMO In-charge	• Managerial abilities and overall service delivery	**Level 1:** Achievements exceeding targets in most areas **Level 2:** Achievements exceeding targets in all areas	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
CMO, SMO, MO	• Output, workload & efficiency indicators	**Level 1:** Exceeding norms/standards by more than 20% **Level 2:** Exceeding norms/standards by more than 40%	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Nursing Staff	• Workload & efficiency indicators • Evaluation reports & Feedback	**Level 1:** High rating on most of the indicators **Level 2:** High rating on all indicators	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Pharmacists / Storekeeper	• Workload & efficiency indicators • Evaluation reports & Feedback	**Level 1:** High rating on most of the indicators **Level 2:** High rating on all indicators	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Lab Technicians / UDC / LDC (Group C)	• Workload indicators • Evaluation reports & Feedback	**Level 1:** High rating on most of the indicators **Level 2:** High rating on all indicators	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Attendants and other Group D staff	• Input indicators e.g. hours worked • Feedback of supervisors, doctors & patients	–	• Overtime allowance as permissible • Annual bonus conditional on "satisfactory" routine performance

3.4 Micro-Study 3: Central TB Division

3.4.1 Revised National TB Control Programme

The Revised National TB Control Programme (RNTCP) began as a pilot project in 1993 and was launched as a national programme in 1997. This followed a comprehensive review of the earlier National Tuberculosis Programme (NTP) which concluded that the NTP had failed to achieve its objectives due to a number of inherent weaknesses. While the NTP was designed for domiciliary treatment using self administered standard drug regimens, the RNTCP uses the DOTS strategy of directly observed treatment with short-course chemotherapy. The DOTS strategy is based on results of tuberculosis research in India, which has become the international standard for TB control programmes.

The RNTCP was initially launched in five states (Delhi, Kerala, West Bengal, Maharashtra and Gujarat) in 1993. It covered a total population of 2.35 million. The programme was expanded rapidly after 1998, and by March 2006, it covered the entire country or a total population of 1.114 billion. In 2002, over 6,20,000 cases were placed on treatment, of which nearly 2,50,000 were new smear positive cases. In 2005, the number of cases placed on treatment was more than 1,290,000. In 2006, the sputum conversion rate and the cure rate among the new smear positives was 89% and 83% respectively.

The goal of RNTCP is to decrease mortality and morbidity due to TB until it ceases to be a major public health problem. The two key objectives of the programme are:

- To achieve and maintain a cure rate of at least 85% among newly detected infectious (new smear positive) cases.
- To achieve and maintain detection rate of at least 70% of such cases in the population.

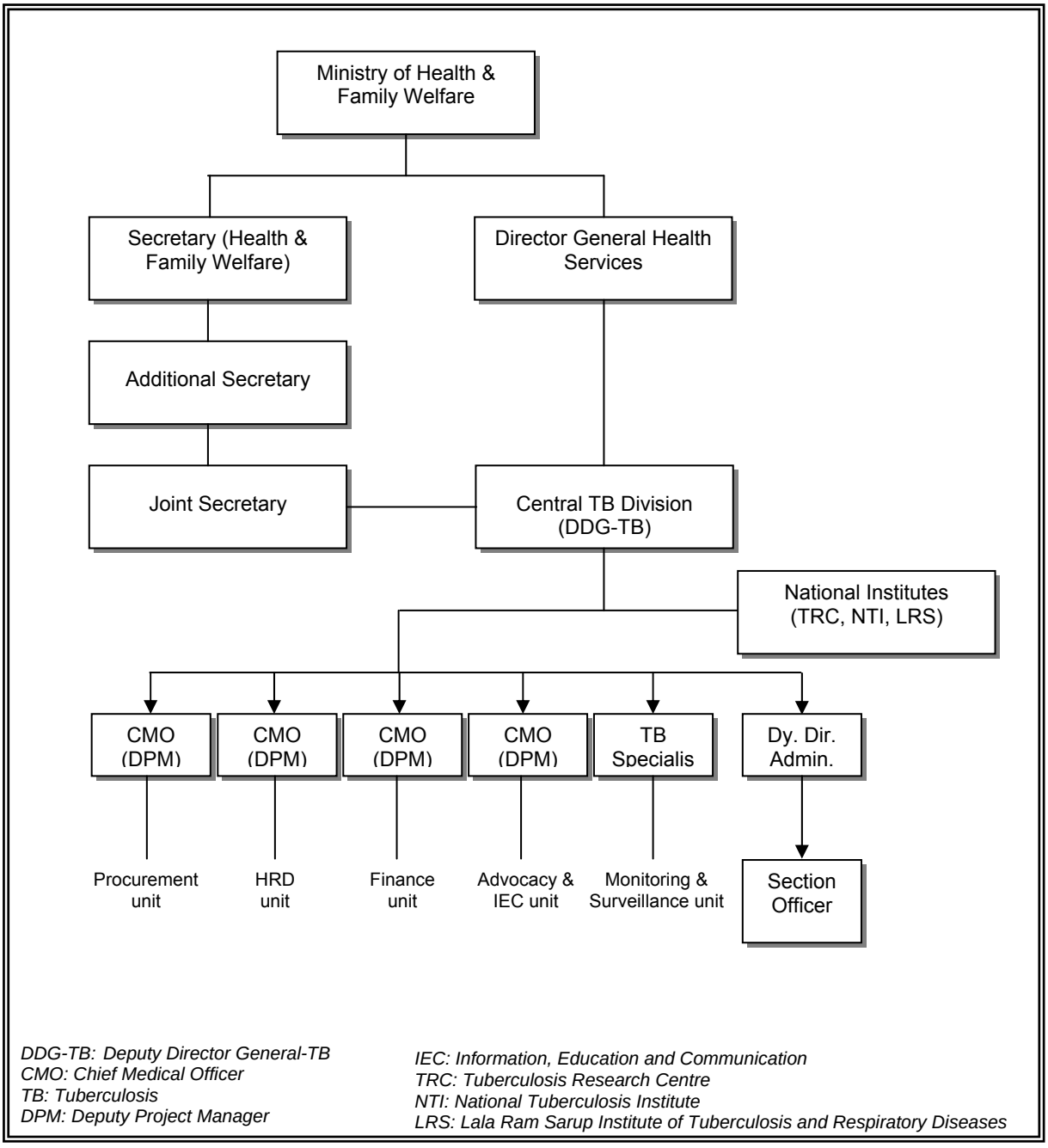
During the first phase of RNTCP (1998-2005), the focus was on ensuring expansion of quality DOTS services to the entire country. It has now entered the second phase in which the aim is to consolidate the gains made, to widen the services, and to sustain the achievements in order to achieve the Millennium Development Goal to halve the prevalence and death rates associated with tuberculosis between 1990 and 2015.

3.4.2 Organisation Structure and Functions

National Level

At the national level, the RNTCP is the primary responsibility of the Central TB Division (CTD) in the Ministry of Health and Family Welfare. It is one of the several major programmes included in the National Rural Health mission (NRHM) under the Director General of Health Services.

Exhibit 3.14: Structure of RNTCP at National Level



DDG-TB: Deputy Director General-TB
CMO: Chief Medical Officer
TB: Tuberculosis
DPM: Deputy Project Manager

IEC: Information, Education and Communication
TRC: Tuberculosis Research Centre
NTI: National Tuberculosis Institute
LRS: Lala Ram Sarup Institute of Tuberculosis and Respiratory Diseases

The CTD is headed by the Deputy Director General-TB (DDG-TB), who is the National Programme Manager of RNTCP. There are five units in the CTD, each headed by a Chief Medical Officer (CMO) and assisted by technical and secretarial staff. The key managerial functions – Procurement; HRD; Finance; Advocacy; Information, Education and Communication are divided among the four CMOs, who are designated as Deputy Project Managers. A TB specialist heads the Monitoring and Surveillance Unit. The CTD is assisted by three national-level tuberculosis institutes located in Bangalore, Chennai and New Delhi (Exhibit 3.14). A number of WHO appointed consultants, mostly CMOs, work alongside the project management.

State Level

Every state has a TB Cell, which is headed by the State TB Officer (STO). He is assisted by a Deputy STO; a Medical Officer (MO); Information, Education and Communication (IEC) Officer; and other supporting staff.

The main functions of the state TB Cell include – formulating annual action plans; supervision and monitoring of RNTCP activities; procurement and distribution of drugs and other supplies; and facilitating quality control. All major states have established State Drug Stores and State TB Training and Demonstration Centres (STDC) and Intermediate Reference Laboratories (IRL) to strengthen programme implementation.

District Level

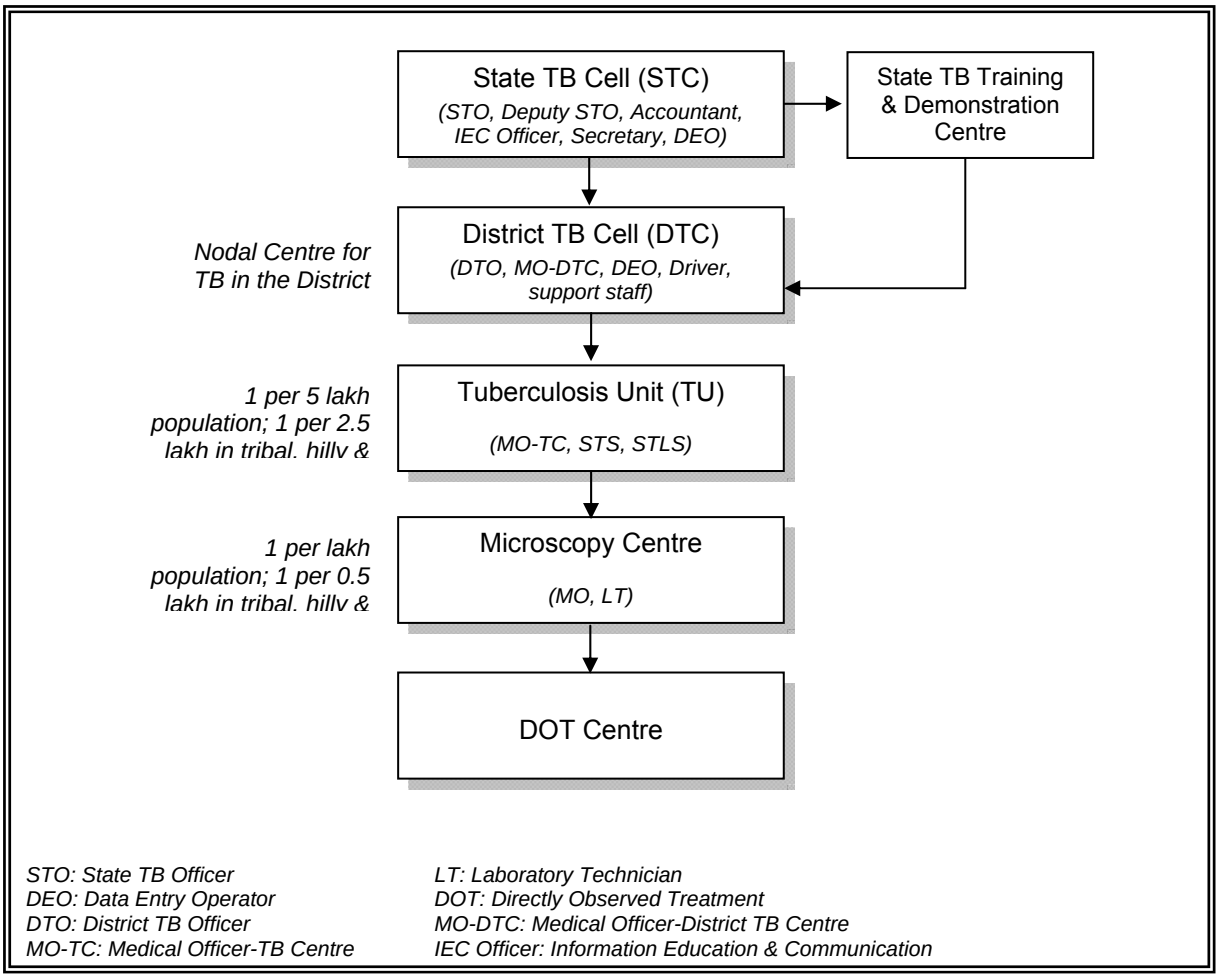
The Chief District Medical Officer (or equivalent) is responsible for all medical and public health activities in the district, including control of TB. The District TB Centre (DTC) is the nodal point for the RNTCP. It is headed by the District TB Officer (DTO), who has the overall responsibility of programme management at the district level. The DTO is assisted by a Medical Officer (MO), a Statistical Assistant and other paramedical staff.

Under the RNTCP, each district creates appropriate number of Tuberculosis Units (TU) at different locations in the district. Each TU consists of a Designated Medical Officer for TB Control (MO-TC) who does tuberculosis work in addition to his/her other responsibilities, and two full-time supervisory staff – a Senior Treatment Supervisor (STS) and a Senior Tuberculosis Laboratory Supervisor (STLS). The TUs are generally based in a Community Health Centre, a Taluka Hospital or a Block Primary Health Centre. A TU covers a population of approximately 5 lakh. Each TU is supported by one or more Designated

Microscopy Centres (DMC). The DMCs are also provided in medical colleges, hospitals, institutions and NGOs, depending on requirements (Exhibit 3.15).

At the sub-district level, a number of Peripheral Health Institutions (PHI) are involved in TB control. A PHI is any health facility which is manned by atleast one medical officer. These include dispensaries, primary health centres, and various categories of hospitals, specialty clinics and medical colleges within the district.

Exhibit 3.15: Structure of RNTCP at State and District Level



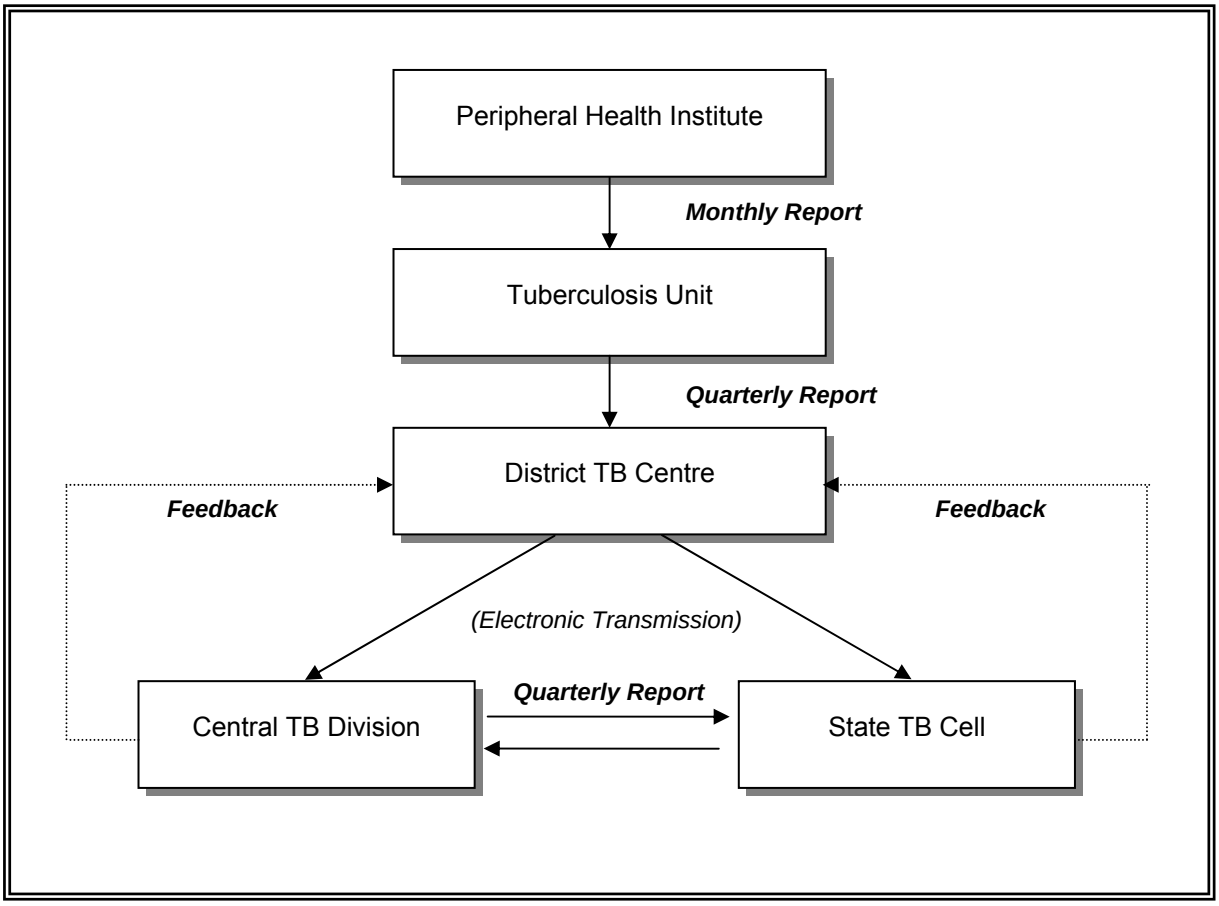
3.4.3 Performance Assessment and Related Issues

The RNTCP has a highly structured system of monitoring and evaluation at all levels. Twice a year, the Central TB Division (CTD) undertakes programme reviews with state TB officers at national level. They conduct periodic review meetings. They also conduct central level internal evaluations of at least two districts every month.

The state TB cell officers visit all districts in the state at least once every six months and undertake state level internal evaluations of at least two districts every quarter. The District TB Centre Officers visit all TB Units (TUs) every month and all microscopy centres (DMCs) every quarter. They also visit the homes of atleast three randomly selected New Smear Positive (NSP) patients on every field visit day. Similarly, other medical officers and supervisors undertake regular field visits for monitoring and supervision.

The entire process of reviews, monitoring visits and evaluations is highly structured and all observations are recorded on detailed forms. Based on these, a variety of monthly/quarterly/annual reports are generated which provide data on a large number of performance indicators as well as process monitoring indicators (Exhibit 3.16). However, there is no attempt to appraise individual performance of all employees. The monthly activity reports of District TB Officers and State TB Officers also focus on programme related parameters and not individual performance indicators. The individual performance appraisal of programme officers at the central, state, and district levels is also based on the standard annual confidential report (ACR) system.

Exhibit 3.16: Program Surveillance System



Overall, the management information system of RNTCP is very well designed. It can easily form the basis of performance assessment at group level for the state, district and sub-district level TB cells, TUs and PHIs.

We discussed the issues related to performance assessment and incentives with the senior officers of the Central TB Division in the Ministry of Health and Family Welfare in Delhi. They were of the opinion that RNTCP operates as a group/team at all levels. Therefore, it would not be advisable to measure performance at the individual level, apart from the fact that the existing MIS would not be able to support assessment of individuals. The CTD team strongly felt that the performance benchmarks should not be based on quantitative output targets. This, they stated, would encourage fudging of data and more so if it is linked to monetary incentives. They also advocated using process indicators rather than output indicators to measure performance, which could be verified more easily.

In the opinion of the CTD team, the most important dimension of the RNTCP is supervision and that in the short run, the programme outcomes would depend on the quality of supervision. They felt that non-monetary rewards to outstanding state and district TB officers (e.g. participation in a foreign conference or awards of recognition) would be more appropriate. It was observed that for performance measurement at group level, there are no serious enabling environment issues with respect to RNTCP as the degree of delegation is already high, the workload is highly structured, and adequate staff has been provided at all levels.

3.4.4 Proposed Approach for Performance Measurement

Central TB Division

The role of the TB Division, which is based in the Ministry of Health & Family Welfare, is to ensure that the RNTCP is implemented by various states with due diligence and strictly as per the guidelines. They don't play any active role in the activities of the programme. Their role is primarily in programme planning, reviewing, supervising, and evaluation. Therefore, their performance is best judged by the final outcomes of the programme at the national level. The overall targets for case detection rate (> 70%), cure rate (> 85%) and treatment completion rate (>90%), have already been formulated. The group performance of the CTD team can be benchmarked against these targets. Some of the process indicators, such as districts visited and staff trained, can be used to measure the output of the CTD team at individual or group level. However, there is no way to predict whether these activities will result in better final outcomes (Exhibit 3.17).

Exhibit 3.17: Performance Measurement Framework for the Central TB Division

Performance Indicators	Type	Level	Benchmark
Outcome indicators: • Case Detection Rate (NSP) • Cure Rate (NSP. Others) • Treatment Completion Rate	 Outcome Outcome Outcome	Group	Targets and recent trends
Process indicators: • No. (%) of districts visited • No. (%) of key programme staff trained • Drug stock levels and stock outs (frequency) • Reports published • Release of funds, expenditure, monitoring, audit reports	Input Output Efficiency Output Efficiency	Group	Norms / Standards

State TB Cell

The role of the state TB cell is also centred on supervision and monitoring. Their performance should also be measured on the basis of final outcomes at the state level. Trends in case detection rate, cure rate, and treatment completion rates are appropriate performance indicators. These can be supplemented with process indicators which measure the level of effort made by the state TB cell staff. The RNTCP has clear norms about these monitoring and reporting activities. Performance assessment at group level is recommended because of the difficulty in measuring individual contribution to programme outcomes (Exhibit 3.18).

District TB Cell

By the same logic we recommend using a combination of outcome and process indicators to assess the performance of District TB Centres. The assessment should be at group level (Exhibit 3.19).

