

Key Performance Indicators: A Change in the Public Sector of Bangladesh

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Abstract

The establishment and reporting of key performance indicators is a fundamental underpinning of the Bangladesh Government's performance measurement. Key performance indicators are expected to inform entities and government about the performance of public organizations including their impact and cost effectiveness, and signal opportunities for improvements. Key performance indicators also provide the basis for entities and ministers informing the Parliament and the public of the effectiveness and efficiency of government organizations. Reflecting on the functions and activities of the organization, it is apparent that the systematic review of key performance indicators makes a positive contribution to the overall quality and credibility of the indicators themselves, and the reliance that can be placed on entities' reporting against them by the Parliament and the public. All entities in the public sector with responsibilities for the delivery of government services are expected to have in place key performance indicators which assist them to assess the impact of government services. Measures to periodically review the relevance and reliability of these indicators by entities, or more broadly within government, can only be beneficial. This study aims to design and analyze the Key Performance Indicators for Bangladesh Public Service Commission and find some scalable indicators for other ministries divisions and departments of the government. Measuring performance of the government organizations has long been recognized as necessary for improving the effectiveness and efficiency of the public sector. Thus Key performance Indicators are expected to enable the public sector organizations to assess the achievements of the activities against the stated objectives and collectively, their contribution to stated organizational goals.

Key Words: Key Performance Indicator, Strategic Objective, Public Sector

Introduction

One of the major characteristics of 'Good Governance' is effectiveness and efficiency (Good Governance Guide 2015). This characteristic promotes efficient public delivery system and quality public outputs. There is a need to introduce legislation governing public/civil service and a code of conduct. This legislation will define the appointments and promotions of the

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civil servants through merit based processes as well as organizational structures. 'Key Performance Indicator' is a type of measurement of the effective service delivery of an organization after setting its goal. By practicing this approach in government agencies, the failure of delivery system which always voice out the public will address accordingly. Thus KPIs are an essential tool for improving services for citizen.

Bangladesh Public Service Commission (BPSC) is one of the key constitutional bodies with a clear mandate to select suitable and qualified persons to the service of the Republic. Like many of its counterparts in different countries it has been performing a major national role in promoting excellence in human resource planning of the government as well as in ensuring impartiality in civil service management. BPSC performs its function by selecting, through nationwide competitions, suitable persons for appointment to the service of the Republic. Along with the constitutional requirement of selecting public servants, the Commission is also mandated to advise the President of the Republic (in referred cases) in framing recruitment rules, making recommendations for promotions and transfers on matters affecting the terms and conditions of service and on disciplinary issues related to service.

This research aims to design and analyze the key performance indicators of the Bangladesh Public Service Commission (BPSC). As a researcher I investigated the effectiveness and scalability of the key performance indicators. It would help to re-define the appraisal system of the public servants and thus create a scope for any policy improvement in case of promotion and appointments of the civil servants.

Justification and Limitation of the Research

Public sector organizations of all types are facing intense pressure to do more with less and better to match their priorities with the needs of citizens. Pressures on governments are forcing them to adopt enterprise performance management methodologies. KPIs are an essential tool for improving services for citizens.

The private sector has long known that high levels of internal transparency and accountability are critical in effective strategy execution. Consequently KPIs have been adopted by many companies as a powerful tool to support strategy. Measuring KPIs should be about extracting value from data and turning it into actionable information that can be used to align staff work activities, behavior and priorities with the strategic and policy objectives, and to make continued improvements to frontline services. Once implemented well, KPIs can have a dramatic impact on a government department.

Financial constrain was the major limitation of the research as the research was a self-funded one. The short duration of the one month research period is a prime factor to limit the scope of the research. In case of examining the scalability it was important to interview some key personnel of different government organizations. But due to time constraint I could not do so. The participation of the respondents has been voluntary, so, I faced problems of getting a smooth field work and uninterrupted data collection. I have encountered with some problem to have appointments with the higher officials of the commission.

Objectives of the Research

The main objective of the research is to design the ‘Key Performance Indicators’ of Bangladesh Public Service Commission with a focus on its organizational structure. The research has the following objectives:

- ⇒ To design and to analyze the KPIs according to the goals of the organization;
- ⇒ To examine the effectiveness and scalability of the ‘Key Performance Indicators’ of the selected organization;

Methodology

This is a research to design the ‘Key Performance Indicators’ of Bangladesh Public Service Commission and focused on measuring the effectiveness and efficiency and determining the scalability of the indicators. Hence, the research was conducted by using Qualitative Research tool as by dint of qualitative research only the research can achieve its desired result. The research also reviewed relative government literatures of different countries as part of the research.