Exhibit 3.18: Performance Measurement Framework for the State TB Cell

Performance Indicators	Type	Level	Benchmark
Outcome indicators: • Case Detection Rate (NSP) • Cure Rate (NSP. Others) • Treatment Completion Rate	Outcome	Group	Targets and Recent Trends
Process indicators: • No. (%) of districts visited • Timely preparation of state-level quarterly reports • Feedback to all districts on their quarterly reports • Management of programme funds (budgeting, tracking, expenditure, audits) • Monitoring of field level IEC activities	Input Output Input Efficiency Input	Group	Norms / Standards

Exhibit 3.19: Performance Measurement Framework for the District TB Centre

Performance Indicators	Type	Level s	Benchmark
Outcome indicators: • Case Detection Rate (NSP) • Cure Rate (NSP. Others) • Treatment Completion Rate	Outcome	Group	Targets and Recent Trends
Process indicators: • No. (%) of units visited (TU, DMC, CHC, PHI) • Timely submission of financial records • Timely submission of performance reports	Input Output Output	Group	Norms / Standards

TB Unit

The TB Unit (TU) is the last level of the supervision and monitoring system of RNTCP. The staff at this level is responsible for supervising and monitoring sputum examinations, diagnosis and treatment activities being carried out in peripheral health institutions and microscopy centres. The performance of TU staff should be measured by process indicators such as number of treatment centres visited and patients met. These indicators measure inputs and can be benchmarked against stipulated norms. Although trends in treatment

outcomes are also monitored at this level, these should be given lesser weightage compared to process indicators in assessing the performance of TU staff (Exhibit 3.20).

Exhibit 3.20 : Performance Measurement Framework for the District TB Centre

Performance Indicators	Type	Level	Benchmark
• Number of patients on treatment met per quarter	Input		
• Number of DOT providers/centres visited	Input		
• No (%) of DMCs visited	Input		
• No (%) of PHIs visited	Input		Norms/
• TB suspects examined per 100,000 population per quarter in the district	Outcome	Group	Standards
• % of NSP Patients started treatment within 7 days of diagnosis	Outcome		
• Trends in treatment outcomes in the district	Outcome		

3.4.5 Relating Incentives to Performance

We propose that performance incentives should be given to RNTCP managers on the basis of achievement of annual targets. However, it is important to recognize that unlike other government departments, the TB units at central, state and district levels are focused on a single programme whose targets are predetermined keeping all of the constraints in mind.

There are two significant enabling environment constraints. Here, providing PRI to few individuals would not necessarily lead to higher productivity gains. Performance incentives should be seen as rewards for achieving targets, so the programme staff stays motivated. Therefore, group incentives are recommended.

The PRI at state and district levels should be in the form of annual bonus rather than merit increments. Only DDG-TB, who is the National Project Manager, may be given merit increments instead of annual bonus if the programme outcomes exceed targets at the national level.

The CMOs in CTD, who perform the role of programme managers, should be assessed individually and awarded annual bonus if their performance exceeds expectations. Similarly a system of annual bonus payments at the state and district levels can be introduced.

Exhibit 3.21: Proposed Structure of PRI

Employee category	Performance Criteria	Rating System	Proposed Incentives
Central TB Division DDG-TB	Based on achievement of annual targets & plans (outcome indicators)	**Level 1:** Achievements exceeding targets in most areas **Level 2:** Achievements exceeding targets in all areas	**Merit increments:** • Up to 5% of basic pay for Level 1 • Up to 7.5% of basic pay for Level 2
Central TB Division CMOs	Based on achievement of annual targets & plans (output & efficiency indicators)	**Level 1:** Exceeding norms/standards on most indicators **Level 2:** Exceeding norms/standards on all indicators	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2
State TB Cell	Output & Process indicators	Meeting all process norms/standards and exceeding targets at state level	**Annual Bonus:** 10-20% of annual pay
District TB Centre	Outcome and Process Indicators	Meeting all process norms/standards and exceeding targets at district level	**Annual Bonus:** 10-20% of annual pay
TB Unit	Outcome and Process Indicators	Meeting all process norms/standards and exceeding targets at TU level	**Annual Bonus:** 10-20% of annual pay

3.5 Micro-study 4: Establishment Section-I and C.H.S. Section-IV

3.5.1 Establishment Section - I

The Establishment Section – I in the Ministry of Health and Family Welfare deals with all establishment matters pertaining to the following:

- Group A officers in the Department of Health and Family Welfare
- Group B gazetted officers in CSS and CSSS in the Ministry
- Ex-cadre and Hindi posts in the Department of Health
- Group A posts in DGHS Headquarter (not specifically allotted to other sections)
- All Establishment matters pertaining to the National Medical Academy

The section is headed by a Section Officer. He is supported by 3 Assistants, 2 Upper Division Clerks (UDCs) and 2 Lower Division Clerks (LDCs). The main functions of this section are:

- Posting of formal staff in Minister's office
- Maintenance of Service Book and Leave Accounts of categories of personnel mentioned above
- Conduct Rules & Property Returns relating to categories of services mentioned above
- Advances (including withdrawals from GPF) relating to above categories of personnel
- Issue of CGHS card to categories of personnel mentioned above
- Court cases (other than vigilance) relating to category of personnel mentioned above
- Allocation of work among officers of the department
- Maintenance of Special Representation Roster in respect of all Group A posts (excluding CGHS posts) to be filled up by direct recruitment in the Department of Health, DGHS and the subordinate offices
- Awards & titles

This section handles the Establishment activities for 350-400 gazetted officers of the Ministry. Most of the work involves direct application of rules. There are norms on the maximum amount of time allotted for dealing with various types of cases that come to this section. According to the Section Officer, their current performance is within the time limits that have been set. The more complicated cases relate to pensions of class-I officers, pay fixation, posting, etc. These pension cases take more time because set procedures are not available.

According to the Section Officer, individual performance assessment is neither feasible nor desirable and maximum room for productivity improvement from present level is

only about 10%. Although it may be possible to set time-bound targets for some categories of cases, the normal practice is more informal because higher priority cases have to be handled out of turn.

While the section staff supports the concept of Performance Measurement, they feel that quantification is not possible except in terms of number of files/cases handled. How fast a file moves is mainly dependent on the time that the senior officers take in disposing the file. It may not reflect the efficiency of the staff. They feel that the Section Officer is the best person to evaluate the performance of the section staff. One possible criteria could be whether the staff is applying the rules correctly and whether the instructions of senior officers are being followed.

3.5.2 Central Health Scheme (C.H.S.) Section - IV

The C.H.S. Section–IV deals with the establishment matters related to Non-Teaching Specialists sub-cadre of the Central Health Scheme. In this sub-cadre, time-bound promotions are given till the post of Specialist Grade-I. The subsequent promotions to higher grades are vacancy based and combined for the four streams. At present, there are 778 posts of Junior Specialists Grade-II which are dealt in this section

The section is headed by a Section Officer. Although there are 8 sanctioned posts, the staff strength at present is only 5. In addition to the Section Officer, there is 1 Assistant and 3 UDCs. The staffing pattern of this section is shown in Exhibit 3.22.

The main functions of the CHS Section – IV involve the following tasks related to specialists in non-teaching special sub-cadre of C.H.S.:

- Recruitment of Grade-II posts (identification of the posts, sending of requisitions, processing of all further matters i.e. medical examination, CVR verification, caste certification, verification of recommended candidates).
- Ad-hoc appointments of Grade-II posts
- Contract appointments of Grade-II posts
- Promotion of specialists Grade-II
- (Junior Time Scale (J.T.S.) → Senior Time Scale (S.T.S.) → Special Grade-I → Senior Administrative Grade (S.A.G) → Higher Administrative Grade (H.A.G))
- Transfer and posting of all specialists in non-teaching special sub-cadre
- Court cases concerning non-teaching special sub-cadre
- Matters relating to: counting of service/ fixation of seniority, forwarding of application, permission to go abroad/study leave, and all cadre control matters
- RTI matters
- Parliamentary questions

- All matters related to IDA, Parliamentary committees etc. on Andaman & Nicobar Islands and Lakshadweep Administration

Exhibit 3.22: Staffing pattern for C.H.S. Section-IV

S.no.	Designation	Total sanctioned posts	Filled
1.	Section Officer	1	1
2.	Assistants	3	1
3.	UDC	2	3
4.	LDC	2	-
	Total	**8**	**5**

The processing of cases in this section involves the following activities:

- Recruitment
  - Requisitions sent
  - Queries received and replied
  - Advertisements checked & sent back
  - Checking eligibility of candidates
  - Recommendations received

- Postings
  - Recommendations received
  - Appointment orders issued
  - Completion of assessment reports for confirmation

- Promotion
  - Prepare assessment sheets
  - Prepare DPC notes

- Others
  - Providing permissions for cases
  - Making representations
  - Court cases
  - RTI matters

Our discussions with the Section Officer and the staff of the section focused on identifying performance indicators. Their view was that a file tracking system could possibly be used to measure the output of individual staff members. However, they felt that the amount of time that case processing takes depends on too many factors that are not within

their control. Only a general norm on number of cases handled could be used to measure output. They did not think that PRI would improve productivity in the section.

3.5.3 Proposed Approach for Performance Measurement

The workload of a section can be categorized into “routine” receipts or files and “non-routine” receipts or files. For example, in the Establishment Section a large number of pension cases may be of routine nature. Usually, there are accepted norms such as 10-12 files per day per clerk for routine cases. The “non-routine” receipts/files are those that may require more time to process. These can be further subdivided into three categories- those for which there are set procedures; those for which there are no set procedures; and different types of references such as parliament questions, VIP references, etc.

For “routine” receipts or files, the performance of a section can be measured in terms of number of files processed per day or per week and comparing this with established norms applied to existing staff strength. The Section Officer should provide explanation when targets are not achieved (Exhibit 3.23).

For “non-routine receipts or files, the details of each case should be individually recorded. The performance of the Section can be measured in terms of the time taken to process the case till it is disposed. The Section Officer should specify the estimated normal processing time for each case. If this is exceeded, explanation should be given. Finally the Reporting Officer (either the Under Secretary or the Deputy Secretary), should evaluate the Section’s performance, either monthly or quarterly, on the basis of such reports.

3.5.4 Relating Incentives to Performance

From our study of these two sections in the Ministry of Health, we have concluded that relating pay to performance is both feasible and desirable in the administrative sections. However, the process of measuring performance would have to be introduced gradually. In the initial stages, the focus should be on keeping records of all receipts or files being processed in the section along the lines of the framework suggested above. Subsequently, a more elaborate file tracking system may be developed with a possibility of measuring individual performance within the section. However, in the early stages, we recommend performance measurement at group level for a section.

Exhibit 3.23: Illustrative Monthly Performance Report of a Section

A. Routine receipts/files

Type (sub category)	No of files processed in a month	Weekly average	Target based on norms and staff strength	Reasons for not achieving targets
1. 2. 3.				

B. Non-routine receipts/files

Type	Date of receipt	Target date for disposal	Status at the end of month	Section Officer 's remarks
• Non routine with set-procedure (List) 1. 2.				
• Non-routine without set-procedure (List) 1. 2.				
• References (List) *Parliament questions:* 1. 2. *VIP references:* 1. 2. *Others:* 1. 2.				

PRI may be given for “outstanding” performance to the full staff of a section. The award may be limited to not more than 20% of the sections in the Ministry. To make this selection, performance has to be compared across various sections, which is difficult because of the differences in the nature of work. However, a special evaluation committee can be set up to undertake a comprehensive evaluation exercise once a year to compare the work of all sections on clearly defined criteria.

Exhibit 3.24: Proposed Structure of PRI

Employee category	Performance Criteria	Level	Proposed Incentives
Under Secretary	• Managerial abilities and overall performance of all sections	**Level 1:** Achievements exceeding targets in most areas **Level 2:** Achievements exceeding targets in all areas	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
Section Officer	• Managerial abilities and overall performance of the section	**Level 1:** Exceeding targets and “High” rating **Level 2:** Exceeding targets and “Outstanding” efficiency rating	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
Assistants UDC LDC	• Output Indicators • Workload and process indicators	**Level 1:** Exceeding targets and “High” rating **Level 2:** Exceeding targets and “Outstanding” efficiency rating	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts

Chapter 4

Ministry of Urban Development

4.1 Context

The Ministry of Urban Development is primarily responsible for urban policy formulation and monitoring of central government programmes in the areas of urban development, water supply and sanitation, and urban transport. Although these are State subjects in the Constitution of India, the central government plays an important role in this sector through national policy guidelines, enabling legislations and financing of major programmes for urban infrastructure development and provision of basic urban services in cities. The Jawaharlal Nehru Urban Renewal Mission (JNNURM), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), Accelerated Urban Water Supply Programme (AUWSP), Urban Reforms Incentive Fund (URIF) and the National Urban Transport Policy (NUTP) are some of the recent initiatives undertaken by the Ministry.

The Ministry is organized into several core divisions, subordinate offices and attached offices as shown in Exhibit 4.1. These are headed by Directors, who report to Joint Secretaries or Additional Secretary and through them to the Secretary. The Ministry also exercises administrative control over several statutory and autonomous bodies and one public sector undertaking.

The CPWD is one of the attached offices of the Ministry. It is responsible for creation and maintenance of all building assets of the central government. The Directorate of Printing administers the Government of India Printing Presses which cater to the printing requirements of all central ministries/departments. The Directorate of Estates is responsible for administration of central government estates. These include office accommodation for ministries and departments, residential accommodation for central government employees, hostels, market shops, etc. The Land and Development Office (L&DO) administers lands and leases held by the central government in Delhi.

Among the subordinate offices of the ministry, the Town and Country Planning Office (TCPO) is the technical arm of the Ministry in matters related to urban and regional planning. The Government of India Stationery office caters to the stationery requirements of all central government offices. The Department of Publication stocks and sells government publications.

Exhibit 4.1: Departmental Structure – Ministry of Urban Development

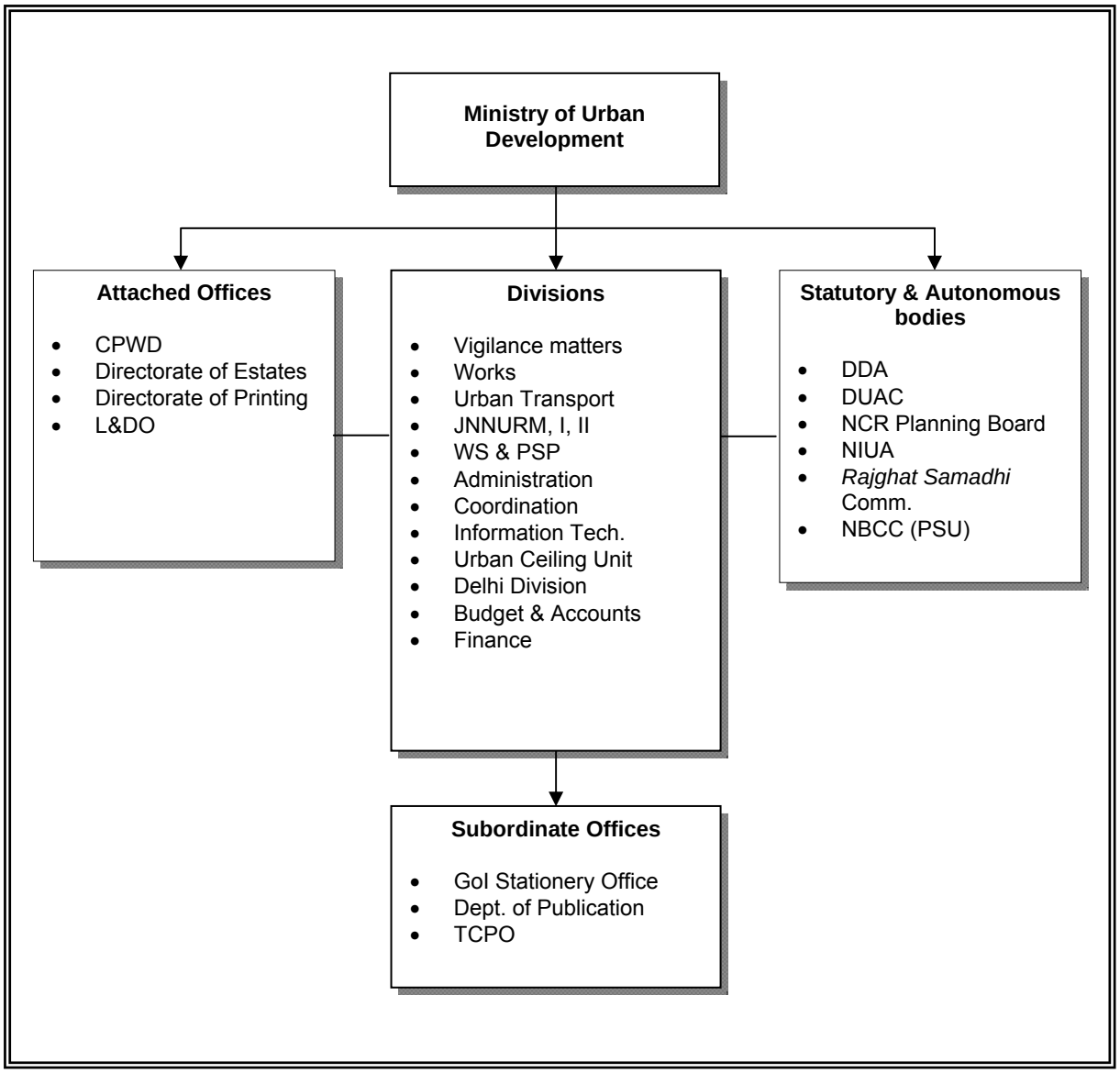


Exhibit 4.2 shows the staffing pattern of the Ministry of Urban Development as reported in the Annual Report (2006-2007). This excludes the staff of the autonomous bodies and the PSU under the Ministry, but includes the staff of the attached and subordinate offices. The numbers shown against the ministry include some of the staff of the Ministry of Housing and Urban Poverty Alleviation, which is no longer a part of this Ministry. The data on CPWD staffing pattern appears to be incorrect, but these are the official figures given to us. Anyway, we have included this table to at least provide an approximate profile of the staffing pattern.

Exhibit 4.2 : **Ministry of Urban Development – Staffing Pattern**

S.No.	Name of the office	Group					Total
		A	B	C	D	Work - charged	
1.	Ministry[1]	82	168	175	99	-	**524**
2.	CPWD[2]	1,287	3,302	15,633	3,122	14,587	**37,931**
3.	Directorate of Estates	14	127	339	180	-	**660**
4.	Directorate of Printing	21	124	4,199	963	-	**5,307**
5.	Department of Publication	-	4	190	141	-	**335**
6.	GoI Stationery Office	2	11	357	312	-	**682**
7	L & DO	11	15	171	50	-	**247**
8.	TCPO	27	36	51	31	-	**145**
9.	Principal Accounts Office	8	110	459	78	-	**655**
	Total	**1,452**	**3,897**	**21,574**	**4,976**	**14,587**	**46,486**

Note: 1. Numbers include some staff now shifted to Ministry of Housing & Poverty Alleviation

2. These numbers don't tally with those provided by CPWD

The current system of performance appraisal in the Ministry of Urban Development is the ubiquitous Annual Confidential Report (ACR) system. Apart from the standard annual increment, the additional incentives available to the employees are through bonus, honorarium, and overtime. In the current system, bonus is announced each year by the Government on recommendation of DOPT, only for group C and D employees. Maximum amount of the bonus is Rs.2,500. Honorarium, which is maximum Rs.5,000 may be given to the employees of any level, but usually it is awarded to the staff in C and D groups only. The overtime allowance is awarded to lower group C and D employees only.

At the start of this study, we held individual meetings with several Joint Secretaries and Directors in the Ministry on issues related to performance measurement and linking pay to performance. Most of them were of the opinion that government functions are not easily linked to performance parameters. This is especially so in departments engaged in policy formulation. They also felt that the nature of work in a social ministry is such that it would not be possible to measure performance at the individual level. Most of the work does not result in measurable outputs (e.g. responding to parliament questions or VIP references). There was broad consensus that the present system of performance appraisal based on ACRs is heavily flawed, there are no individual targets; and appraisal is not based on objective criteria.

We had extended discussions on the divisions/offices that we should study to explore the feasibility of PRI in the Ministry. Our proposal to study one attached office, one subordinate office, one program unit and two administrative sections was accepted. Accordingly, the following divisions and offices were selected for in-depth study:

- Micro-study 1 : One zone of CPWD in Delhi
- Micro-study 2 : The UIDSSMT division of TCPO
- Micro-study 3 : Central Public Health & Environmental Engineering Office (CPHEEO)
- Micro-study 4 : Administration Section IV and Desk I-B

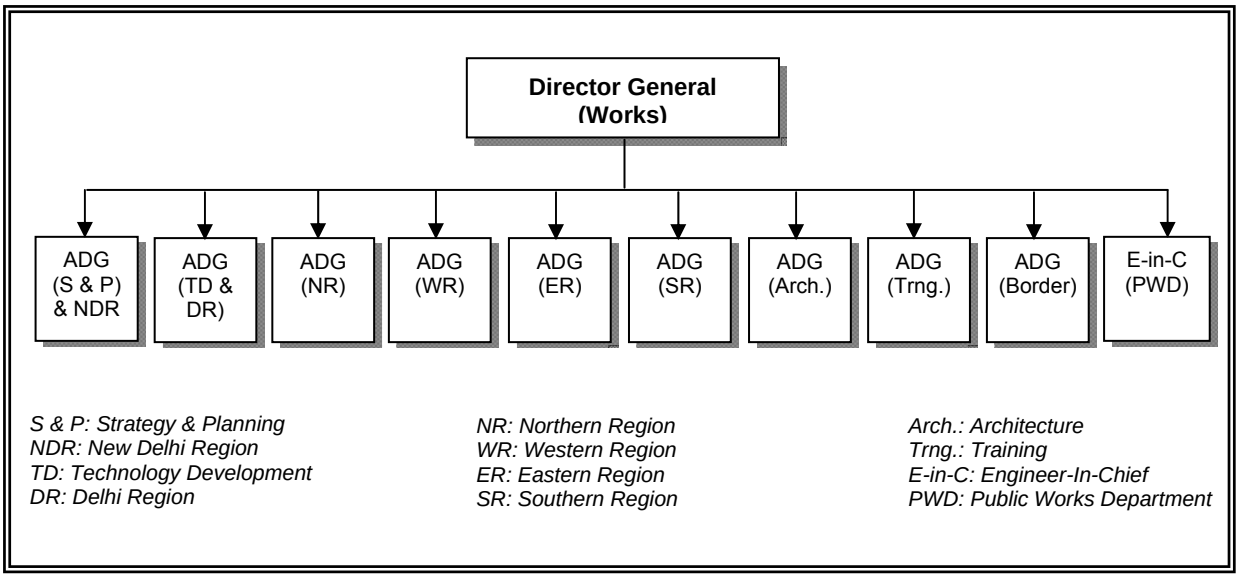
4.2 Micro-study 1 : CPWD – Zone 4 (New Delhi Region)

4.2.1 Central Public Works Department (CPWD)

The CPWD is the principal agency responsible for construction and maintenance of all works and buildings for various ministries and departments of Government of India. Although it came into existence in 1854 as a central agency for carrying out public works, it was formally established in its present form in 1930. It handles a wide variety of civil works ranging from residential accommodation and office buildings to roads, bridges and border fencing. It also provides consultancy services to public sector undertakings and other autonomous bodies in civil engineering projects. The CPWD is an attached office of the Ministry of Urban Development.

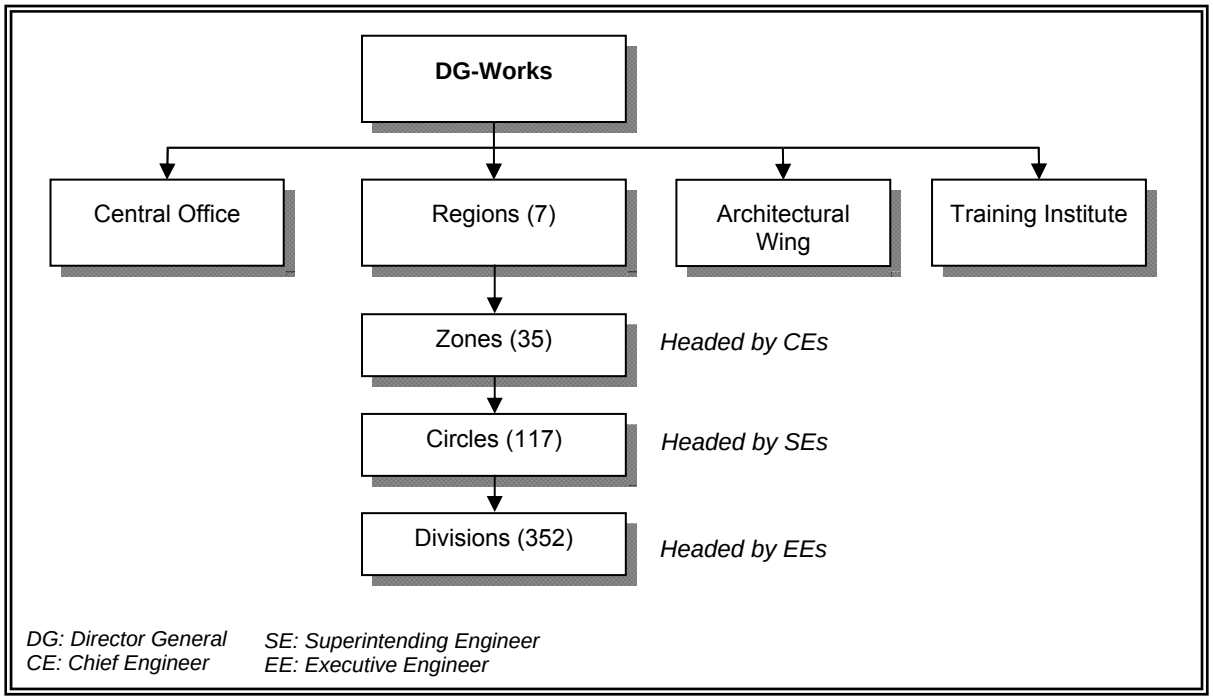
The CPWD is headed by the Director General (Works). For effective administration and control of works, the operations of CPWD are divided into 7 geographic regions and 5 functional areas. Each of these is headed by an Additional Director General (ADG). Thus, DG (Works) is assisted by ten ADGs. There is one ADG for each of the four main geographic regions (Northern; Western; Eastern; and Southern Region). ADG (Strategy and Planning) looks after strategy planning systems and personnel matters in addition to works under the New Delhi Region. ADG (Technology Development) looks after all technical functions at the Headquarter and is in-charge of works under the Delhi Region. ADG (Border) coordinates activities of various public works organisations in border areas. ADG (Architecture) looks after architectural planning functions of CPWD. ADG (Training) looks after the HRD needs of CPWD and manages various training institutes. Engineer-in-Chief (PWD) is in-charge of the Public Works Department of the Delhi state government where the entire staff is deputed from CPWD.

Exhibit 4.3: Organisational Structure of CPWD



In the departmental structure of CPWD, the entire country is divided into 7 regions, each headed by an ADG. The regions are further subdivided into zones which are headed by Chief Engineers (CE). Zones are divided into circles, headed by Superintending Engineers (SE); circles into divisions, headed by Executive Engineers (EE); and divisions into sub-divisions, headed by Assistant Engineers (AE). The AE, assisted by Junior Engineers (JE), is responsible for management and execution of all works in a sub-division (Exhibit 4.4).

Exhibit 4.4: Departmental Structure of CPWD



At present, the total sanctioned staff of CPWD is about 46,000. There are 938 positions in the attached office cadre, which refers to the secretarial staff in the Headquarter, Region and Zone offices. These positions are staffed by the CSS cadre. All other employees of CPWD belong to the subordinate (own) cadre of CPWD. The entire staff in circle offices and below is from subordinate cadres (Exhibit 4.5). While further details of staffing pattern were not available, it is estimated that there are about 5,900 Civil Engineers, 1,900 Electrical and Mechanical Engineers, 600 Architects and 200 Horticulturists at various levels. The strength of ministerial staff (clerical) is estimated to be about 12,000. The remaining staff is the workforce, also referred to as work-charged staff, which is estimated to be about 26,000.

Exhibit 4.5: Overall Staffing Pattern in CPWD (Sanctioned Posts)

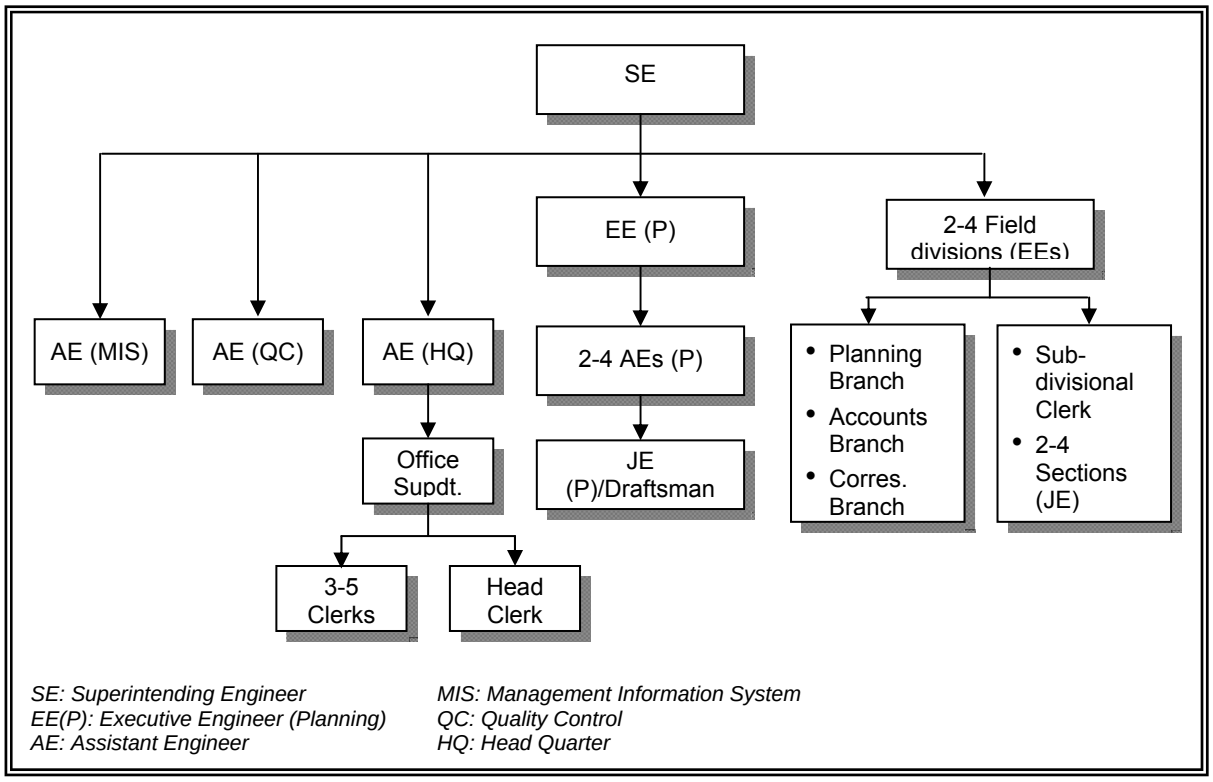
Group	Attached Office	Subordinate Cadre	Total
A	16	1,341	1,357
B	272	3,584	3,856
C	433	18,752	19,185
D	217	21,373	21,580
Total	**938**	**45,050**	**45,978**

4.2.2 New Delhi Region – Zone 4

There are five zones in the New Delhi Region. For the purpose of our micro-study, we decided to focus on one “Construction Circle” and one “Maintenance circle” of Zone 4. The objective was to understand the field operations of CPWD in the management of construction and maintenance activities. Delhi Central Circle 5 (DCC-5), which is a construction circle, and Delhi Central Circle 8 (DCC-8), which is a maintenance circle, were selected. Detailed discussions were held with the Superintending Engineers and other staff of these circles. We also went for field visits to a construction site and a maintenance service centre to get first-hand experience of the activities being performed.

A typical Field Circle of CPWD, for construction or maintenance, is headed by a SE. The SE is supported by 2-4 field divisions, each headed by an EE, and one EE (Planning). Up to three AEs and supporting staff are provided for office functions. In each of the field divisions the EE is also supported by 2-4 Field AEs and supporting staff to look after planning, accounts and corresponding functions. Each Field AE is supported by 2-4 JEs and one clerk. The typical structure of a circle is shown in Exhibit 4.6.

Exhibit 4.6: Typical Structure of a Field Circle (Construction or Maintenance)



By and large the above staffing pattern is followed in all regions and zones, though the number of divisions and sections varies according to the scale of operation. An important difference in the staffing pattern of a construction circle compared to a maintenance circle is that the latter has a large retinue of "work-charged" staff, such as masons, plumbers, sewermen and beldars, who carry out the maintenance activities. The labour for construction works, on the other hand, is supplied by contractors rather than by CPWD.

Construction Works

All construction projects follow a fairly standard project cycle that involves three distinct phases – (1) Preliminary Planning Phase; (2) Detailed Design and Documentation Phase; and (3) Work Execution Phase.

The Preliminary Planning Phase involves preparation of preliminary drawings by the Architects' unit, client's approval and preliminary estimates prepared by the Planning unit. These form the basis of Administrative Approval and Expenditure Sanction (AA and ES) by the client.

The Detailed Design and Documentation Phase involves preparation of detailed architectural drawings; scrutiny and approval by the urban local body and other regulatory organisations; and preparation of detailed estimates, structural drawings and draft tender documents. These are submitted to the competent authority within the CPWD for obtaining technical sanction for the project.

The Execution Phase begins with call for tenders and award of work to selected contractors. After this, the CPWD is responsible for all site activities from layout to execution. During this phase, coordination is the responsibility of the SE (Civil). Calling for tenders, award of contract, supervision of work, settlement of accounts and all other activities till handing over of the building to the client are the responsibility of the EE. The AE supervises all site activities with the help of JEs. Their main responsibility is measurement of quantities and settlement of bills against progress of works. The Architect, SE, EE, AE and JE inspect the works periodically according to CPWD norms.

The EE is also responsible for resolving disputes through arbitration, if necessary, and bring the project to closure. Some disputes may be settled in courts. After completion of a project, the quality of work is assessed by the Chief Technical Examiner (CTE). The EE has to respond to the observations made by the CTE. The project accounts are audited by internal and external auditor. It is also the EE's responsibility to respond to audit observations, also called audit paras.

Maintenance activities

The nature of work of the maintenance division varies from circle to circle depending on the type of buildings to be maintained, such as residential quarters, government offices, institutional buildings, etc. The various types of activities performed by the maintenance divisions of CPWD are shown in Exhibit 4.7.

A major activity of the maintenance division involves "day-to-day repairs" which are handled through CPWD's Maintenance Service Centres. These centres are located close to the buildings or locations under the division's charge.

Some of the maintenance activities are much larger in scope than the day-to-day activities. These may involve giving out works contracts that are managed in the same manner as a construction project. Further, a maintenance circle also undertakes standard construction projects of small and medium size, usually up to Rs 1 crore in value, which are within the sanctioning power of a SE.

Exhibit 4.7: Types of maintenance activities carried out by CPWD

Type of maintenance activity	Description
Day-to-day repairs (service facility)	• All buildings under its maintenance • On the basis of complaints received by the service centres
Annual repairs	• To maintain aesthetics of the buildings & services • Includes white washing, distempering, painting, cleaning of lines, tanks etc. • These activities are planned on year-to-year basis
Special repairs	• Restoration works • Repair of deteriorated parts due to ageing of buildings
Additions & alterations	• To suit special requirements of the occupants for functional efficiency • To upgrade the facilities time-to-time
Preventive maintenance	• To avoid breakdown of machinery (pumps & elevators) in buildings & services • Carried out on the basis of regular inspection/survey

In the category of “day-to-day repairs”, it is crucial that the complaints are attended within the stipulated time, and that the complainant is satisfied with the action taken. The Pushp Vihar Service Centre has a computerised complaint handling system to keep track of individual complaints. The entire operation, including the computerised complaints monitoring system, is managed by the private contractors. The division staff carries out regular inspections. The terms of the service contract are very comprehensive and these include clear performance standards, staffing norms, rules of conduct, feedback mechanisms and procedures for maintaining records. According to the CPWD officers, this outsourcing experiment is a success because the quality of services now is significantly better than before.

In the other two categories – “annual repairs and maintenance work” and “special repairs and preventive maintenance” – the division staff draws up plans and gets the work executed by contractors. Lack of adequate maintenance budget, shortage of skilled manpower and rising expectations among residents have made it difficult for the CPWD to deliver high performance through their own staff.

4.2.3 Issues related to Performance Assessment

The present system of performance appraisal in the CPWD is based on Annual Confidential Reports (ACR). Most of the employees are dissatisfied with this mechanism as they perceive it to be highly subjective and non-transparent. On our request, the CPWD organized a full day of meetings with various employees' associations. We raised issues related to performance measurement and feasibility of PRI in their respective cadres/positions. Their views are summarized below:

- **Engineers:** The senior engineers (CES Class I and Group A) were of the opinion that there are too many contextual factors, not within control of the individual, that affect performance. They support the concept of Project Management Units with more delegated powers for greater results. The middle-level promotee EEs felt that quantification of their performance is difficult, as clear targets are not given and comparisons across projects would not be valid. They felt that the individual's performance should not be assessed in isolation. It should be linked to performance of the Division and the Circle. They favour team-based performance incentives over individual incentives. The Junior Engineers expressed their frustration over lack of career advancement opportunities. They also do not support individual performance appraisal for PRI.

- **Architects/ Arch. Assistants/Asst. AD:** The architects felt that their performance should be measured by the quality of their work rather than quantity. The Arch Assistants felt that without proper distribution of work and clear directions or targets, it is not possible to measure their performance accurately.

- **Office Staff:** This group felt that they were being discriminated against due to the preferential treatment given to the CSS cadre. They support the concept of PRI and suggested that the indicators to measure their performance should emphasize quality of work and timeliness. Further, the assessment should be checked by an evaluation committee and it should be transparent.

- **Workers:** Both the artisans and the general labourers support the idea of PRI. The artisans felt that if users' feedback is to be considered, then they should also be allowed to record the constraints they face when performing certain tasks. They support PRI for overtime work and need clear yardsticks for judging performance.

In our discussions with various senior officers of CPWD, a number of important issues came up that should be addressed to create the enabling environment for measuring and incentivising performance.

- **Delegation of authority:** A manager can be held accountable for performance, provided there is adequate delegation of responsibility and authority. At present, this is missing in CPWD. Even a SE cannot take any action against an employee whose performance is unsatisfactory.

- **Overemphasis on enforcement of rules:** When an officer makes certain decisions for efficient implementation of a project, the chances are that some of his actions may not stand the scrutiny of audits. Very often, officers who have produced best results have been victims of vigilance inquiries. This discourages everyone from taking initiative. The implication is that it is better not to perform, because when you don't perform you also won't make mistakes.

- **Need for greater autonomy for CPWD:** The feeling among the top management is that the CPWD needs greater autonomy as the present level of bureaucratic interference is a major barrier for performance. Even routine operations need permissions from various ministries and government departments. For example, in the current budgeting process, the Chief Controller of Accounts has to provide a Letter of Credit (LOC) before any project can begin. Each and every financial sanction has to be obtained from the Pay and Accounts Officer of the client department or ministry.

- **Need for internal reforms:** There is a strong belief among the officers that internal reforms within the CPWD can greatly increase the organisations' output. At present, the organisation operates in a vertical silos format with no integration across different cadres who have to work together on projects. There is strong support for introducing the concept of Project Management Units comprised of multidisciplinary teams and headed by a Project Manager who would be given the financial and technical powers of the next higher level position.

- **Concerns about performance measurement system:** Many among the CPWD staff, at all levels, expressed concerns about the methodology of performance measurement. What if a person gets a bad posting where the opportunity to produce results does not exist, or if management support is missing. Further, the performance of an individual depends a great deal on the performance of others both inside and

outside the organisation. The difference in the level of available technology in project situations may make them non-comparable. It was emphasized that the vertical and horizontal linkages of a job have to be considered when assessing and comparing performance. Performance measurement should be moderated by the nature of constraints in particular situations. On the whole, there is greater support in CPWD for performance assessment and incentives at group/team level rather than at individual level.

4.2.4 Proposed Approach for Performance Measurement

In this section, we provide a broad framework for designing a performance measurement system for a Construction Circle and Maintenance Circle. The suggested performance indicators are not exhaustive. These are only meant to illustrate the proposed approach.

When a construction project begins, the JEs in the planning division are involved in preparing preliminary estimates for the project on the basis of preliminary drawings and plinth area rates of CPWD. Thus, for works in the Planning stage, the output of a JE can be measured in terms of the number and value of preliminary estimates initiated. Subsequently, the JE prepares detailed estimates required for obtaining technical sanction for the project. This is another indicator of the JEs output or performance.

For works in the execution stage, the JE is primarily responsible for preparing running account bills and final bills in pace with the progress of the project. Both are based on the measurement books maintained by the JE. The quality of a JE's work should be judged by the competence shown in the recording of measurements which form the basis of all bills and estimates. The JE also maintains site registers, conducts various field tests and quality checks, and performs many additional tasks as required. These can be captured by appropriate workload measures for the quantum of work done. The AE is best placed to assess the JE's performance. The performance of a JE can be benchmarked against pre-defined targets and operating norms (Exhibit 4.8).

Exhibit 4.8: Performance Measurement Framework for JE (Construction)

Performance Indicators	Type	Level	Benchmark
Works in Planning Stage • Preliminary estimates initiated (Number and amount) • Detailed estimates prepared (Number and amount)	Output	Individual	Targets
Works in Execution Stage • Running A/c bills prepared (Number and amount) • Final Bills prepared (Number and amount)	Output	Individual	Targets
Other Parameters • Recording of measurements • Maintaining the site registers • Field tests and quality checks • Additional work performed	Competency " Workload "	Individual	Norms

To assess the performance of AE in construction projects, the same process can be followed as described above for the JE. This is because the AE's main responsibility is to supervise all tasks performed by the JE. All bills and estimates prepared by the JEs are checked by the AE and forwarded to EE for approval. The entire process works like a chain. The output of an AE in terms of quality is the sum total of the output of various JEs working under him. The quality of the AE's supervision should be assessed by the EE in accordance with the strictly hierarchical system of CPWD. The illustrative framework for assessing the AE's performance is shown in the Exhibit 4.9.

Logically, the performance assessment approach described above also applies to the EE in construction divisions of CPWD. However, additional performance parameters are needed to reflect the role and responsibilities of the EE as the head of the division. The EE is responsible for handling arbitration cases, and responding to audit and technical examination observation (Exhibit 4.10).

Exhibit 4.9: Performance Measurement Framework for AE (Construction)

Performance Indicators	Type	Level	Benchmark
Works in Planning Stage • Preliminary estimates initiated (Number and amount) • Detailed estimates prepared (Number and amount) • Works sanctioned at own level (Number and amount)	Output	Individual	Targets
Works in Execution Stage • Running A/c bills prepared (Number and amount) • Final Bills prepared (Number and amount)	Output	Individual	Targets
Other Parameters • Checking of measurement entries • Field Tests and quality checks • Quality of supervision	Competency	Individual	Norms

Exhibit 4.10: Performance Measurement Framework for EE (Construction)

Performance Indicators	Type	Level	Benchmark
Works in Planning Stage • Preliminary estimates initiated (Number and Amount) • Detailed estimates prepared (Number and amount) • Works sanctioned at own level (Number and amount)	Output	Individual	Targets
Works in Execution Stage • Contracts handled (Number and Amount) • Final Bills prepared (Number and Amount) • Quality of works completed • Time and cost overruns	Output	Individual	Targets
Other Parameters • Arbitration cases (% satisfactorily handled) • CTE Paras (% satisfactorily handled) • Audit Paras (% satisfactorily handled)	Competency	Individual	Norms

In maintenance divisions, the output of JE, AE & EE is far more integrated although each has separate responsibilities. The EE is the overall in-charge and the AE still supervises the JEs, but their output cannot be measured separately. So we suggest a performance measurement framework at group level for the maintenance divisions. One set of measures covers day-to-day repairs. These focus on the performance of the division in responding to complaints from residents and other users of the buildings being maintained by the division. The suggested performance indicators include users' satisfaction with the services provided which should be obtained through periodic surveys of residents' feedback.