Study Area: For the purposes of the present study, Bangladesh Public Service Commission was the main study area. Ministry of Public Administration (MoPA), Ministry of Road Transport and Bridges and Cabinet Division were studied to identify the scalability.

Data Collection: Both primary and secondary data have been used in this research. While primary data have guided me to conclude an authentic and original conclusion, the secondary data have been a guideline for the research.

Primary Data : This research is based on the primary data of the respondents which was carried out in Bangladesh Public Service Commission and in some ministries. Data were obtained through interviews using semi-structured, interviewer-administered questionnaires. A questionnaire was prepared to interview the officials of Bangladesh Public Service Commission. The questionnaire consisted of both open and closed-ended questions with the former mainly meant to allow the respondents to express their views freely. Most of the questions were closed-ended to get as much information as possible from the respondents without taking too much of their time. The questionnaire focused mainly on the vision, mission, functions and strategic objectives of Bangladesh Public Service Commission.

Secondary Data : Secondary data was collected from various sources. The secondary data sources were books, articles, reports, websites, journals, and the publications from the concerned organization.

Data Analysis : Descriptive analysis was used to analyze the primary data obtained from the individual samples. The data processing has been carried out following the field work and interviews of resource personnel. Qualitative data transcription was done manually. Firstly the transcription of the interviews was conducted in Bangla. Then, the required information for the report writing was translated into English. All the quotation used in the report writing was incorporated by identification number of the respondents properly. In case of resource personnel’s quotation, pseudo names have been used.

Literature Review

Key performance indicators are quantifiable measures that reflect the critical success factors of an organization. Regardless of the indicators selected, each must mirror one or more of the organization's goals. Key performance indicators can be controversial, as they may take into account the competing ideals of various stakeholders. The process of identifying these indicators is complex, since they are seen as quantitative measures of quality (Ibrahim 2001).

Again, improved service delivery to the public, improved governance and financial management strategies are considered as the mandatory strategies for the public sector organizations (Balanoff & Master 2001).

According to (Horton 2010) performance management system positively influences organizational behavior, organizational efficiency or organizational effectiveness.

A study on the 'Key Performance Indicators (KPIs)' in the Public Sector in Malaysia (Zakaria 2009), discussed the implementation of KPI. The paper showed the importance of KPI in case of service delivery of the Public Sector. The Australian Government Performance Measurement and Reporting Framework (Australian National Audit Office [ANAO] 2013) examined the components of the Performance Framework and their impacts on the service delivery. The Government of the Peoples' Republic of Bangladesh signed a memorandum of understanding with the government of India to implement KPI which is known as 'Result Framework Document' in India and other South Asian countries.

Conceptual Framework

Key Performance Indicators (KPIs)

A KPI is a measurement which evaluates how a company executes its strategic vision. The term strategic vision refers to how an interactive strategy is integrated into a company's strategy as a whole. It is important that everyone involved in the company strategy agrees on what the strategy represents and how its variations are interpreted.

Strategic Objectives

Strategic objectives should state clearly what the institution intends to do (or producing) to achieve its strategic outcomes oriented goals. The objectives should generally be stated in the form of an output statement, although in exceptional circumstances institutions might specify them in relation to inputs and activities or outcomes. Each objective should be written as a performance statement that is SMART and must set a performance target the institution can achieve by the end of the period of the Strategic Plan. The baseline and targets must be expressed in terms of numbers. If a percentage is used, then the absolute numbers must be presented as well. Institutions can link programmes and selected sub-programmes to strategic objectives. The institution must have the management processes and information technology systems in place to track performance against each of its strategic objectives.

Each strategic objective must describe things that the institution is directly responsible for doing or delivering under its respective programmes and sub-programmes. Institutions are advised to set fewer rather than more strategic objectives. The aim is to make strategic choices. However, departments can have more strategic objectives within their internal databases.

Performance Indicators

An institution is expected to identify a set of performance indicators and targets in its Annual Performance Plan to track its on-going performance. These indicators should also reflect equity concerns and value for money in the use of resources. The Framework for Managing Performance Information sets out the range of indicator types. Specific attention should be given to developing indicators related to outputs, economy, efficiency and equity. It should be noted that effectiveness is assessed in relation to the achievement of the institution's strategic outcomes oriented goals. Key performance indicators that are reliable, well defined, verifiable, cost effective, appropriate and relevant should be sought, with baseline information and targets expressed in terms of actual numbers.