Another set of performance indicators is suggested for annual repairs of buildings and special repairs undertaken from time to time. The suggested indicators measure the total workload as well as the quantity and quality of the division's output. For each activity, the division should set targets for completion of works. Periodic inspections should be conducted by the EE and the performance of various units, such as Maintenance Service Centres, should be systematically related (Exhibit 4.11).

Exhibit 4.11: Performance Measurement Framework for CPWD Maintenance Service Centre (EE, AE and JE)

Indicator	Type	Level	Benchmark
Day-to-day repairs: • Total complaints received • % complaints attended within stipulated time • Users' Satisfaction (Ratings ≥ 4 out of 5)	Workload Efficiency Output	Group	Norms/Standards Inspections Residents' Feedback
Annual repairs: • No. of structures identified for annual repair • No. of structures actually taken up for repairs • Quality of work done	Workload Output "	Group	Targets Inspections Residents' Feedback
Special repairs: • No. of deteriorating structures identified for repairs - No. of such structures taken up for repairs - Quality of work done • No. of machinery rooms identified for repairs - No. of such structures actually taken up for repairs - Quality of work done • No. of requests received for special alterations required by the occupants - No. of requests attended - Quality of work done	Workload Output " Workload Output " Workload Output "	Group	Targets Inspections Residents' Feedback

The Pushp Vihar Maintenance Service Centre provides good example of a computerised complaint handling and tracking system. It has also conducted a users' satisfaction survey recently (see annexure for details). The Pushp Vihar facility is one of six such centres where the maintenance operations have been outsourced to private contractors.

4.2.5 Relating Incentives to Performance

In this section, we provide some broad guidelines for designing a PRI system for CPWD. The proposed structure is for a typical zone in CPWD. For the purpose of PRI, the performance of a Chief Engineer should be assessed on the basis of a sum total of the achievement of all circles in the zone. In addition, the Chief Engineer's achievements should be assessed with respect to the annual plan for the zone which should be prepared each year. The plan should contain goals and objectives of the zone and specific targets to be achieved. The PRI for the CE should be in the form of merit increments.

The SE's performance assessment should be based on achievement of annual targets of the circle and additional measures of managerial efficiency in managing various construction projects and maintenance activities in all divisions under the circle. The form of PRI recommended is annual bonus.

At the level of a division, the emphasis of performance assessment should shift towards measuring output and efficiency at individual level for the EE, AE and JE. The performance criteria also include achievement of annual quantitative targets of output. The rating system should distinguish between "high" performance (Level 1) and "outstanding" performance (Level 2). A specific quota is proposed such that maximum 20% of the officers of a particular rank would be eligible for PRI in the form of annual bonus. For clerical and other supporting staff, we suggest the same structure of PRI as for JEs. Group D staff may not be considered for PRI, but they should be paid overtime allowances and annual bonus for "high" individual performance based on feedback of immediate supervisors.

Exhibit 4.12: Proposed Structure of PRI for a CPWD Zone

Employee category	Performance Criteria	Rating System	Proposed Incentives
CE	• Based on achievement of all Circles and performance as Chief Executive of Zone	**Level 1:** Achievements exceeding targets in most areas **Level 2:** Achievements exceeding targets in all areas	**Merit increments:** • Up to 5% of basic pay for Level 1 • Up to 7.5% of basic pay for Level 2
SE	• Based on achievement of all Divisions and performance as Chief Executive of Circle	**Level 1:** Achievements exceeding targets in most areas **Level 2:** Achievements exceeding targets in all areas	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
EE	• Based on achievement of annual targets of the Division • Output and Efficiency indicators	**Level 1:** Exceeding targets and "High" efficiency rating in most areas **Level 2:** Exceeding targets and "Outstanding" efficiency rating in all areas	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
AE	• Based on Achievement of annual targets • Output and Efficiency indicators	**Level 1:** Exceeding targets and "High" efficiency rating in most areas **Level 2:** Exceeding targets and "Outstanding" efficiency rating in all areas	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
JE and other Group C staff	• Output Indicators • Workload and process indicators	**Level 1:** Exceeding targets and "High" rating **Level 2:** Exceeding targets and "Outstanding" efficiency rating	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
Group D	• Input indicators e.g. hours worked • Feedback of supervisors	–	• Overtime allowance as permissible • Annual bonus conditional on "satisfactory" routine performance

4.3 Micro study 2: UIDSSMT DIVISION (TCPO)

4.3.1 Town and Country Planning Organisation (TCPO)

The TCPO was established in 1962 as an apex technical organisation in the field of urban and regional planning at the national level. It is a subordinate office of the Ministry of Urban Development. The TCPO was instrumental in preparing the first Master Plan for Delhi. The Model Regional and Town Planning Act prepared by the TCPO in the early 1970s formed the basis of several State Town and Country Planning Acts across the country. The major functions of TCPO can be broadly grouped in the following areas:

The Joint Secretary (UD) in the Ministry of Urban Development is the ex-officio chairman of TCPO. The Chief Planner is the Executive Head. There are nine functional divisions within TCPO. One division is headed by the Chief Planner, six are headed by Town & Country Planners (TCPs), one is headed by an Industrial Planner and one by a Senior Social Scientist. There is a large administrative wing headed by the Administrative Officer. The total staff strength of the TCPO is 151. The staffing pattern is shown in Exhibit 4.13.

Exhibit 4.13: Staffing Pattern - TCPO

Name of the Division/Office	Technical Staff	Supporting Staff	Group D Staff	Total
Ex-officio Chairman office	-	2	3	**5**
Chief Planner Office	1	2	2	**5**
Metro and Urban Transport Division (MUT)	7	2	1	**10**
Policy Planning Division (PPD)	4	1	1	**6**
Small and Medium Towns – I (SMT-I)	7	6	3	**16**
Urban & Regional Information System (URIS)	10	2	2	**14**
Environmental and Regional Planning (ERP)	6	2	1	**9**
Special Projects, Traffic & Transportation Division (SPTTD)	7	2	1	**10**
Small and Medium Towns – II (SMT-II)	5	3	1	**9**
Industrial and Economic Planning (IEP)	7	3	1	**11**
Socio-Economic & Monitoring Division (SMD)	7	2	1	**10**
Administrative Wing	2	28	17	**47**
Total	**63**	**55**	**34**	**152**

4.3.2 UIDSSMT – Small & Medium Towns Division-I

The Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), is a major initiative of the Ministry of Urban Development. In fact, it is a counterpart of the JNNURM scheme. While the JNNURM covers mega cities, metropolitan cities and other large cities, the UIDSSMT applies to all other cities and towns that are not covered under JNNURM.

The UIDSSMT would fund projects related to water supply, sanitation, sewerage, solid waste management, road network and drainage in small and medium towns. The funds are to be provided by the central government, the state governments and raised through financial institutions in the ratio 80:10:10 respectively.

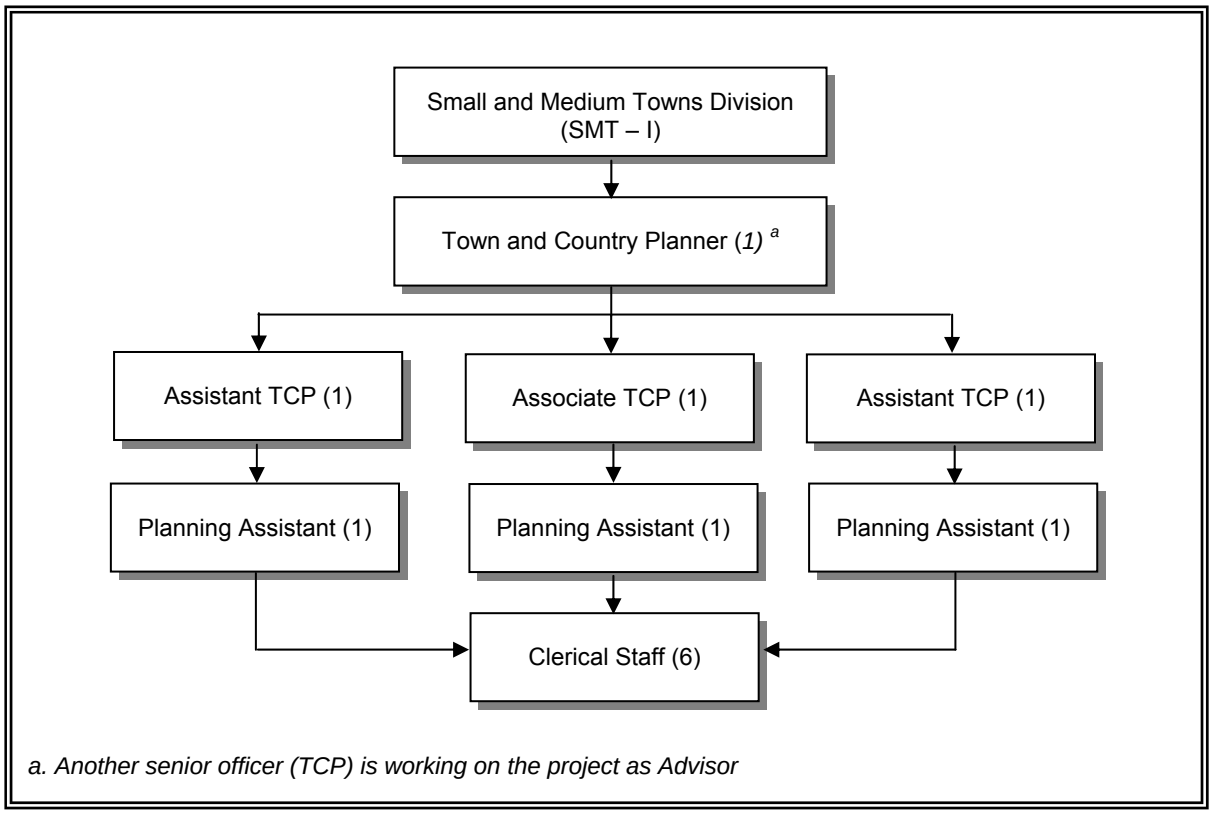
The UIDSSMT has a well defined process under which urban local bodies in different states submit project proposals to their respective State Level Nodal Agencies (SLNAs) who carry out techno-economic appraisal of the proposed projects. The appraised project proposals are then forwarded to the Ministry of Urban Development, the Planning Commission and the TCPO. The TCPO undertakes detailed scrutiny of the proposals and prepares its recommendations. These are then presented to the State Level Sanctioning Committee (SLSC). After the SLSC approves the projects, the Ministry of Urban Development releases the first of the two installments of the central government's assistance. After the milestone progress reports and utilization certificates are received, the second installment is released. The final utilization certificates become due within 12 months of closure of the financial year following the release of grants.

The Small and Medium Towns Division (SMT-I) is responsible for the UIDSSMT project within the TCPO. The project team structure is shown in Exhibit 4.14. The primary responsibility of examining UIDSSMT project proposals is distributed among one Associate Planner and two Assistant Planners with one Planning Assistant each. Their responsibilities are as follows:

- To examine the appraised project proposals received from different states for consistency with the UIDSSMT guidelines. Also, examine the Memorandums of Agreement.
- To provide feedback to state level nodal agencies (SLNA) and follow-up till release of first installment of central government funds.
- To obtain quarterly progress reports from states (SLNA) and point out deficiencies, if any.

- To facilitate release of second installment of funds.
- Attend meetings of state level sanctioning committees (SLSC) and visit project sites to monitor progress.
- Follow up with SLNAs to obtain quarterly progress reports and utilization certificates.
- Submit overall progress report to Ministry of Urban Development.

Exhibit 4.14: Structure of the Project Team



a. Another senior officer (TCP) is working on the project as Advisor

4.3.3 Issues Related to Performance Assessment

We held a series of meetings with the senior officers of TCPO and some members of the team working on the UIDSSMT project. The overall feedback was that measuring performance at individual or group level in the TCPO would be feasible as most of the divisions work in the project mode such that there is reasonable clarity on deliverables. However, there are serious enabling environment issues related to performance management throughout the organisation. Some of these issues were articulated during an open meeting where most of the technical staff of TCPO was present.

There is high level of frustration among the technical staff due to lack of professional advancement opportunities. Most of it stems from the fact that the Assured Career Promotion Scheme of the Government of India, under which many government employees

are given higher pay scales when vacancies for promotion are not available in their departments, have been denied to many TCPO employees on the ground that they don't have the required educational qualifications for the higher posts. The irony is that gazetted officers in non-cadre posts throughout the government are given this benefit as the eligibility clause of qualifications does not apply to them. There is also great resentment of the lack of parity in pay scales and allowances of planners working in other government organisations, such as the DDA compared to the TCPO. This is given as the primary reason for lack of motivation among staff.

Another enabling environment constraint that was brought to our attention was that often work assigned to individuals was not in their area of expertise. Partly this happens because the TCPO has not been proactive in setting its agenda on the basis of its strengths and expertise. Rather, it waits for the Ministry of Urban Development to assign work. It was felt that being a "subordinate" office of the Ministry is the cause of this mindset. The key to overcome this situation would be greater autonomy from the Ministry and a more proactive leadership within. Most of the staff agrees that the organisation has the potential to be far more productive and make much greater impact than it is doing today.

In our assessment, very little attention has been paid to defining performance objectives for different divisions within the TCPO. There has been no attempt to set performance targets or benchmarks either at individual or group level. It is clear that performance can be greatly enhanced by addressing the enabling environment constraints and introducing an appropriate system of performance measurement and incentives.

4.3.4 Proposed Approach for Performance Measurement

Returning to the case of the SMT-I Division, their role in the UIDSSMT project is essentially that of technical monitoring of the implementation of the scheme in different states. The process of performance measurement should begin with assessing the nature of tasks involved and assigning responsibilities to each member of the team on what is expected from them both in terms of quantity and quality of output. The next step is to identify specific criteria and indicators for measuring the actual output of the team members on each of the criteria. This is followed by setting performance benchmarks to judge how the actual performance should be rated.

As an illustration, consider the role of the Associate or Assistant TCP in the UIDSSMT project. Their key responsibilities are:

- To examine the project proposals with reference to the scheme guidelines
- To scrutinize the Memorandum of Agreement for implementation of mandatory and optional reforms.
- To follow-up the process for submission of progress reports and utilization certificates during implementation of projects.
- To undertake visits to the states for participating in meetings of state level sanctioning committees (SLSC) and to project sites.

The proposed framework for measuring the performance of Associate or Assistant TCP is shown in Exhibit 4.15. Illustrative output indicators are suggested for each of the major activities. The emphasis is on measuring quantity and quality of output and the role of the supervisor or reporting officer in the assessment process. It is proposed that individual performance should be benchmarked against targets and peer comparisons. The unit should agree on individual targets and establish a Management Information System (MIS) for recording data related to each of the performance indicators.

Exhibit 4.15: Performance Measurement Framework for Associate TCP/Assistant TCP

Performance Indicators	Type	Level	Benchmark
Project Proposals: • No. of reports examined (provide details) • Quality of scrutiny (to be assessed by TCP)	Output (quantity) Output (quality)	Individual	Targets and Peer Comparisons
Memorandum of Agreement (MoA): • No. of MoAs examined (provide details) • Quality of scrutiny (to be assessed by TCP)	Output (quantity) Output (quality)	Individual	Targets and Peer Comparisons
Progress Reports and Utilization Certificates: • Follow-up actions taken for obtaining Progress Reports and Utilization Certificates (provide details) • Quality of follow-up (to be assessed by TCP)	Output (quantity) Output (quality)	Individual	Targets and Peer Comparisons
Other Activities: • Number of field visits to attend SLSC meetings, monitor projects etc. (provide details) • Preparation of annual status report (provide details) • Additional Work performed (provide details)	Inputs Inputs Inputs	Individual	Norms

4.3.5 Relating Incentives to performance

The Chief Planner (and Additional Chief Planner, which is a vacant post in TCPO at present) has the responsibility and the authority to lead the organisation towards achieving its larger mission goals. Being a professional research organisation, one of the important goals is to make a significant impact in the practice of urban planning in the country. The Chief Planner's performance should be judged on this basis. The assessment could be made by the Ministry and other client organisations as well as by an evaluation committee that includes eminent professionals and researchers. The mode of PRI that we propose is merit increments because these achievements have a long-term turn-around effect on the organisation.

At the next level, for TCP/Associate TCP/Assistant TCP, a conventional performance measurement approach of measuring quantity and quality of output is recommended. Specific performance criteria could be different for the three posts. PRI in the form of annual bonus is recommended. There is a need to distinguish between “high” performance that exceeds normal benchmarks, and “outstanding” performance, that exceeds expectations in all areas.

The next level of technical staff, such as Planning Assistants, Draftsmen etc. should be assessed in terms of their individual output and workloads handled. PRI for them should be in the form of annual bonus.

The supporting clerical staff can be evaluated on the basis of workloads handled above the specified norms. The annual bonus should be performance based and should be proportional to the performance ratings. For Group D staff, we recommend performance assessment based on workload and feedback of immediate supervisors. The award of bonus should not be automatic. Our recommendations are summarized in Exhibit 4.16.

Exhibit 4.16: Proposed Structure of PRI for TCPO

Employee category	Performance Criteria	Rating System	Proposed Incentives
Chief Planner	• Evaluation by the ministry and client organisation about TCPO's contribution • Evaluation of contributions of the organisation to the field of Urban Planning assessed by eminent professionals & researchers	**Level 1:** High performance indicating significant improvement over previous years **Level 2:** Outstanding performance exceeding expectations in all areas	**Merit increments:** • Up to 5% of basic pay for Level 1 • Up to 7.5% of basic pay for Level 2
TCP Additional Chief Planner Associate TCP Assistant TCP Associate Planner Assistant Planner Research Officer	• Output (quantity & quality) • Additional Workload handled	**Level 1:** "High" performance rating based on internal assessment **Level 2:** "Outstanding" performance	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Planning Assistants	• Output (quantity & quality) • Additional Workload handled	**Level 1:** "High" performance rating based on internal assessment **Level 2:** "Outstanding" performance	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Supporting staff	• Workload handled above norms	-	**Annual Bonus:** • Up to 10% of annual pay
Group D staff	• Input indicators e.g. hours worked • Feedback of supervisors	-	• Overtime allowance as permissible • Annual bonus conditional on "satisfactory" routine performance

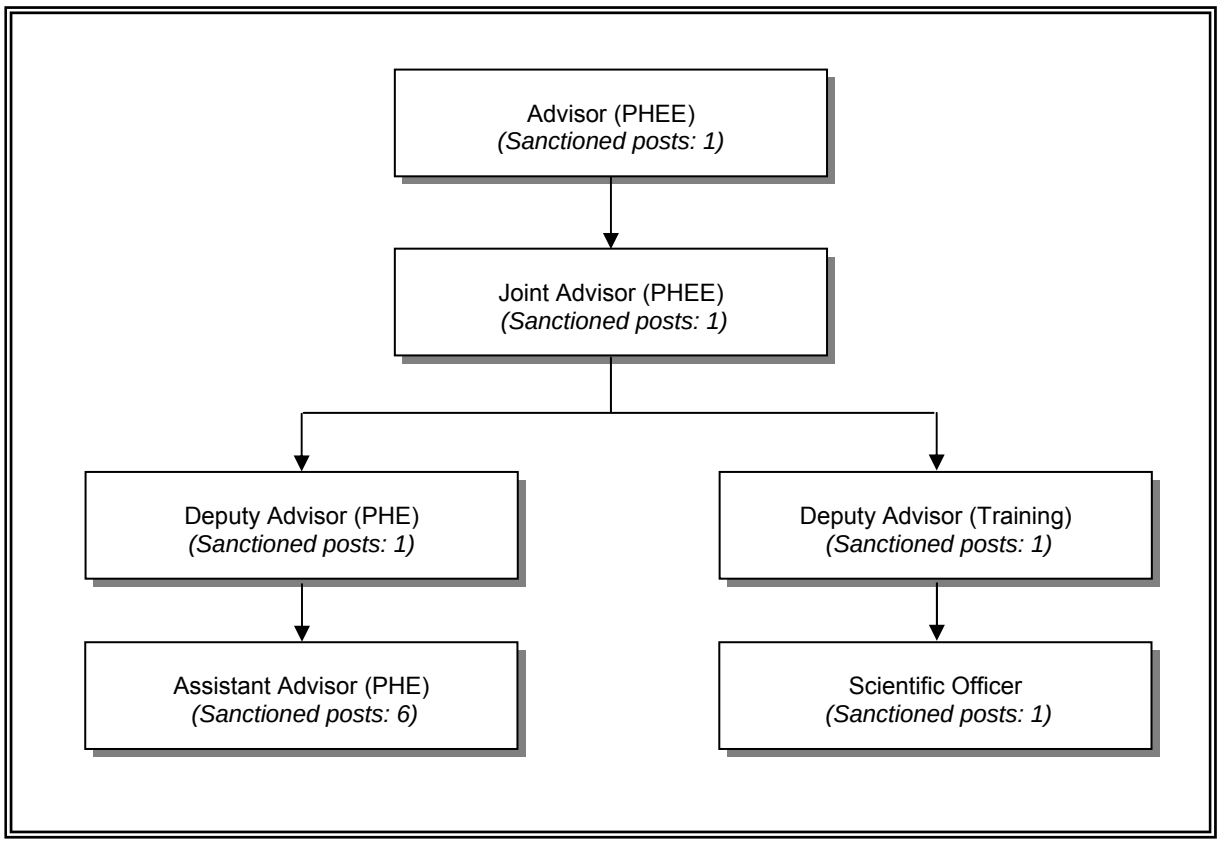
4.4 Micro-study 3: Central Public Health & Environmental Engineering Organisation (CPHEEO)

4.3.1 Organisational Structure

The Central Public Health & Environmental Engineering Organisation (CPHEEO) is primarily a technical department in the Ministry of Urban Development (MUD). Its main function is to provide advisory services to the Ministry of Urban Development on – water supply, sewerage, drainage, and solid waste management in urban areas across the country. The CPHEEO is like a subordinate office of the Ministry, though it functions as a division under the Water Supply & PSP department.

The CPHEEO is headed by Advisor (PHEE), who has a technical background. In the Ministry's set-up the Advisor (PHEE) reports to the Director (WS & PSP). Other technical posts in the CPHEEO are: Joint Advisor, Deputy Advisor, Assistant Advisor and Scientific Officer. Recruitment in the CPHEEO is made through the UPSC. The entry level post in CPHEEO for technical positions is Assistant Advisor/Scientific Officer. Minimum qualification required for the post of Assistant Advisor/Scientific Officers is M.E./M.Tech or equivalent.

Exhibit 4.17: Organisational Structure of CPHEEO



The CPHEEO staff may be divided into two categories – technical and non-technical. The technical staff includes Assistant Advisors/Scientific Officer, Deputy Advisors, Joint Advisor and Advisor. Other staff in CPHEEO, such as Section Officer, Stenographers, UDC and LDC, are non-technical. Total sanctioned posts in CPHEEO are 11 in technical, and 21 in non-technical positions. Presently, in CPHEEO, 5 out of 11 technical posts, and 5 out of 21 non-technical posts are lying vacant. Detailed staffing pattern of CPHEEO is shown in Exhibit 4.18.

Exhibit 4.18: Staffing pattern – CPHEEO

S.No.	Designation	Total sanctioned posts	Filled
1.	Advisor (PHEE)	1	0
2.	Joint Advisor (PHEE)	1	1
3.	Deputy Advisor (PHE)	1	1
4.	Deputy Advisor (Training)	1	0
5.	Assistant Advisor (PHE)	6	3
6.	Scientific Officer	1	1
7.	Non-technical staff (including peons)	32	22
	Total	**43**	**28**

4.3.2 Functions and Responsibilities

Appraisal of Project Reports (DPRs)

One of the main functions of the CPHEEO is coordinating projects related to urban water supply, sewerage, drainage and solid waste management through the Ministry of Urban Development. These projects may be funded by the Central Government, World Bank, or any other National or International agency. The CPHEEO's role is to conduct techno-economic appraisal of various Detailed Project Reports (DPRs) received by the ministry.

CPHEEO has evaluated and approved more than 1200 DPRs submitted by various Urban Local Bodies (ULB's) across the country under the AUWSP (since 1994-95). All the DPRs related to urban water supply & sanitation, sewerage, drainage and solid waste management under the JNNURM are appraised by the CPHEEO. Since the inception of JNNURM, CPHEEO has evaluated about 138 DPRs (of projects worth Rs.14,492.55 crore). CPHEEO has also been given the responsibility of evaluating DPRs (related to water supply

& sanitation) submitted under the UIDSSMT. Additionally, CPHEEO co-ordinates various projects related to urban water supply & sanitation that are funded by other agencies.

Parliamentary Questions, V.I.P. References and Government Committees

CPHEEO provides support to the Ministry in answering parliamentary questions and responding to VIP references related to urban water supply & sanitation. The advisors serve on various committees of other ministries & organisations such as MHFW, BIS and CPCB, where CPHEEO representatives have to provide technical inputs on specific issues. Each of the CPHEEO technical staff is representing the organisation in one or other committee.

Training

CPHEEO, with the help of several reputed Institutes in the country including IITs & NITs, facilitates training programmes for the PHE engineers working with any Government organisation in the country. Although, CPHEEO doesn't organise courses or conduct lectures, it facilitates the admission of candidates by processing their applications across its institutional network. The candidates are offered three types of courses viz. – M.E./M.Tech in PHE; 3 months special training programme (for J.E. level); and 1-4 weeks refresher programmes. There are 66 different types of 1-4 weeks refresher courses conducted at 20 technical institutes across the country. For M.E./M. Tech courses, CPHEEO has 95 slots (per session) among 12 institutes including IIT-Delhi, IIT-Kanpur, NIT-Allahabad, NIT-Nagpur and Annanamalai University. On an average, more than 1,200 candidates attend these courses in a year.

Publication of Manuals

CPHEEO publishes manuals related to water supply & sanitation, which are periodically revised. These manuals are prepared with the help of experts from external agencies. CPHEEO's main role is to coordinate the production of these manuals as well as to carry out revisions.

Miscellaneous

There are several daily activities in the organisation which may not be considered as routine tasks. These include – work related to the Planning Commission; Finance Commission; special assignments like review of a report other than DPRs for an external

agency or department; and maintaining databases; monitoring of institutes under training programme network; administrative tasks; etc.

4.3.3 Performance Assessment and related issues

The CPHEEO is not a typical government department as its functions are purely advisory. Quite appropriately, all of the technical posts are of Advisors at different levels and these are held by well-qualified persons with technical background. Assessing the performance of technical advisors is obviously not simple as it would require even more qualified technical persons from the same field to make a judgement. Measuring their performance in terms of output indicators has to be necessarily subjective.

In the CPHEEO, all of the advisors have been assigned the work of technical appraisal of Detailed Project Reports (DPRs) submitted by various JNNURM cities. This work is somewhat similar to what planners are doing in TCPO. It is also different in the sense that the CPHEEO advisors focus on the techno-economic appraisal of proposed projects, rather than just the consistency of the proposals with the given procedural guidelines of the scheme. The work is clearly more technical.

There is an even more serious issue of enabling environment in CPHEEO because of inadequate technical staff at present. The post of Advisor, who is the head of the department, is vacant since 2003. Similarly two posts of Deputy Advisor are vacant. Out of 11 technical posts only 6 are filled. The department is functioning with 1 Joint Advisor, 1 Deputy Advisor, 3 Assistant Advisors, and 1 Research Officer. If we juxtapose this against the reported workload in terms of the number of DPRs appraised under JNNURM and the number of references that the department receives, it would not be wrong to conclude that the quality of scrutiny and responses to references must be getting compromised. During our discussions we were informed that the Ministry of Urban Development is supporting the CPHEEO's proposal for 11 additional posts of Advisors which will be submitted to the Ministry of Finance soon.

4.3.4 Proposed Approach for Performance Measurement

In this section we provide an illustrative framework for measuring the performance of an Assistant Advisor in CPHEEO. The functions or job responsibilities of the Assistant Advisor can be broadly grouped into three categories –

- Appraising DPRs of projects under JNNURM

- Responding to variety of references, e.g. Parliament questions, VIP references and queries from other ministries, government departments and international development agencies.
- Coordination activities, such as nominating persons for training programmes, preparation of technical manuals etc.

For each category we suggest using performance indicators to measure quantity and quality of output. For example, the number of DPRs appraised together with the details of date(s) on which the project report was received, the response sent and final approval given; the major revisions made and implications for project cost can be considered to measure output. The quality of scrutiny should be assessed by the Advisor/Deputy Advisor by examining the evaluation reports prepared by the Assistant Advisors.

Coordination activities may be assessed on the basis of specifics of work performed and time spent for each activity. The framework proposed by us is shown in Exhibit 4.19.

Exhibit 4.19: Performance Framework for the Assistant Advisor

Performance Indicators	Type	Level	Benchmark
Detailed Project Reports (DPRs) Appraised • No. of DPRs (provide details)[1] • Quality of scrutiny (based on assessment by Advisor/ Dy. Advisor)	Output (quantity) Output (quality)	Individual	Peer comparisons
References handled • No. of references (provide details)[2] • Quality of responses (based on assessment by Advisor/ Dy. Advisor)	Output (quantity) Output (quality)	Individual	Peer comparisons
Coordination activities (e.g. training programs, manuals, any other) • Man days spent (provide details)[3]	Workload	Individual	Norms

Notes:
1. Project details; date(s) on which report was received, response sent, and final approval; major revisions made and implication for project cost.
2. Source of reference; specific queries; extent to which queries were answered.
3. List specifics of work performed and time spent activity wise.

4.3.3 Relating Incentives to Performance

As in the case of TCPO, we propose that for the purpose of PRI, the performance of Advisor and Joint Advisor should be evaluated in terms of the extent to which the Ministry and other client organisations have benefited from the contribution made by CPHEEO. Other criteria should be based on evaluation of the contribution in individual capacity and by the organisation to the field of public health and environmental engineering. This assessment should be made by eminent professionals and researchers. We propose PRI in the form of merit increments.

The performance criteria for Deputy Advisor, Assistant Advisor and Scientific Officer should be based on output indicators measuring quantity and quality and additional workload handled by the individual. For these posts we propose PRI in the form of annual bonus. The performance appraisal of clerical and other supporting staff should be measured in terms of additional workloads over and above the norms. They should be eligible for annual bonus proportional to the additional workload handled with a “high” performance rating. For Group D staff we recommend using input indicators such as umber of hours worked and feedback received from immediate supervisor. They should be eligible for overtime allowances and annual bonus provided their performance is satisfactory. The proposed structure of PRI for CPHEEO is shown in Exhibit 4.20.

Exhibit 4.20: Proposed Structure of PRI

Employee category	Performance Criteria	Rating System	Proposed Incentives
Advisor	• Evaluation by the ministry & client organisation about CPHEEO's contribution • Evaluation of the contributions of the organisation to the field of PHE assessed by eminent professionals & researchers	**Level 1:** High performance indicating significant improvement over previous years **Level 2:** Outstanding performance exceeding expectations in all areas	**Merit increments:** • Up to 5% of basic pay for Level 1 • Up to 7.5% of basic pay for Level 2
Deputy Advisor, Assistant Advisors, and Scientific Officer	• Output (quantity & quality) • Additional workload handled	**Level 1:** "High" performance rating based on internal assessment **Level 2:** "Outstanding" performance	**Annual Bonus:** • Up to 10% of annual pay for Level 1 • Up to 20% of annual pay for Level 2 • Limited to 20% of posts
Supporting staff	• Workloads handled above norms • Efficiency indicators	–	**Annual Bonus:** • Up to 10% of annual base pay
Group D staff	• Input indicators e.g. hours worked • Feedback of supervisors	–	• Overtime allowance as permissible • Annual bonus conditional on "satisfactory" routine performance

4.5 Micro-study 4 : Administration Section IV and Desk I-B

4.5.1 Administration Section - IV

This section deals with the establishment matters of Group B (Non-Gazetted) and Group C employees of the Secretariat. Establishment matters include the following :

- Appointments
- Posting and Transfers
- Court cases, References, RTI
- Data Management

Exhibit 4.21 : Staffing Pattern

S.No.	Designation	Total sanctioned posts
1.	Section Officer	1
2.	Assistants	4
3.	UDC	2
4.	LDC	2
	Total	**8**

The workload in the section is divided as follows:

- Assistant-I deals with establishment matters of ex-cadre employees (departmental canteen, car drivers, isolated posts) which are 52 in number.
- Assistant-II deals with the establishment matters of assistance, which are 60 in number.
- Assistant-III deals with establishment matters of UDCs of strength 51.
- Assistant-IV deals with establishment matters of LDCs of strength 41.
- Assistant-V deals with miscellaneous works like servicebook returns; personal files; all types of monthly, quarterly, half yearly and annual reports; RTI; Sanction of special types of leaves.
- UDCs deal with establishment matters of Stenographers of Grades C & D.
- LDC-I deals with diary and dispatch.
- LDC-II deals with leave and annual increment in respect of Non-Gazetted staff like assistants, LDC, EDC, Stenographers Grade C & D, Hindi Translators, Accountants, RA, SA and canteen staff.

Overall the staff of this section is receptive to the idea of performance measurement. They feel that it would be possible to maintain a log book of case handling in the section. On performance criteria they feel that 50% weightage should be given to quantitative measurement of workload; 30% weightage should be given to parameters like turn around time, proper entries without mistake etc., and other attributes such as employee's commitment should be given 20% weightage.

There was extended discussion on enabling environment constraints that hinder performance. It was pointed out that career progression for the staff of the section is very slow. PRI could be a motivating factor. It should be based on a mix of group and individual assessment since everyone contributes to the performance of a Section.

4.5.2 Delhi Division - Desk I-B

The Desk Officer system was introduced in the Ministry sometime back on the assumption that it would expedite administrative processes, especially for those departments whose functions are advisory in nature. In this system, either an Under Secretary or a Section Officer manages a desk with the help of only one stenographer. Several desks share additional secretarial staff.

Desk I-B of the Delhi Division under the Ministry of Urban Development is headed by an Under Secretary supported by 1 stenographer. Six Under Secretaries in the Delhi Division share 3 UDCs/LDCs, 1 Assistant and 2 peons.

The responsibities of Desk I-B are as follows:

- Examining and approving the master plans of Delhi
- Handling of receipts which may be a letter or a file
- Miscellaneous work (Court Cases, VIP references, RTI, Parliament Questions, etc.)
- Other subjects like processing of Committee Reports, Building By-Laws, Misuse of Property, Policy matters regarding transfer of DDA colonies to MCD

It was reported that the total intake of receipts in Desk I-B is on average 20 receipts per day. The work involved is usually too complicated to deal with this level of work flow. For example, approving the Master Plan of Delhi involved the following activities:

- Examining the whole plan along with examining the inputs from the concerned agencies
- Giving approvals during the processing of files
- Giving notifications like objections, suggestions, etc.

- Sending the plan back for revisions.
- Submitting the revised plan to the Ministry
- Examining the comments, legal or procedural issues raised by Ministry
- Giving Final Notification
- Making amendments and relaxations

Given the sensitivity of the issue and various court judgements that had implications for the Master Plan, each of these activities required enormous effort and time. The desk officer has to also deal with various court cases by filing affidavits and applications, and attend hearings. Similarly, there is a large flow of RTI references, VIP references and Parliamentary questions for this desk. On the whole, not more than 65% of the workload can be handled daily. The rest is invariably carried forward.

In the opinion of the Desk Officer, the desk system is not useful for policy desks that deal with multiple files. Although it may be possible to keep a record of time spent on various activities and cases, the workload is too high and distribution of work even among the six desks of Delhi Division is unequal. That makes it difficult to compare performance. PRI is too advanced a concept. What is required is more rational distribution of work and more staff.

4.5.3 Proposed Approach for Performance Measurement

The workload of a section can be categorized into “routine” receipts or files and “non-routine” receipts or files. Usually, there are accepted norms such as 10-12 files per day per clerk for routine cases. The “non-routine” receipts/files are those that may require more time to process. These can be further subdivided into three categories -- those for which there are set procedures; those for which there are no set procedures; and different types of references such as parliament questions, VIP references, etc.

For “routine” receipts or files, the performance of a section can be measured in terms of number of files processed per day or per week and comparing this with established norms applied to existing staff strength. The Section Officer should provide explanation when targets are not achieved.

For “non-routine” receipts or files, the details of each case should be individually recorded. The performance of the Section can be measured in terms of the time taken to process the case till it is disposed. The Section Officer should specify the estimated normal processing time for each case. If this is exceeded, explanation should be given. Finally the

Reporting Officer (either the Under Secretary or the Deputy Secretary), should evaluate the Section's performance, either monthly or quarterly, on the basis of such reports.

Exhibit 4.22: Illustrative Monthly Performance Report of a Section

A. Routine receipts/files

Type (sub category)	No of files processed in a month	Weekly average	Target based on norms and staff strength	Reasons for not achieving targets
1. 2. 3.				

B. Non-routine receipts/files

Type	Date of receipt	Target date for disposal	Status at the end of month	Section Officer 's remarks
• Non routine with set-procedure (List) 1. 2.				
• Non-routine without set-procedure (List) 1. 2.				
• References (List) *Parliament questions:* 1. 2. *VIP references:* 1. 2. *Others:* 1. 2.				

4.5.4 Relating Incentives to Performance

From our study of a Section and a Desk in the Ministry of Urban Development, we have concluded that relating pay to performance is both feasible and desirable. However, the process of measuring performance would have to be introduced gradually. In the initial stages, the focus should be on keeping records of all receipts or files being processed in the section along the lines of the framework suggested above. Subsequently, a more elaborate file tracking system may be developed with the possibility of measuring individual performance within the section. However, in the early stages, we recommend performance measurement at group level for a section.

PRP may be given for "outstanding" performance to the full staff of a Section or a Desk. The award may be limited to not more than 20% of the staff in the Ministry. To make this selection, performance has to be compared across various sections, which is difficult because of the differences in the nature of work. However, a special evaluation committee can be set up to undertake a comprehensive evaluation exercise once a year to compare the work of all sections on clearly defined criteria.

Exhibit 4.23: Proposed Structure of PRI

Employee category	Performance Criteria	Level	Proposed Incentives
Under Secretary	• Managerial abilities and overall performance of all sections	**Level 1:** Achievements exceeding targets in most areas **Level 2:** Achievements exceeding targets in all areas	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
Section Officer	• Managerial abilities and overall performance of the section	**Level 1:** Exceeding targets and "High" rating **Level 2:** Exceeding targets and "Outstanding" efficiency rating	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts
Assistants UDC LDC	• Output Indicators • Workload and process indicators	**Level 1:** Exceeding targets and "High" rating **Level 2:** Exceeding targets and "Outstanding" efficiency rating	**Annual Bonus:** • Up to 10% of pay for Level 1 • Up to 20% of pay for Level 2 • Limited to 20% of posts

Chapter 5

Conclusions and Recommendations

This study on "Feasibility of Performance Related Pay in Government" pertains to two ministries- 1) Ministry of Health and Family Welfare, and 2) Ministry of Urban Development – which represent basic social infrastructure sectors. The present system of pay and career advancement for the employees in both ministries is almost entirely seniority based. Despite the elaborate system of ACRs, neither salary increases nor promotions are linked to performance. It is a very weak link at best. In this context, the issues related to introducing PRI in these organizations are quite complex.

We have examined the feasibility of introducing PRI by focusing on a selected number of departments/units within these large organizations. Specifically we have conducted four micro-studies – one Subordinate Office; one programme office; and two administrative sections – in each ministry. This is obviously a small subset of the large number of departments and offices of various types that constitute these ministries. The following conclusions and recommendations should be seen keeping this limitation in mind.

5.1 Ministry of Health and Family Welfare

(a) Micro-study 1: Safdarjang Hospital

- Although this is a very large public hospital, it has very high patient load compared to the available staff in almost all departments. The OPDs, wards and operation theatres are overflowing with patients on most days. Not only the staff, but also other resources are stretched to capacity. The level of technologies used in treatment is quite advanced and modern.

- There is no existing system for assessing the performance of staff at individual or collective level. Identifying performance indicators to measure doctors' performance is quite complicated. It is possible to measure the quantity of output and productivity in terms of patient load, but it is difficult to assess the quality dimensions. Relating performance of doctors to the final health outcomes of patients is nearly impossible to measure. This would require detailed analysis of patient case histories and

medical audits. Ratings by patients can be biased. However, senior doctors can assess the competencies of junior doctors.

- For measuring the performance of other staff (nurses, technicians and supporting staff) it is possible to measure workloads and competencies. Assessment should be done by their superior officers as well as doctors whom they assist. It is also quite feasible to organize systems for obtaining feedback from patients to rate the performance of nursing staff and attendants.

- Norms and targets have to be developed to serve as benchmarks for performance measurement. The hospital managers should address this issue. Further, an MIS is essential to support performance measurement. This does not exist at present. High level of computerization is needed for this purpose.

- The key enabling environment issue that needs to be addressed to improve performance at all levels is the need to reduce patient load or manage it differently. Doctors may need to be relieved from some extra responsibilities that distract them from performing their primary job. Providing more staff and more beds appears necessary.

- PRP should be introduced gradually. The hospital should first develop a performance measurement system and MIS. Initially, focus on measuring workloads and competencies and prepare monthly assessment reports. PRI can be introduced subsequently. It should be given on the basis of group performance, to units or teams of doctors, or ward-level assessment of nursing staff. The recommended form of PRI is annual bonus. The top administrators of the hospital should be assessed on the basis of achievements compared to agreed targets and plans of their respective departments.

(b) Micro-study 2: CGHS Dispensary, Laxminagar

- A CGHS dispensary has a more manageable setting for performance assessment compared to a large public hospital. The total pool of patients is fixed; the patients are identifiable; staffing norms have been defined; and several operations are already computerised.

- Assessing doctors' performance is easier in this setting than in a hospital, though some of the conceptual problems of performance indictors remain. The patient load is easier to measure, and it would not be difficult to implement patient feedback surveys to rate the quality of services. Relating performance to health outcomes is difficult but not impossible. Workloads of other staff can be easily measured and their competencies can be assessed by special evaluation committees.

- Overall, in our opinion, setting up a performance measurement system, and a supporting MIS, is feasible in the CGHS dispensaries. The major enabling environment constraints that should be addressed are: need to provide more nursing staff; more delegation of authority to medical officers and more management training inputs so they may be able to achieve individual and collective performance objectives.

- In Chapter 3, we have provided a broad performance measurement framework for a CGHS dispensary. We recommend individual level assessment for doctors and technicians and group-level assessment of pharmacists/storekeepers. Nursing staff can be assessed at either level. We have also recommended a PRI structure for each category of staff. It should be in the form of annual bonus linked to performance. Initially, it may be a good idea to compare the performance across dispensaries at group level and award PRI to the staff of best rated dispensary, for example, in a zone.