Design of the Performance Indicators of Bangladesh Public Service Commission

In case of designing the performance indicators vision, mission and functions of the Bangladesh Public Service Commission was considered. Strategic objectives were defined according to the key informant interview. Members of Bangladesh Public Service Commission were interviewed and their opinion was taken into account to design the Strategic objectives, activities and performance indicators which are showed in Table 1. Vision of the Bangladesh Public Service Commission is to ensure the efficiency of public servants for promoting the quality of public service of Bangladesh. It has a prime mission of selecting suitable persons for the appointment to the posts of the Republic to ensure high caliber workforce in public service. To attain its goals the commission runs the functions which includes conducting competitive examinations, recommendations for recruitments, recommendations for promotions, regularization of the class I officers of ad hoc and development projects, formulation of the recruitment rules, opinion about disciplinary issues and suggesting the government for improvement of public servants. On the basis of the functions and analyzing the data from the respondents of the commission strategic objectives were constructed. Activities and the performance indicators were developed accordingly.

Table 1: Strategic Objectives, Activities and Performance Indicators

Strategic Objective	Weight of Strategic objective	Activities	Performance Indicators	Unit	Weight of P.I.
Ministry/Division Strategic Objectives					
1. Promotion of merit and equity in recruitment process to ensure leadership across the public sector.	35	1.1 Conduct recruitment test for selecting the suitable persons	1.1.1 Tests conducted	No. of tests	15
		1.2 Recommendation for recruitments on the basis of merit and equity	1.2.1 Vacant posts filled up	%	10
		1.3 Advice in formulating different Recruitment Rules	1.3.1 Advice given	%	10
2. Enhancement of the professional skills of public servants	20	2.1 Conduct Departmental examination	2.1.1 Departmental Examination held	Date	10
		2.2 Conduct Senior Scale Examination	2.2.1 Senior Scale Examination held	Date	10
3. Recommendation for Promotions	10	3.1 Recommend promotions from 2nd class to 1st class	3.1.1 Promotions Recommended	%	5
		3.2 Recommend promotions from 3rd class to 2nd class	3.2.1 Promotions Recommended		5
4. Strengthening disciplinary issues in Public Service	8	4.1 Opinion related to disciplinary actions for 1 st Class and 2 nd Class gazette officers	4.1.1 Disciplinary opinion given	%	8
5. Regularization	6	5.1 Opinion related to Regularization of the class one officers in case of ad hoc and	5.1.1 Opinion related to Regularization	%	6

Strategic Objective	Weight of Strategic objective	Activities	Performance Indicators	Unit	Weight of P.I.
		development project			
6. Enhancement of research and development activities	6	6.1 Publication of Annual Report	6.1.1 On time publication	Date	2
		6.2 Publication of quarterly newsletters	6.2.1 Quarterly publication	No. of Publication	2
		6.3 Seminar with the stakeholders at regular basis	6.3.1 Number of seminar held	Number of seminar	2
Mandatory Strategic Objectives					
Improve Service Delivery to the public	8	Implementation of Citizens' Charter (CC)	Preparation and approval of CC by the Ministry/ Division	Date	2
			Publication of CC in website or others means	Date	1
		Implementation of Grievance Redress System (GRS)	Publishing names and contact details of GRS focal point in the websites	Date	1
			Sending GRS report (s) to the Cabinet Division from January 2015	Number of report(s)	1
		Implementing Innovations	Implemented decisions of the innovation team	%	2
			Unicode used in all official activities	Date	1
Improve Governance	4	Compliance with RTI Act and proactive disclosure	Percentage of information mentioned in the RTI Act and Related regulations, disclosed in the	%	2

Strategic Objective	Weight of Strategic objective	Activities	Performance Indicators	Unit	Weight of P.I.
			website		
		Preparation and implementation of the National Integrity Strategy Work Plan	Preparation of NIS work plan for 2015 and get approved by the Ethics Committee	Date	2
Improve financial Management	3	Improve compliance with the Terms of Reference of the Budget Management Committee (BMC)	Budget Implementation Plan(BIP) prepared and Quarterly Budget Implementation Monitoring Report(BIMR) submitted to Finance Division (FD), meeting FD requirements	Number of Report	1
			Actual achievements against performance targets are monitored by the BMC on a quarterly Basis	Number of BMC	1
		Improve audit performance	Percentage of outstanding audit objections disposed off during the year	%	1

To measure the performance of Bangladesh Public Service Commission as a government organization some strategic objectives and corresponding performance indicators are designed according to the functions of BPSC which is called organizational strategic objective and some are designed on the basis of the service delivery to the citizens efficiently and ensuring transparency which are called as mandatory strategic objectives. These mandatory objectives are applicable for all the public sector organizations.