- Our overall conclusion is that PRI can be introduced throughout the CGHS system within a short period of time. Professional consultants can be used to design an operating PM system and MIS. We feel that by introducing PRI in CGHS dispensaries it would be possible to completely change the perceptions about CGHS among the beneficiaries. PRI can also lead to very positive impacts on the success of programmes like RCH and TB control which are aimed at general public and are now also being implemented throughout the CGHS dispensaries.

(c) Micro-study 3: Central TB Division - RNTCP

- Although this micro-study was to focus on the Central TB Division located in the Ministry, we found it necessary to examine the full reach of the programme, till state, district and sub-district levels. The CTD is a planning, coordinating and monitoring

office, whereas implementation is entirely a state-level activity. Although the programme structure is top-down, results have to be achieved bottom-up. Thus, to assess the performance of the central division, outputs and outcomes have to be measured at district or sub-district level. This is probably true about all similar national programmes/schemes of the Ministry, which are now part of the National Rural Health Mission.

- A significant feature of the Revised National TB Control Programme (RNTCP) is the very comprehensive and well-designed monitoring system and MIS that has already been put in place at all levels. It uses a variety of process indicators, operational norms and targets to monitor programme effectiveness. Additional indicators are needed to measure performance in terms of outputs and efficiency of programme staff.

- Of course, there is a danger that quantitative target-based assessment of performance, especially when tied to PRI, would create perverse incentives to fudge data rather than report actual results, but this has to be prevented with better monitoring and built-in checks.

- In our opinion, the system of performance measurement for this programme should assess group rather than individual assessment and PRI should be given on group basis, e.g. to outstanding or high performing TB units (TU) at sub-district level or TB cells (DTC) at district level. The enabling environment issue that should be addressed is the need to delegate more responsibility and authority to lower levels, so that the staff there has more control over their performance. Simultaneously, monitoring should be further tightened.

- We have recommended PRI in the form of merit increments for the head of the programme in the CTD (DDG-TB), and annual bonus payments for programme managers. The system of measuring performance and performance related incentives can be extended to programme staff at state and district levels. Probably, the same model can work for other national programmes and schemes for the ministry provided the prerequisite monitoring system and MIS are in place.

(d) Micro-study 4: Establishment Section-I and C.H.S. Section-IV

- On the basis of our study of two establishment sections, it seems that there is a lot of variation of workloads across sections in the ministry. We suspect that some sections are overloaded while others are not. This probably inherent in the concept of a section itself, which is a standard unit of supporting staff that remains fixed. The workloads have to be divided to fit the section rather than configuring the section to fit the workloads. This makes the whole system of administrative support somewhat inflexible and inefficient.

- The key issues related to performance measurement in a section are the absence of a system of classifying receipts/files/cases to indicate the nature of effort and time that would be required during processing. As a result, it is not possible to establish any norms for individual staff to perform the assigned tasks. There is also no system of recording the actual time or effort spent on processing a case file.

- There are many enabling environment constraints that affect performance of a section and individual staff. Priorities to be assigned to incoming receipts and files change from day to day on “instructions of the boss”. The absence of fixed norms and targets creates an atmosphere of non-accountability. Performance depends on the abilities of the Section Officer in distributing work and exercising authority or control.

- Can performance be measured in a Section? We feel it can be and we have proposed a framework for doing this (See Chapter 3). However, a lot of groundwork needs to be done. This involves streamlining systems and procedures, rationalizing workloads and staffing, and defining output norms and targets for each type of task. We have recommended a time-motion study to establish input, output and productivity norms.

- It is difficult to say if PRI by itself can induce greater efficiency and productivity in administrative sections. However, if the enabling process reforms mentioned above are implemented, then performance measurement can become feasible. Subsequently PRI may be introduced as a way of rewarding those whose

performance exceeds desired standards. Performance incentives may be based on a combination of group and individual assessment.

5.2 Ministry of Urban Development

(a) Micro-study 1 : Central Public Works Department (CPWD)

- Although CPWD is an attached office of the MUD, it has the characteristics of a large corporate enterprise in terms of the breadth of its scope and functions. In fact, the CPWD works entirely for the government and is in no way a commercial organisation.

- The CPWD has a somewhat unique system of cadre management in which civil engineers, mechanical engineers, electrical engineers and architectural staff are controlled by their separate cadres although most of the time they have to work together on projects. This problem of vertical silos is considered to be a major hurdle for performance management in the organisation.

- The CPWD also uses the ACR method of Performance Assessment like other government departments. However, its evaluation system uses performance indicators based on physical and financial parameters. The performance of Circles and Divisions as well as individual performance of engineers rates achievements against these parameters. This performance measurement system is more of an accounting system which does not measure specific inputs or outputs and is only used for construction activities. There is no meaningful performance assessment in the maintenance divisions of CPWD.

- All norms and benchmarks of performance are also stated in terms of aggregate financial amounts involved in any activity.

- In Chapter 4 we have proposed a performance measurement framework for Junior Engineers, Assistant Engineers, Executive Engineers in the field divisions of CPWD. Our framework suggests performance indicators for measuring output, productivity and competency. We feel that measuring performance of engineers in construction projects is not at all complicated and most of the performance indicators can be

operationalised easily. Similarly, setting norms and benchmarks for these indicators can be done using work motion studies.

- The CPWD also has an MIS in place that prepares detailed reports at Division, Circle and Zone levels. But the exhaustive MIS is also inadequate as it is not designed for managerial decision making.

- There are a number of enabling environment constraints for performance management in the CPWD. There is lack of delegation of authority to the field divisions although the entire responsibility of project execution lies with them. Due to the vertical silos problem, project management orientation is missing. There is over emphasis on enforcement of rules.

- A majority of the engineers feel that their performance is affected by several external factors beyond their control such as bad postings and lack of management support. Consequently, they are apprehensive about performance assessment at the individual level.

- Our recommendation is that a comprehensive performance measurement system covering all branches and all categories of staff should be implemented in CPWD. The indicators should reflect outputs, efficiency, and productivity at individual and group level. The measurement approach should ensure that external factors are suitably discounted. Creating multidisciplinary project management units at field levels and delegating more authority to them is a good concept which should be implemented.

- Performance of Chief Engineers should be judged with respect to their managerial efficiency and achievement of organisational goals. Superintending Engineers should be evaluated on the basis of overall assessment of performance of all divisions in the circle. The evaluation of Executive Engineers should emphasize implementation efficiency and quality of works executed. The performance assessment of Asst. Engineers and Junior Engineers should emphasize output, efficiency and competency in supervision.

- In our opinion, PRI should be introduced in the CPWD at all levels after implementing an appropriate PM system. We recommend PRI in the form of merit increments for

Chief Engineers and Superintending Engineers and the engineers at division level (EE/AE/JE) should be given performance incentive in the form of annual bonus. A combination of individual and group incentives is recommended for them.

(b) Micro-study 2 : UIDSSMT Division, TCPO

- Going by the stated mission of TCPO, it seems inappropriate for TCPO to be a subordinate department of the Ministry. Ideally, it should have been an attached office with greater autonomy. However, at present the TCPO is completely dependent on work assigned by the ministry and some of its larger goals seem to be sidelined.

- There is no system of performance measurement, apart from the ACR system, for individual appraisal of employees. The work done by different units or individuals is not measured or recorded. Some units do a lot of work while others may not have any projects. The level of computerisation in the organisation is low.

- In Chapter 4, we have provided a performance measurement framework for the division that handles UIDSSMT project. We have also proposed a PRI structure for different levels of staff for TCPO. However, a lot of groundwork needs to be done before PRI can be introduced in TCPO. In particular, a carefully designed Performance Measurement System and a supporting MIS would be required. The ministry should seriously look into the cadre related issues which have led to high degree of stagnation in the organisation.

(c) Micro-study 3 : CPHEEO

- The CPHEEO is a very important technical wing of the ministry. At present, there seems to be a critical situation because of too much of workload and too little staff. Considering how much the Ministry depends on this department, it must be strengthened. The Government needs this type of department in-house but it needs strengthening.

- At present, there is no system of performance assessment at individual or group level in CPHEEO. We recommend that such a system should be developed using the framework provided in Chapter 4.

- A crucial issue is to re-examine the role of advisors in CPHEEO to make it more meaningful. Some of the work, for example coordination of training assignments should not be done by the technical professionals. It can be easily handled by administrative staff. It is clear that the quantum of technical inputs required by the ministry from CPHEEO is very high. PRI should be introduced only after rationalising the staff strength in CPHEEO.

(d) Micro-study 4 : Administrative Section IV and Desk I-B

- In the Ministry of Urban Development, we have studied one section that deals with establishment matters and one "desk" that deals with matters related to the Master Plan of Delhi. Our conclusions and recommendations are the same as described earlier for the two sections of Ministry of Health and Family Welfare. Briefly, we feel that setting up a performance measurement system in the sections of a Ministry is a much needed reform.

- In the framework proposed by us, all receipts/files coming to a Section should be classified into three categories- routine, non-routine, or references. For the routine category, a general norm can be used to set targets for the number of files to be processed per day or per week. For the non-routine files and references, the Section Officer should set targets on a case-by-case basis. Using this framework, a performance measurement system can be developed. This should be supported by an MIS, which would include a file tracking system. When these systems are in place, PRI can be introduced. The expected benefit is not so much in terms of increased efficiency of individual staff, but more due to streamlining of systems and procedures.

- The Desk system was introduced in the Ministry because it could potentially expedite work in policy areas without consuming as much staff resources as a Section. Our impression is that this assumption is probably right; although the Desk Officer complained about overload of work and shortage of staff. We feel that PRI should be given to the Desk Officers, whose performance is "high" or "outstanding".

5.3 Issues Related to Performance Measurement and Enabling Environment

- This study has covered two ministries that represent social sectors. The nature of work in social ministries is primarily that of allocative agencies as implementation of programmes is done by the state governments. Because of this, it is conceptually incorrect to link the performance of these ministries too strongly to the final outcomes in the social sector. Yet the linkage is important, because the policies and allocations made by the centre have a significant impact on the outcomes. For assessing the performance of central staff in these ministries, it is important to use only those measures of performance over which the employees have reasonable control.

- In both ministries, hardly any department uses workload norms or targets to manage performance. Instead, everyone refers to manuals of job descriptions to identify performance criteria. These do not provide specific objectives of a position. Therefore, the performance indicators based on job description would only measure inputs, not outputs.

- Workload distribution in most of the departments is often unbalanced and sometimes irrational. As a result, some positions and departments have extraordinary excess workload. Performance measurement in such situations can be distorted and misleading.

- Almost no department (except CPWD, to some extent), has even a basic MIS that records information on inputs and outputs. Without a MIS, performance measure merit is practically infeasible.

- An important consideration in designing a performance measurement system should be the quantity versus quality trade-off in many jobs (e.g. performance assessment of a doctor based on patient load). It is important to include both types of performance indicators, so that quality is not compromised in order to achieve targets based on numbers.

- Almost everyone's output seems to depend on the performance of someone else within the ministry or even outside. These horizontal and vertical linkages are the result of irrational bureaucratic procedures which have grown like cobwebs. In this situation, only inputs can be measured and attributed to individuals. More delegation

of authority to middle levels of administration is required. They should also be made more accountable.

- A large number of other enabling environment constraints were identified during the course of this study. These should be addressed before before introducing PRI.

- Some of the important factors that negatively affect the motivation of government staff and hinder performance are:

    - Threat of vigilance cases for actions that in fact produced positive results for the department.
    - Disparities across cadres (and between cadre and non-cadre posts) that have led to high incidence of stagnation.
    - Dissatisfaction with the ACR system at all levels due to lack of objectivity and transparency.

5.4 Proposed Implementation Model

In this section, we summarize our recommendations for implementing a PRI system. The recommendations are common for both ministries covered in this study.

5.4.1 Prerequisites for introducing PRI

Introduction of PRI in government ministries and departments should be on a voluntary participation basis rather than being imposed externally. Thus, any ministry or department of the government should be free to decide whether they would like to participate in the PRI scheme or not. However, to become eligible for the scheme, the participating ministry or department must satisfy certain eligibility criteria before they can award PRI to their staff. Three criteria are suggested:

1. *Introduce greater delegation of powers and authority within the organization so that managers and staff at middle and lower levels are adequately empowered to optimize their performance in terms of being able to produce the desired results.*
2. *Create enabling environment for staff at all levels so that they have greater degree of control over their performance and are equipped to improve their performance in proportion to their efforts.*

3. *Design and implement a Performance Measurement System with appropriate methodology for measuring and benchmarking performance.*

5.4.2 Performance criteria

The weights given to various criteria for measuring performance should vary with the level of position in the organisation. Our proposed approach is as follows:

- At senior management levels (Secretary, Additional Secretary, Joint Secretary and equivalent posts), performance assessment should emphasize final outcomes related to achievement of organizational goals and predetermined objectives.
- At middle management levels (Group A, except senior administration) the performance should be measured primarily in terms of outputs, in alignment with the desired outcomes.
- At junior management levels (Group B and C staff) the emphasis should shift to a combination of input and output indicators of performance.
- At the lowest levels (Group D staff), performance can be adequately measured with input indicators.
- At all levels, performance indicators that measure relevant competencies should be included in the assessment system.

Exhibit 5.1 shows the relative weights that may be attached to different performance attributes for various categories of posts.

Exhibit 5.1: Proposed weights for different attributes related to performance

Category	Inputs	Outputs	Outcomes	Competencies
Senior Administration[1]	-	40%	40%	20%
Group A (except above)	-	60%	20%	20%
Group B	20%	60%	-	20%
Group C	40%	40%	-	20%
Group D	80%	-	-	20%

Notes:

1. Secretary, Additional Secretary, Joint Secretary and equivalent posts; to be evaluated once in two years

5.4.3 Who should evaluate

We propose that each employee's performance should be evaluated by the immediate supervisor and the next superior in most situations. Each major department or division of the ministry should also set-up an "evaluation and oversight" committee. This committee can make policy decisions as well as address appeal cases. However, the review and appeal procedures should be limited to examining the technical merits of the cases and not become a platform for endless complaints and litigations. The scope of review should be carefully bounded. It is critical that the established PM system should have adequate transparency and credibility and should not be subject to constant questioning.

5.4.4 Proposed structure of incentives

Throughout this report we have used a uniform approach for determining the form and size of performance related incentives. In general, we have proposed merit increments for the senior management positions and non-consolidating annual bonus for middle management and lower positions. Our proposed structure is shown in Exhibit 5.2.

Exhibit 5.2: Proposed structure of PRI for different levels

Category	Type of incentive	Size of incentive by performance rating	
		High[2]	Outstanding[3]
Senior Administration[1]	Merit increments	5% of basic pay	7.5% of basic pay
Group A (except above)	Annual bonus	10% of gross pay	20% of gross pay
Group B	Annual bonus	10% of gross pay	20% of gross pay
Group C	Annual bonus	10% of gross pay	20% of gross pay
Group D	Status-quo[4]	N.A.	N.A.

Notes:

1. Secretary, Additional Secretary, Joint Secretary and equivalent posts
2. High rating denotes – achievements exceeding targets in most areas
3. Outstanding rating denotes – achievements exceeding targets in all areas
4. Group D staff is not considered for PRI, instead the existing overtime allowances and annual bonus as permissible should continue

5.4.5 Frequency and level of assessment

For senior administrators, evaluation for PRI should be at the individual level. As the benefits of merit increments extend over remaining years of service and also add to retirement benefits, we recommend that these should be awarded only in exceptional cases and after ascertaining that the impacts of their performance would materialize into final outcomes.

For other Group A employees also we recommend evaluation at the individual level, as these officers are accountable for the performance of their respective departments and units. They should be evaluated annually. For group B and C staff, we recommend PRI based on a combination of group and individual performance on an annual basis.

Exhibit 5.3: Frequency and level of assessment for PRI

Category	Level of assessment	Frequency
Senior Administration[1]	Individual	Annual
Group A (except above)	Individual	Annual
Group B	Individual and group	Annual
Group C	Individual and group	Annual

Notes:

1. Secretary, Additional Secretary, Joint Secretary and equivalent posts

5.4.6 Proposed pilot projects

We propose that both ministries should consider introducing PRI on an experimental basis by undertaking pilot projects in selected divisions or departments. This is important because in both ministries, the performance measurement systems are virtually non-existent and developing these will involve significant effort. We suggest the following pilots:

Ministry of Health and Family Welfare: 1) All CGHS dispensaries in Delhi; 2) Any one programme under the NRHM; 3) Two administrative sections in the ministry.

Ministry of Urban Development: 1) Two circles of CPWD in Delhi and two circles outside Delhi; 2) One division/subordinate office within the Ministry; and 3) Two administrative sections within the ministry.

The primary purpose of the pilots should be to implement suitable performance measurement systems and MIS. The pilots should provide insights into complexities of performance indicators, enabling environment constraints and mechanics of linking pay to performance. There is a learning curve involved in introducing PRI in Government and the pilot projects should serve this purpose. External consultants should be used to design the systems and assist in their implementation.

5.5 Financial Modeling

In this section, we provide some indicative calculations of the expected financial burden of introducing PRI in the two ministries. For this exercise the data on aggregate staffing pattern of the ministries (Group A, B, C and D) has been obtained from the Sixth Central Pay Commission. For both ministries, the data pertains to the staff strength of the ministry headquarters, the subordinate offices and various attached offices. It does not include the staff of the statutory and autonomous bodies or any PSU associated with the ministry.

We have made the following assumptions in calculating the estimated annual payout for PRI in each of the two ministries:

1. Although the staffing pattern data provided to us includes the “sanctioned” and “in position” staff strength, we have used the “in position” figures in our calculations to reflect the staff rationalization that the ministries have already achieved.
2. We have assumed that the annual base pay for award of PRI would be computed as sum of basic pay, dearness pay and dearness allowance (Basic+DP+DA). This has been referred to as annual gross pay in preceding chapters of this report. It does not include allowances such CCA, HRA etc.
3. We have estimated the median annual salary for each category (Group A, B, C and D) by examining the various grades of pay in those categories and identifying the posts that lie at the median. The average of the start and the end point of the grade is taken as the median basic pay (see Exhibit C1 in the Annexure). The gross pay is computed by adding the corresponding DP and DA as permissible.
4. It is assumed that for Groups A, B and C, not more than 20% of the staff may be awarded PRI. This upper bound quota of 20% would apply separately across each category.
5. For Group D employees, we have computed the financial burden at a uniform amount of Rs. 2467 per employee per annum, which is the current maximum payout to them under the ad-hoc bonus (non-PLB) system. While this amount appears small

on per employee basis compared to PRI for other categories, we have recommended that the ad-hoc bonus would continue to be given to all Group D staff, whereas not more than 20% of the employees in the other categories would be eligible for PRI awards depending on their performance.

6. Although we have recommended merit increments rather than annual consolidated bonus for posts at the level of Joint Secretary and above, for the sake of simplification the calculation of financial burden assumes awards in the form of annual bonus for all categories of employees. It should be noted that the higher administration positions (included in Group A) are very few in number. Further, the present value of merit increment awards to a Joint Secretary level officer, evaluated once in two years, over the typical remaining period of service, amounts to roughly the same burden as the annual bonus award.

The annual payout of PRI for the Ministry Health and Family Welfare is shown in Exhibit 5.4. This is based on the same assumptions as noted above for the Ministry of Urban Development. The data on staff strength was provided by the Sixth Central Pay Commission. Here under Option1-- that is, 20% quota and 20% rate of annual bonus for groups A, B and C -- the total financial burden of PRI is estimated to be Rs. 13.79 crore. Under Option 2 -- 10% quota and 10% rate of annual bonus – the estimated burden goes down to Rs. 5.35 crore.

Exhibit 5.4: Annual payout for PRI – Ministry of Health and Family Welfare

Category of employees	Total Staff (in position)	Annual gross pay per employee (Rs. lakh)	Annual PRI payout (Rs. lakh)	
			Option 1	Option 2
Group A	2859	3.64	416.84	104.211
Group B	1991	2.19	174.17	43.543
Group C	11003	1.22	534.75	133.686
Group D	10283	0.85	253.68	253.68
Total	**26136**	**-**	**1379.44**	**535.12**

Notes:

1. **Option 1:** 20% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 20% of annual gross pay. Group D to be awarded fixed ad-hoc bonus @ Rs.2647 per employee.
2. **Option 2:** 10% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 10% of annual gross pay. Group D to be awarded fixed ad-hoc bonus @ Rs.2647 per employee.

In Exhibit 5.5, we show rough computations of estimated annual payout for the CGHS dispensaries in Delhi. Full data on staff strength of CGHS was not available. Therefore, we have extrapolated the staffing pattern of the CGHS dispensary in Laxminagar, from one of our micro studies, to all other dispensaries of Delhi.

Our computations of the annual payout of PRI for the CGHS dispensaries in Delhi are shown in Exhibit 5.5. Thus under Option 1 (20% quota and 20% rate of annual bonus for groups A, B and C), the financial burden of PRI is estimated to be Rs. 1.58 crore. Under Option 2 (10% quota and 10% rate of annual bonus), the estimated burden is Rs. 0.53 crore.

Exhibit 5.5: Annual payout for PRI – CGHS, Delhi

Category of employees	Total Staff (in position)	Annual gross pay per employee (Rs. lakh)	Annual PRI payout (Rs. lakh)	
			Option 1	Option 2
Group A	718	3.64	104.68	26.17
Group B	8	2.19	0.70	0.17
Group C	718	1.22	34.89	8.72
Group D	718	0.85	17.71	17.71
Total	**1444**	**-**	**157.99**	**52.78**

Notes:

1. **Option 1:** 20% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 20% of annual gross pay.
2. **Option 2:** 10% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 10% of annual gross pay.

The computation of annual payout of PRI for the Ministry of Urban Development, on the basis of the assumptions stated above, is shown in Exhibit 5.6. Thus the estimated financial burden of the proposed PRI scheme, including continuation of ad-hoc bonus for Group D employees, would be Rs. 14.5 crore. This is the upper estimate of financial burden, assuming award of PRI to 20% of employees at the maximum level of bonus amount equal to 20% of annual gross pay.

Exhibit 5.6: Annual payout for PRI – Ministry of Urban Development

Category of employees	Total Staff (in position)	Annual gross pay per employee (Rs. lakh)	Annual PRI payout (Rs. lakh)	
			Option 1	Option 2
Group A	1003	3.64	146.24	36.559
Group B	3825	2.19	334.61	83.653
Group C	16427	1.22	798.35	199.588
Group D	6892	0.85	170.03	170.03
Total	**28147**	**-**	**1449.23**	**489.83**

Notes:

1. **Option 1:** 20% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 20% of annual gross pay. Group D to be awarded fixed ad-hoc bonus @ Rs.2647 per employee.
2. **Option 2:** 10% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 10% of annual gross pay. Group D to be awarded fixed ad-hoc bonus @ Rs.2647 per employee.

At the other extreme, if we assume that only 10% of the group A, B and C employees would qualify for PRI awards based on their performance assessment and that the bonus amount is also lowered to 10% of the annual gross pay, then the estimated financial burden of the scheme for the Ministry of Urban Development comes down to Rs. 4.90 crore.

The CPWD, which is an attached office, has the largest staff strength in the Ministry of Urban Development. The computation of annual PRI payout for the CPWD is shown separately in Exhibit 5.7. Thus, the CPWD accounts for Rs. 10.72 crore out of the total burden of Rs. 14.49 crore for the entire ministry under Option1 and Rs. 3.68 crore out of Rs. 4.90 crore under Option2.

Exhibit 5.7: Annual payout for PRI – Central Public Works Department (CPWD)

Category of employees	Total Staff (in position)	Annual gross pay per employee (Rs. lakh)	Annual PRI payout (Rs. lakh)	
			Option 1	Option 2
Group A	847	3.64	123.49	30.873
Group B	3163	2.19	276.70	69.175
Group C	11107	1.22	539.80	134.950
Group D	5378	0.85	132.68	132.68
Total	**20495**	**-**	**1072.67**	**367.67**

Notes:

1. **Option 1:** 20% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 20% of annual gross pay. Group D to be awarded fixed ad-hoc bonus @ Rs.2647 per employee.
2. **Option 2:** 10% of staff in groups A, B, & C eligible for PRI; annual bonus for eligible staff in A, B, C @ 10% of annual gross pay. Group D to be awarded fixed ad-hoc bonus @ Rs.2647 per employee.

5.6 Can PRI Scheme be budget neutral?

For social ministries, conceiving a PRI scheme that is budget neutral is a difficult proposition as these ministries are essentially cost centres with practically nil revenue generation. However, the argument seeking a budget neutral approach is also quite compelling. After all it is rational to expect that the efficiency and productivity improvements resulting from PRI should translate into cost savings that could partially, if not entirely, offset the cost of the PRI scheme.

We feel that in the long-run there are likely to be some reasonable cost savings from efficiency improvements but in the short and medium run, it is unrealistic to expect direct savings in social ministries. On the other hand, if there is greater delegation of authority to middle level officers and they are encouraged to undertake restructuring of operations and generate monetary savings, some innovative options may be found.

At present, the ministries can make the case that the existing budget for ad-hoc bonus and honorariums can be designated as a fund for PRI. They should subsequently explore all possibilities of cutting costs, and perhaps even generating modest revenue through user charges for services, and thereby add to the PRI fund. Exhibit 5.8 shows the honorarium and ad-hoc bonus payments incurred by the two ministries during 2004-05. This amount does not offset the PRI financial burden in either ministry under Option 1, but is reasonably close for Option 2.

Exhibit 5.8: Honorarium and ad-hoc bonus (2004-05)

Ministry	Honorarium (Rs. lakh)	Bonus (Rs. lakh)	Total (Rs. lakh)
• Ministry of Health and Family Welfare	367.81	27.71	385.52
• Ministry of Urban Development and Poverty Alleviation	282.66	50.29	332.95

In case of the Ministry of Urban Development, our financial modeling exercise shows that nearly 74% of the financial burden of PRI is on account of the CPWD. We recommend that the PRI payouts for CPWD should be charged to the client organisations. These could either be included in the costs of construction projects or billed as maintenance service charges from the users.

Financial modeling should be based primarily on savings from restructuring, innovation and technological improvements, de-layering, and adoption of high performance work practices. The savings from phasing out of various existing forms of Performance Incentives may be added to this. The organization should be able to model a scheme tailored to their requirements within the limits of annual savings against the benchmark year. It is essential that PRI remain budget neutral. It is envisaged that, with restructuring of basic organizational processes and outcomes, the scheme will be able to pay for itself.

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Annexures

A. Ministry of Health and Family Welfare

B. Ministry of Urban Development

Exhibit A-1: Safdarjang Hospital Basic Statistics

S. No.	Parameter	Daily Average	Year 2006	Year 2005
1.	Bed Strength	-	1,531	1,531
2.	Total Discharges	315	1,15,003	1,14,052
3.	Days of Care (Discharges and Deaths)	-	6,07,602	6,25,797
4.	Average Length of Stay	-	5.3	5.5
5.	Bed Turnover Rate	-	75.1	74.5
6.	Total Deaths	19	6,802	6,730
7.	Still Births	2	772	789
8.	Total Admissions	316	1,15,441	1,14,704
9.	Inpatients kept under observation	-	42,448	42,448
10.	Daily Average of Census	-	1,421	1,415
11.	Bed Occupancy Rate	-	108.7	93.5
12.	Geographical Distribution of Discharges	-	1,15,003	1,14,052
13.	Total No. of Deliveries	-	23,070	22,135
14.	Total No. of Operations	-	79,212	76,077
15.	Total No. of X-Ray Examinations	588	2,14,802	2,11,458
16.	Total No. of Lab Examinations	9,925	33,92,554	3,27,4071
17.	Total O.P.D. Attendance	7,105	21,17,201	19,36,245
18.	Accident and Emergency Services	871	3,17,839	2,95,988
19.	Total No. of Post Mortem Examinations	7	2,175	2,067

Exhibit A-2: OPD attendance in Safdarjang Hospital (for the year 2006)

S. No.	Name of the O.P.D	New	Repeat	Total
1	Surgery	48229	43085	91314
2	Orthopedic (Fracture Clinic)	25924	22466	48390
3	Orthopedic (Non fracture Clinic)	60738	68297	129035
4	Eye	35789	17210	52999
5	Gynecology	53858	25571	79429
6	Gynecology Causality	31950	0	31950
7	Obstetrics A.N.C	33083	39517	72600
8	Obstetrics P.N.C	702	4	706
9	Medicine	178393	85286	263679
10	Pediatrics	62351	36756	99107
11	Pediatric Surgery	9435	8769	18204
12	Cancer Surgery	1246	2009	3255
13	Neuro-Surgery (W. D. - 104)	3877	9235	13112
14	Burns	7353	16358	23711
15	Plastic Surgery	6073	17034	23107
16	Radiotherapy	1670	10186	11856
17	Rehabilitation	17469	28023	45492
18	E.N.T	51108	37579	88687
19	Neurology (W. D-156)	8281	34052	42333
20	Dermatology	59290	32614	91904
21	Urology (W. D.-104)	7120	16691	23811
22	Dentistry	27569	9926	37495
23	Psychiatry	3922	16704	20626
24	S. T. D	5966	5609	11575
25	Accident & Emergency Services	278536	0	278536
26	Injection Room	128815	0	128815
27	Homeopathic O. P. D.	7747	17072	24819
28	C. G. H. S.	67932	87447	155379
29	Staff Counter/Geriatrics O. P. D.	221	341	562
	Total	**1224647**	**687841**	**1912488**

Exhibit A-3: Overview of CGHS

S.No.	Fact	Figure
1.	Date of commencement	01-07-1954 (Delhi)
2.	Nos. of Stations covered	24
3.	**Card Holders and Beneficiaries** A. Total • Number of Card Holders • Number of Beneficiaries B. Pensioners • Number of Card Holders • Number of Beneficiaries	 10,59,090 44,12,802 2,27,116 5,90,650
4.	No. of Dispensaries	331
5.	Allopathic Dispensaries/Units	246
6.	Ayurvedic Dispensaries/Units	32
7.	Homoeopathic Dispensaries/Units	36
8.	Unani Dispensaries/Units	10
9.	Siddha Dispensaries/Units	3
10.	Yoga Centres	4
11.	Polyclinics (Including one at Kanpur being set up)	19
12.	Laboratories	65
13.	Dental Units	17
14.	Norms for extension of CGHS to a New City	6,000 or more[a]
15.	Norms for opening a new CGHS Dispensary	2,000 or more[b]

Notes:

b. Central Government Employees/Pensioners

c. Central Government Employees/Pensioners in a radius of 3 Kms.

Exhibit A-4: CGHS Dispensary Laxminagar – Existing Staffing Pattern & key Functions

Post	Staff (no.)	Key functions
CMO In-charge	1	• Supervision of all the activities in the dispensary e.g. cleanliness, equal distribution of patient load among doctors, proper distribution of medicines to patients
Doctors:		
• CMO[a]	2	• Examining patients including domiciliary visits
• SMO[b]	3	• Administrative work
• NFSG	5	• Emergency duties
• MO	1	
Nursing Staff:		
• Staff Nurse	1	• Administering injections
• Nursing Sister	1	• Maintaining all registers related to records of the injections
• Nursing Mid-Wife	1	• Indenting for uniforms and their distribution
Laboratory Staff:		
• Lab Technician	1	• Collecting Samples
• Lab Attendant	1	• Performing examinations
		• Performing dressings of patients
		• Removing stitches
		• Maintaining all the registers relevant to dressing records
Attendants:		
• Nursing attendant	2	• Assisting the staff nurse & nursing sister in the injection room
• Female attendant	1	• Assisting MO in examining patients & in domiciliary visits
		• Maintaining the cleanliness of dispensary
Pharmacists[c]	6	• Explaining medicines to patients
		• Dispensing medicines to and from the store
		• Ensuring accurate stock count
Storekeeper	1	• Indenting for procurement of stores from medical depot
		• Managing all the store activities e.g. entering stock details in the MIS, etc.
UDC, LDC	2	• Registration of new/old cases
		• Granting permission receipts to pensioners
		• Maintaining all accounts & Distribution of salary/stationery
Dresser	3	• Performing dressings of patients
		• Removing stitches
		• Maintaining all the registers relevant to dressing records
Peons	2	-
Sweepers	3	• Cleaning of dispensary and laboratory apparatus
Chowkidar	1	• Taking charge of the dispensary premises on completion of the evening session
Total Staff	**38**	-

a. CMO (Allopathy) 1, CMO (Homeopathy) 1
b. Includes 1 SMO (Allopathic), 2 SMOs (Ayurvedic)
c. Includes 1 Senior Pharmacist & 3 Pharmacists (Allopathic), 1 Pharmacist Ayurvedic, 1 Pharmacist Homeopathic

Exhibit A-5: Key Roles and Responsibilities of the staff of RNTCP

S. No.	Unit responsible (persons)	Staff Responsible	Key Functions
1.	Central TB Division	DDG (TB) CMOs WHO Consultants	• Monitoring and Evaluation of TB Control activities • Planning and Budgeting for TB Control in India • Formulate training plans and materials • Procurement and Distribution • Promoting DOTS • Undertaking central-level internal evaluations
2.	State TB Cell	STO DSTO MO	• Monitoring status of TB control services in state • Formulate Annual Action Plan • Drug requisition and Procurement of items • Facilitate Quality Control • Facilitate special plans for tribal and difficult areas in state • Undertaking state-level internal evaluations • Provide training to all district & state-level key personnel
3.	District TB Centre	CDHO/CDMO DTO MO-DTC	• Supervising and Monitoring TB control activities in district • Conducting visits to TB units, Microscopy centres and medical colleges • Visiting homes of NSP patients and their DOT providers
4.	TB Unit	MO-TC STS STLS	• Supervising and Monitoring TB control activities in the unit • Diagnosing patients, drug reactions, failure of treatment and further investigations • Carry out correct treatment categorization of diagnosed patients • Conducting visits to Microscopy centres and PHIs • Visiting homes of NSP patients with their DOT providers

DDG (TB): Deputy Director General (TB)
CMO: Chief Medical Officer
STO: State TB Officer
DSTO: Deputy State TB Officer
CDHO: Chief District Health Officer
CDMO: Chief District Medical Officer
DTO: District TB Officer
MO-DTC: Medical Officer-District TB Centre
MO: Medical Officer
MO-TC: Medical Officer-TB Centre
STS: State TB Supervisor
STLS: State TB Laboratory Supervisor

Exhibit A-6: RNTCP Laboratory Network

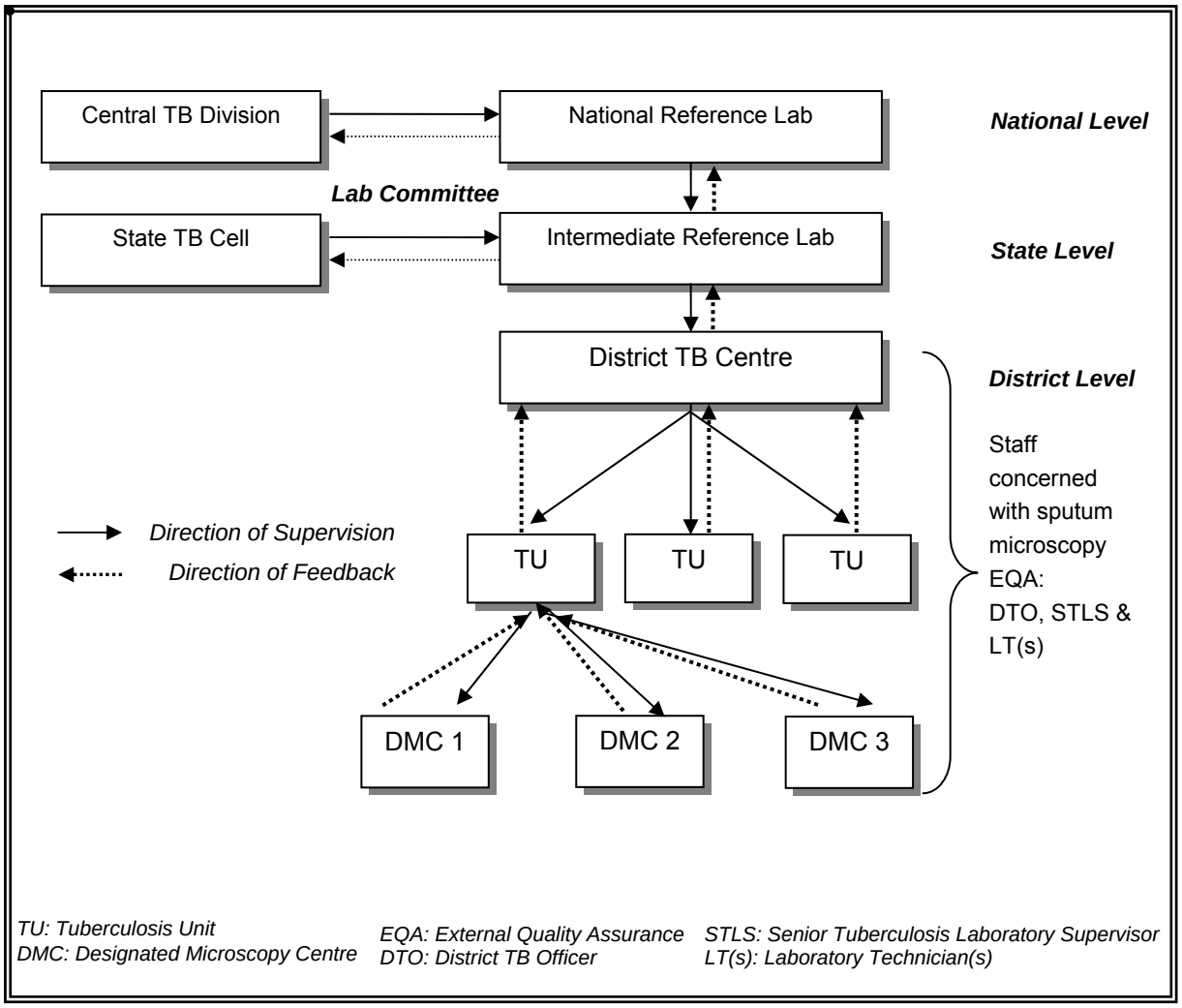


Exhibit A-7: Existing Performance Indicators and Norms – RNTCP

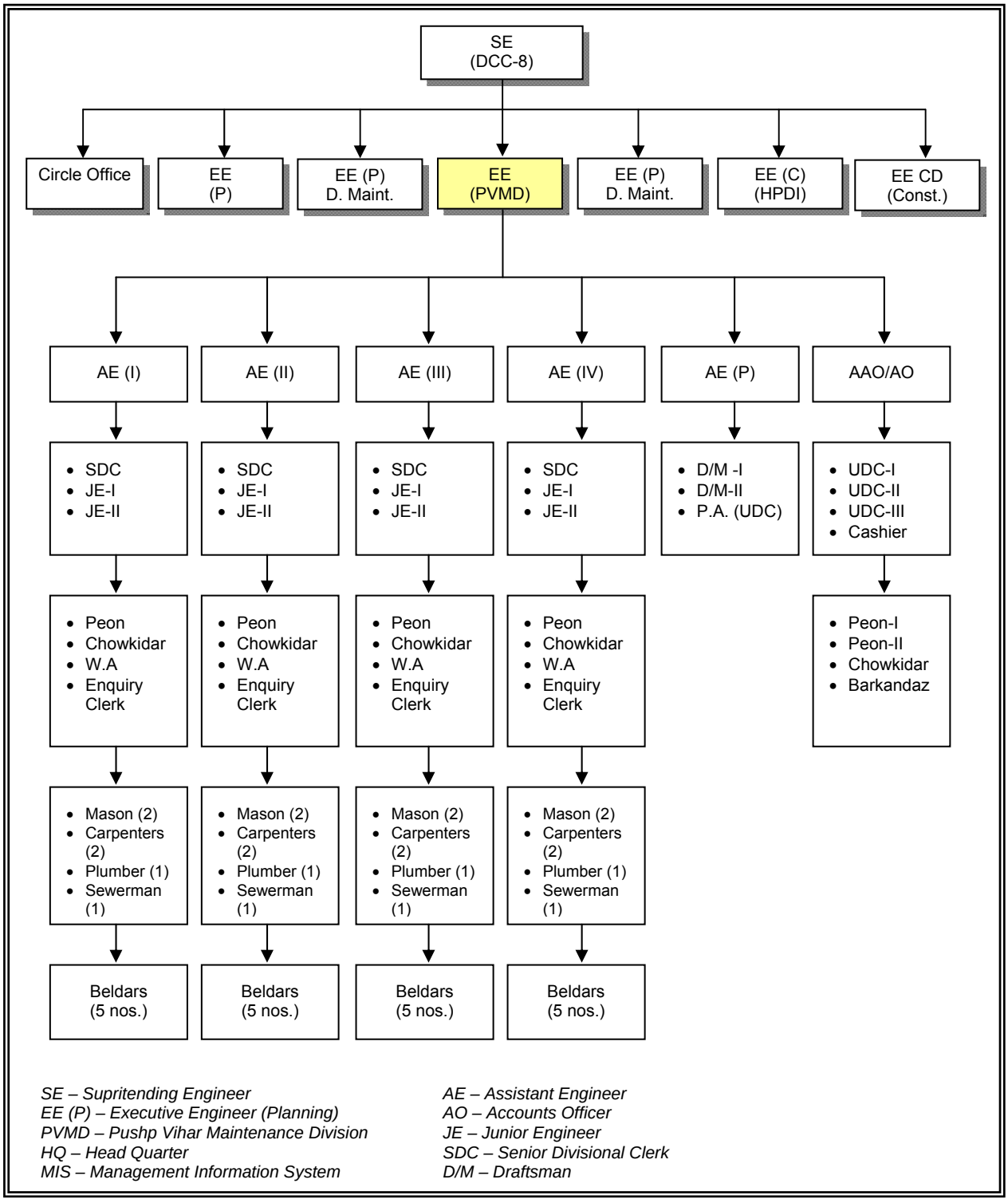
Indicator	**Norm**
• Case detection rate of New Smear Positive (NSP)	70%
• Re-treatment cases of all smear positive cases	30%
• Proportion of smear positive cases among new pulmonary cases	50%
• Proportion of smear negative or extra pulmonary patients given Category-I regimen	<20%
• Conversion rate of NSP patients at 3 months	>90%
• Cure Rate of NSP patients	85%
• Proportion of NSP patients with status completed treatment	>5%
• Proportion of NSP patients dieing during the treatment	<4%
• Proportion of NSP patients failing treatment at 5 months	<4%
• Default Rate of NSP patients	<5%
• Proportion of patients transferred out	<3%