Effectiveness and Scalability of KPIs

Each KPI has its own set of measurement criteria it must meet to be an accomplishment versus a failure. Setting the time period for measuring the KPI is important. An organization can choose between a repeating time period, a rolling time period or a fixed time period. A repeating time period takes place at intervals over a one-year period. Numerical values are to be assigned to the categories of the KPI range. Organization can create its own scale of measurement for the KPI. Target criteria should be set to quantify the performance measurement.

The proposed KPIs for Bangladesh Public Service Commission can measure all the functions of the commission. If a target is set for each KPI designed, then it can be identified whether the target is achieved or not.

Table2: Trend Values of the Performance Indicators

Strategic Objective	Activities	Performance Indicators	Unit	Actual Value for 2013	Actual Value for 2014	Target Value for 2015	Projected Value for 2016
1. Promotion of merit and equity in recruitment process to ensure leadership across the government sector	1.1 Conduct recruitment test for selecting the suitable persons	1.1.1 Tests conducted	No. of tests	105	124	130	135
	1.2 Recommend for recruitments on the basis of merit and equity	1.2.1 Vacant posts filled up	%	76.43%	8.40%	80%	85%
	1.3 Advice in formulating different Recruitment Rules	1.3.1 Advice given	%	96.42%	100%	100%	100%
2. Enhancement of the professional skills of public servants	2.1 Conduct Departmental examination	2.1.1 Departmental Examination held	Date	13/07/13	23/07/14	30/06/15	30/06/16
				10/02/14	17/01/15	31/12/15	31/12/16
	2.2 Conduct Senior Scale Examination	2.2.1 Senior Scale Examination held	Date	07/03/13	22/02/14	28/02/15	28/02/16
				08/09/13	26/08/14	30/08/15	30/08/16

Strategic Objective	Activities	Performance Indicators	Unit	Actual Value for 2013	Actual Value for 2014	Target Value for 2015	Projected Value for 2016
3. Recommendation for Promotions	3.1 Recommend promotions from 2 nd class to 1st class	3.1.1 Promotions Recommended	%	71.63%	72.17%	75%	80%
	3.2 Recommend promotions from 3 rd class to 2 nd class	3.2.1 Promotions Recommended	%	60.27%	88.64%	90%	90%
4. Strengthening disciplinary issues in Public Service	4.1 Opinion related to disciplinary actions for 1 st Class and 2 nd Class gazette officers	4.1.1 Disciplinary opinion given	%	92.70 %	96.07%	100%	100%
5. Regularization	5.1 Opinion related to Regularization of the class one officers in case of ad hoc and development project	5.1.1 Regularization Opinion given	%	68.89%	72.76%	90%	90%
6. Enhancement of research and development activities	6.1 Publication of Annual Report	6.1.1 On time publication	Date	on 20 th February	on 26 th February	by 15 th February	by 1 st February
	6.2 Publication of quarterly newsletters	6.2.1 Quarterly publication	No. of Publication	0	0	2	4
	6.3 Seminar with the stakeholders at regular basis	6.3.1 Number of seminar held	Number of seminar	1	3	6	10

Performance measurement and reporting is an ongoing process, commencing with the preparation and publication of BPSC that outline planned performance for the current calendar year and three consequent years, and concluding with the publication of annual reports setting out the actual performance of an entity for that same year. Table 2 highlights the trend values and the targets of performance measurement. Developing and reporting on appropriate KPIs informs internal and external stakeholders on progress and outcomes, and can strengthen organization management and accountability.

Improved service delivery to the public, governance and financial management strategies are considered as the mandatory strategies for the public sector organizations. Not only the Public Service Commission but also other ministries and divisions of the government should follow the mandatory key performance indicators proposed here.

Implementation of Citizens' Charter (CC), Implementation of Grievance Redress System (GRS) and Implementing Innovations are considered for the Public service delivery strategy for all the government organizations. Compliance with RTI Act & proactive disclosure and Preparation and implementation of the National Integrity Strategy Work Plan can ensure the improved governance. Financial management is also an important issue in the public sector in case of key performance indicators as these are considered as mandatory KPIs for all other departments of the government sector. Thus mandatory KPIs are scalable for the whole public sector.

Conclusion

Despite the challenges of implementing key performance indicators for public services, we must keep in mind that if public sector lingers too long in meeting the challenges of establishing good governance, key performance indicators can make sure the effective and transparent service delivery setting appropriate targets. We can demonstrate our leadership in this respect by proactively initiating the performance indicators within our organizations. I believe that establishing key performance indicators would enhance the accountability, transparency and efficiency of the public sector.

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