Exhibit A-8: Sample of Monitoring Indicators in the Existing MIS of RNTCP

Selected indicators	PHI	DMC	TU	Distt.	State	Centre
Human Resource:						
• Number (%) of key programme staff trained/ re-trained	-	-	-	✓	✓	✓
Diagnosis:						
• TB suspects examined per 100,000 population per quarter	-	✓	✓	✓	✓	✓
• Trends in total number of TB suspects examined	-	✓	-	-	-	-
• Trends in case detection	-	-	✓	✓	✓	✓
• Trends in TB suspects examined per lakh	-	-	-	✓	✓	✓
• NSP case detection rate per lakh	-	-	✓	✓	✓	✓
• Incorrect categorization detected during supervisory visits	-	-	✓	✓	-	-
• Number (%) of LTs of DMCs trained	-	-	-	-	✓	-
Drugs:						
• Per year, frequency of district having less than 1 month stock at end of quarter 1	-		-	✓	-	-
• Total drug stock (unused boxes) in the state (in months)1	-	-	-	-	✓	-
• % (and names) of districts having less than 1 month stock at end of quarter 1	-	-	-	-	✓	-
Directly Observed Treatment & follow-up						
• Number (%) of smear positive patients with timely FU sputum at end of treatment	-	-	✓	✓	-	-
• Treatment outcomes (NSP and re-treatment cases)	-	-	✓	✓	✓	✓
• Trends in treatment outcomes	-	-	✓	✓	✓	✓
• Sputum conversion rate	-	-	-	✓	✓	✓
Recording and Reporting						
• State level reports submitted timely	-	-	-	-	✓	-
• % of districts given timely feedback	-	-	-	-	✓	-
Supervision:						
• Number of patients on treatment met per quarter	-	-	✓	-	-	-
• Number of DOT providers / centres visited	-	-	✓	-	-	-
• Number (%) of DMCs, PHIs, TUs visited	-	-	✓	✓	-	-
• Number of patients interviewed	-	-	-	✓	-	-
• Medical Colleges visited	-	-	-	✓	-	-
• Number of internal evaluations performed by state level per Q and report sent to CTD	-	-	-	-	✓	-

1 Number of months = stock held/no. of patients started treatment in last month

Exhibit B-1: Organizational Set-up
Pushp Vihar Maintenance Division (DCC-8, CPWD)



SE – Supritending Engineer
EE (P) – Executive Engineer (Planning)
PVMD – Pushp Vihar Maintenance Division
HQ – Head Quarter
MIS – Management Information System
AE – Assistant Engineer
AO – Accounts Officer
JE – Junior Engineer
SDC – Senior Divisional Clerk
D/M – Draftsman

Exhibit B-2: Complaint Handling System in a Maintenance Service Centre

S.no.	Activity	Description
1.	Registration of complaint by an occupant	• In person at service centre, through phone, IVRS or Internet • CPWD & NIC have developed a complaint registration & monitoring system for Delhi
2.	Recording of complaints at service centre by a clerk	• Complaint register is maintained by the enquiry clerk in a service center
3.	Categorization of complaints	• Complaints received are categorized into civil, electrical and horticulture categories
4.	Recording of complaints in respective registers	• The complaints are recorded in the respective registers of JE (Civil), JE (Elect.), & SO (Hort.)
5.	Classification of complaints	• No delay (to be addressed within 24 hrs.) e.g. electricity failure, short circuiting, blocked drains etc. • Minor (to be addressed within 48 hrs.) e.g. replacement of electrical fittings, carpentry works etc. • Major (normally attended through contracts) e.g. replacement of doors, windows, OHTs etc.
6.	Attending day-to-day complaints	• Each work-charge is required to maintain a diary to indicate complaints attended by him daily • Needs to take signature of the complainant • Diary to be checked by the AE & JE
	Attending annual/special repairs (1-3 years, based on annual contracts)	• Separate register is maintained • For works under this category, same procedure is followed as that for construction work • Work undertaken by JE has to be certified by EE
	Attending addition/alterations (1-3 years, based on annual contracts)	• Carried out at the cost of occupying department • Works under this category carried out by CPWD themselves are at the cost of MUD • Also carried out for residents on request. Certain % of cost is paid by the occupant
7.	Feedback from the complainant	• AE & JE are responsible to collect the feedback of residents on day-to-day complaints attended • As per CPWD manual, 90% of the complaints should be attended within 24 hrs and balance within 48 hrs.
	Responding to complainant	• For annual repairs, AE, JE and enquiry clerk are responsible

Exhibit B-3: Contents of the Residents' Feedback Questionnaire
(About maintenance services provided by CPWD in Residential Areas)

1. Days taken by the departmental staff to attend to the complaints in general

☐ *One day* ☐ *Two days* ☐ *Three days* ☐ *Four days*

2. **Level of satisfaction on attendance of complaints by the departmental staff**

☐ *Very good* ☐ *Good* ☐ *Satisfactory* ☐ *Un-satisfactory*

3. Number of complaints registered by the respondent on an average in the last three months

☐ *Less than 5* ☐ *5 to 10* ☐ *10 to 15* ☐ *More than 15*

4. Out of above complaints, most of the complaints were belonging to

☐ *Electricity* ☐ *Water supply/taps* ☐ *Sewer* ☐ *Seepage* ☐ *Any other*

5. Most troublesome area

☐ *Water & sewer* ☐ *White wash/painting* ☐ *Old doors / windows* ☐ *Seepage* ☐ *Others*

6. Rating on a scale of 1-5

☐ *JE* ☐ *Workers like mason, carpenter, plumber, sewer-man etc.* ☐ *Quality of work done*

7. Complaints attended checked by the service center

☐ *Occasionally* ☐ *Frequently* ☐ *Never*

8. J.E.'s visit to respondent's accommodation

☐ *Occasionally* ☐ *Frequently* ☐ *Never*

9. Level of awareness of citizens about maintenance of various services provided by different agencies like CPWD, DJB, NDMC, BSES, MCD, L&DO

☐ *Electricity* ☐ *Maintenance of gardens* ☐ *Land ownership* ☐ *Maintenance of paths*
☐ *Maintenance of motorable roads* ☐ *Water supply*

Exhibit B-4: Construction Project Management by CPWD – Various Phases

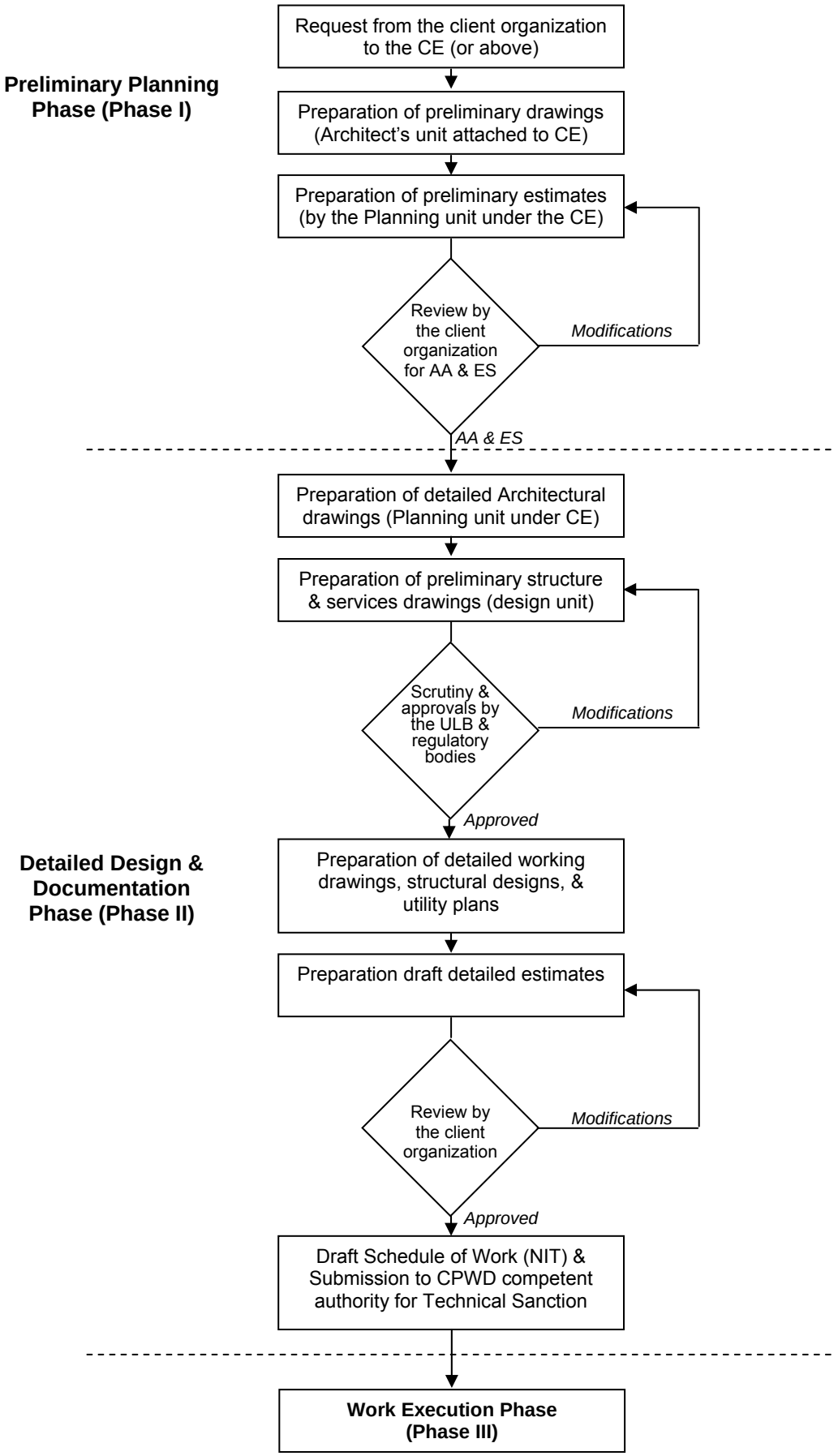


Exhibit B-5: Summary of Meetings with CPWD Associations

S.No.	Name of the Association	Opinion on PRI	Other issues
1.	All India CPWD, Engg. Drawing Staff Association	• PRP is required • Forming parameters & benchmarking is possible e.g. - time-bound projects	• Present span of 20yrs. for next level of pay scale • 'Equal Pay for Equal Work' • No recognition to physical & mental strains due to workloads • Multiplicity of designations • Cadre is being ignored
2.	All India CPWD, Engineers Association	• Agree to PRI • PRP certainly boosts performance & efficiency • Enabling environment is must • Smaller units with smaller charge & more autonomy	• Stagnation in CES (Class-I) and CE&MS (Class-I) cadre • Alternate cadre structure for CPWD
3.	All India CPWD, Office Staff Association	• Already demanding PRI since years • Clearly defined duties & responsibilities before PRI • Difficult to measure performance within the sub-cadre • Different types of files require different types of inputs • System should be transparent	• Minimum staff of CPWD • No pay priority being subordinate cadre • Lesser pay scales as compared to that of CSSS
4.	All India Central PWD Employees' Union	• Possible only in maintenance & repair functions • Opportunity to perform • Duties vary a lot • Measurement through feedback of residents	-
5.	CPWD Arch. Astt./Asstt. AD Association	• Agree to PRI • Cannot be just number based • Individual PRI is difficult • Project team concept is better • Enabling conditions to perform	-

S.No.	Name of the Association	Opinion on PRI	Other issues
6.	CPWD Architect's Association	• How to make performance measurable without any biases • Rewards should be quality based instead of quantity based • No parameters to measure how much an Archietct can perform • SIU norms needs to be revised	-
7.	CPWD, Electrical & Mechanical Engineering Service Group-A	• Agree to PRI in principle • PRP will enhance performance • Contextual appraisal factors • Difficult to form Performance Measures	-
8.	CPWD, Engineer Association	• Performance cannot be measured • Vigilance cases – better not to work • Measurement is product oriented, CPWD is service oriented • Team-based work • May not get desired team in Government	-
9.	CPWD, Junior Engineer Association (India)	• Welcome to PRI • Performance directly connected to enabling conditions • Both group & individual incentives may be given • Opportunity to perform • Consideration for different patterns of work	• Delayed promotions • Inadequate allowances & facilities • Non-participation of the cadre in decision-making • No weightage to experience • Administration passing on blames to the lower staff
10.	CPWD, Horticulture Section Officer's Association	• Enabling conditions are not same for all	• Workload is more than the primary duties
11.	CPWD Workers Union	-	-
12.	CPWD Rajbhasha Sangathan	• No scope for PRI • Everyone's work is same • Everyone is discharging same duties	-

S.No.	Name of the Association	Opinion on PRI	Other issues
13.	Central Engineering Service Class-I	• Agree to PRI in principle • PRP will enhance performance • Contextual appraisal factors • Difficult to form Performance Measures	-
14.	Central PWD Mazdoor Union	• Agree to PRI • Performance can be measured & rewarded • Those who work more should get more incentive	• Working overtime, extra work should be paid extra • Outsourcing should be discouraged • Evaluation committee instead of only JE
15.	Stenographer Association CPWD	• Transparency in the system • Extra jobs assigned • Quantity, quality & efficiency	• Lesser pay scales as compared to that of the same designations in CSSS • Departmental examination for promotion like CSSS • No cadre review since inception

Exhibit B-6: Staffing Pattern – TCPO

Ex-officio Chairman office • Technical staff (0) • Supporting staff (2) • Group D staff (3)	**Chief Planner Office** • Technical Staff (1) • Supporting staff (2) • Group D (2)
Metro and Urban Transport Division (MUT) • Associate TCP (1) • Assistant TCP (1) • Associate Architect (1) • Research Asst. (3) • Planning Assistant(1) • Supporting staff (2) • Group D staff (1)	**Environmental and Regional Planning (ERP)** • TCP (1) • Public Health Engineer (1) • Assistant TCP (1) • Research Assistant (2) • Planning Assistant (1) • Supporting staff (2) • Group D staff (1)
Policy Planning Division (PPD) • TCP (1) • Research Officer (1) • Planning Assistant (2) • Supporting staff (1) • Group D staff (1)	**Industrial and Economic Planning (IEP)** • Industrial Planner (1) • Research Officer (1) • Research Asst. (4) • Planning Draftsman (1) • Supporting staff (3) and Group D staff (1)
Small and Medium Towns – I (SMT-I) • TCP (1) • Associate TCP (1) • Assistant TCP (2) • Research Officer (1) • Planning Assistant (2) • Supporting staff (6) • Group D staff (3)	**Socio-Economic & Monitoring Division (SMD)** • Sr. Social Scientist (1) • Sr. Research Officer (1) • Research Officer (1) • Research Assistant (1) • Planning Assistant (1) • Investigator (2) • Supporting staff (2) and Group D staff (1)
Urban & Regional Information System (URIS) • TCP (1) • Associate TCP (1) • Assistant TCP (1) • Sr. Research Officer (1) • Research Assistant (3) • Planning Assistant (1) • Planning Draftsman (1) • Investigator (1) • Supporting staff (2) and Group D staff (2)	**Special Projects, Traffic & Transportation Division (SPTTD)** • TCP (1) • Assistant TCP (1) • Planning Assistant (3) • Planning Draftsman (1) • Modeller (1) • Supporting staff (2) • Group D staff (1)
Small and Medium Towns – II (SMT-II) • TCP (1) • Associate TCP (1) • Planning Assistant (1) • Supporting staff (3) and Group D staff (1)	**Administrative Wing** • Administrative Officer (1) • Hindi Officer (1) • Supporting staff (28) • Group D staff (17)

Exhibit B-7: Distribution of workload in CPHEEO

Assistant Advisor 1

- Handling all references related to urban water supply & sanitation (including SWM) in 10 States along with references received from other ministries and departments, NRCD references & references from the co-ordination department.
- Attending works related to standing committee & parliamentary committee, project committees, 12th finance commission, task force on IPNM coordination, SWM coordination and Coordination of projects related to ADB, AUWSP, JNNURM & UIDSSMT in 10 states

Assistant Advisor 2

- Handling all references related to urban water supply & sanitation (including SWM) in 13 States along with references received from other ministries and departments, NRCD references, reference from the co-ordination department, and reference related to pipes & other materials.
- Attending works related to CAG/PAC matters annual 11th five year plan, and performance budget.
- Updating website/MIS, annual report, Millennium Development Goal (MDG), manuals.
- Co-ordination of PPP projects across the country and co-ordination of projects related to JBIC, AUWSP, JNNURM & UIDSSMT in 13 states/UTs.

Assistant Advisor 3

- Handling all references related to urban water supply & sanitation (including SWM) in 12 states along with references received from other ministries and departments, NRCD references, reference from co-ordination department and reference related to pipes & other materials.
- Attending water resources related, BIS & miscellaneous issues.
- Preparation of annual report, updating website/MIS, Millennium Development Goal.
- Co-ordination of PPP projects across the country and co-ordination of projects related to JBIC, AUWSP, JNNURM & UIDSSMT in 12 states/UTs. Co-ordination of JNNURM & UIDSSMT, AUWSP, desalination projects, methane to market partnership, and externally funded projects (including World Bank funded).

Scientific Officer

- PHE training programme, WHO training programme and training programme under bilateral assistance
- WHO budget & policy issues
- Representation in BIS Committee and Assistance to manual committees.
- Attending references from CPCB, MoEF, & MHFW, references related to water quality.
- Setting up laboratories in states & UTs.
- Library & PHE news bulletin
- Coordinating conferences, seminars, computer training programmes, and R & D in PHE.

FINANCIAL MODEL : OPTION 1

a) **For groups A, B, & C, 20% of staff eligible for PRI; annual bonus @ 20% annual gross pay**
b) **For group D, ad-hoc bonus @ Rs.2467 per employee**

Exhibit C-1: Annual payout for PRI – Ministry of Health and Family Welfare

Grade	Total Staff	Staff eligible for PRP (@ 20%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 20%)	Total amount for PRP (Rs. Crore)
A	2859	572	15000	30375	364500	72900	416.842
B	1991	398	9000	18225	218700	43740	174.173
C	11003	2201	5000	10125	121500	24300	534.746
D	10283	-	3500	7088	85050	2467	253.682
Total	**26136**	**3171**	**-**	**-**	**-**	**-**	**1379.442**

Exhibit C-2: Annual payout for PRI – CGHS, Delhi

Grade	Total Staff	Staff eligible for PRP (@ 20%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 20%)	Total amount for PRP (Rs. Crore)
A	718	144	15000	30375	364500	72900	104.68
B	8	2	9000	18225	218700	43740	0.70
C	718	144	5000	10125	121500	24300	34.89
D	718	72	3500	7088	85050	2467	17.713
Total	**1444**	**289**	**-**	**-**	**-**	**-**	**157.992**

FINANCIAL MODEL : OPTION 2

a) **For groups A, B, & C, 10% of staff eligible for PRI; annual bonus @ 10% annual gross pay**
b) **For group D, ad-hoc bonus @ Rs.2467 per employee**

Exhibit C-3: Annual payout for PRI – Ministry of Health and Family Welfare

Grade	Total Staff	Staff eligible for PRP (@ 10%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 10%)	Total amount for PRP (Rs. Lakh)
A	2859	286	15000	30375	364500	36450	104.211
B	1991	199	9000	18225	218700	21870	43.543
C	11003	1100	5000	10125	121500	12150	133.686
D	10283	-	3500	7088	85050	2467	253.682
Total	**26136**	**1585**	**-**	**-**	**-**	**-**	**535.122**

Exhibit C-4: Annual payout for PRI – CGHS, Delhi

Grade	Total Staff	Staff eligible for PRP (@ 10%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 10%)	Total amount for PRP (Rs. Lakh)
A	718	72	15000	30375	364500	36450	26.17
B	8	1	9000	18225	218700	21870	0.17
C	718	72	5000	10125	121500	12150	8.72
D	718	72	3500	7088	85050	2467	17.713
Total	**1444**	**144**	**-**	**-**	**-**	**-**	**52.783**

FINANCIAL MODEL : OPTION 1

a) **For groups A, B, & C, 20% of staff eligible for PRI; annual bonus @ 20% annual gross pay**
b) **For group D, ad-hoc bonus @ Rs.2467 per employee**

Exhibit C-5: Annual payout for PRI – Ministry of Urban Development

Grade	Total Staff	Staff eligible for PRP (@ 20%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 20%)	Total amount for PRP (Rs. Lakh)
A	1003	201	15000	30375	364500	72900	146.237
B	3825	765	9000	18225	218700	43740	334.611
C	16427	3285	5000	10125	121500	24300	798.352
D	6892	-	3500	7088	85050	2467	170.026
Total	**28147**	**4251**	**-**	**-**	**-**	**-**	**1449.226**

Exhibit C-6: Annual payout for PRI – Central Public Works Department (CPWD)

Grade	Total Staff	Staff eligible for PRP (@ 20%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 20%)	Total amount for PRP (Rs. Crore)
A	847	169	15000	30375	364500	72900	123.493
B	3163	633	9000	18225	218700	43740	276.699
C	11107	2221	5000	10125	121500	24300	539.800
D	5378	-	3500	7088	85050	2467	132.675
Total	**20495**	**3023**	**-**	**-**	**-**	**-**	**1072.667**

FINANCIAL MODEL : OPTION 2

a) **For groups A, B, & C, 10% of staff eligible for PRI; annual bonus @ 10% annual gross pay**
b) **For group D, ad-hoc bonus @ Rs.2467 per employee**

Exhibit C-7: Annual payout for PRI – Ministry of Urban Development

Grade	Total Staff	Staff eligible for PRP (@ 10%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 10%)	Total amount for PRP (Rs. Lakh)
A	1003	100	15000	30375	364500	36450	36.559
B	3825	383	9000	18225	218700	21870	83.653
C	16427	1643	5000	10125	121500	12150	199.588
D	6892	-	3500	7088	85050	2467	170.026
Total	**28147**	**2126**	**-**	**-**	**-**	**-**	**489.826**

Exhibit C-8: Annual payout for PRI – Central Public Works Department (CPWD)

Grade	Total Staff	Staff eligible for PRP (@ 10%)	Median basic salary per month (Rs.)	Median gross salary per month (Rs.)	Median Gross annual salary (Rs.)	PRP amount per person (@ 10%)	Total amount for PRP (Rs. Lakh)
A	847	85	15000	30375	364500	36450	30.873
B	3163	316	9000	18225	218700	21870	69.175
C	11107	1111	5000	10125	121500	12150	134.950
D	5378	-	3500	7088	85050	2467	132.675
Total	**20495**	**1512**	**-**	**-**	**-**	**-**	**367.673**