

Empirical Analysis of Critical Affairs related to current Annual Performance Agreement in Bangladesh

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ABSTRACT: Ensuring good governance is one of the important pre-conditions of any socio-economic development. Bangladesh Government has taken significant initiatives to materialize Vision 2021 as an instrument to ensure good governance. In fact, effective, efficient and dynamic administrative system upholds the atmosphere of good governance. In this regard, implication of appropriate performance management system has been defined as a vital factor for making the administrative system more vibrant. Over the last 20 years there has been a revolution in performance measurement and management and growing body of literature used both the terms of performance measurement and performance management interchangeably (Neely, 1998). Keeping this in mind, with a view to ensuring institutional transparency, accountability, proper utilization of resources and above all enhancing institutional efficiency, the Government has initiated to introduce a Performance Management System (PMS) in public sector organizations. The Prime Minister's Office (PMO) has pioneered this process by signing Performance Contracts (in the form of a Memorandum of Understanding) with each of the organizations working under the purview of the PMO (Guidelines for Annual Performance Agreement 2014-2015). This paper will empirically analyze the critical affairs of the current Annual Performance Agreement (APA) in Bangladesh. For this analysis, background and current view of APA will be explored. To correct the existing APA, a number of actions will be recommended on the basis of the study. Secondary sources and empirical knowledge have used to develop this study. Based on empirical findings, this paper argues that though Bangladesh Government is trying to establish updated Performance Management System but due to some inherent bureaucratic traditional structural problems and lack of professional knowledge, APA is not performing as effectively as expected.

Keywords: Good Governance, Performance Management System (PMS), Annual Performance Agreement (APA).

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I. BACKGROUND OF THE STUDY

More than four decades have passed since Bangladesh has achieved its independence. Within this period Bangladesh has gone through a profound political ups-downs, obvious economic crises and extensive socio-economic changes. The consequences of these multi-faceted phenomena had a direct bearing on the governmental administrative machinery (Osman, 2009). It is evident that the Bangladesh Civil Service has not yet been able to keep pace with a rapidly changing role of public administration and the HRM system is inadequate to meet the current requirements (Jahan and Monem, 2014). However, Bangladesh is now a rising, progressive and one of the least developed countries. As good governance is one of the preconditions of development discourse, so in the course of time, various administrative changes have been intensified by the Government with a view to establishing good governance and coping with the dynamic world. As a political mandate, present Government of Bangladesh envisages materialization of Vision 2021, and ensuring good governance is one of the most important agenda in this regard. It has been rightly identified by the government that an effective, efficient and dynamic administrative system is absolutely essential to ascertain better governance (Guidelines for Annual Performance Agreement 2014-2015). The Government of Bangladesh has decided to introduce result-oriented performance management system so that government policies and programs can be implemented under an intensive monitoring system. Moreover, Government has realized that performance management system and annual performance agreement would help to improve the existing administrative system through ensuring efficiency and accountability of the Government offices.

Though performance management system plays very crucial role to ensure good governance but administrative system of Bangladesh had not any constructive appropriate performance management system to assess employees' performance. Osman (2009) has correctly said, "Government of Bangladesh presently suffers

from inadequate performance monitoring and evaluation systems". There was no scope of making the employees accountable for their low level of performance or for the irregularities of the administration. Only Annual budget sessions were important accountability mechanisms where the Finance Minister presented annual economic performance of the country to the parliament (Osman, 2009). Except this there was no provision of ensuring institutional accountability. One and only prevailing performance appraisal system Annual Confidential Report (ACR) was full of caprices and so many administrative loop-holes. It is more important to give up the prevailing casual approach to ACR; instead a serious rethinking has to be done to make it more authentic and pragmatic (Osman, 2009). Unfortunately, this vital aspect of administrative development has been so far neglected from the reform agenda of the country (Haque, 2012). However, as a growing one Bangladesh is not out of the wave of administrative reform. The government decided to introduce Government Performance Management System (GPMS) in the light of the recommendations of the Public Administration Reforms Report-2000 and National Integrity Policy- 2012. A careful analysis of the recommendations of the Public Administration Reform Commission reveals the presence of NMP overtones (Sarker, 2004). The move comes in line with the government's recent emphasis on promoting performance-based work culture and improved governance (Ahmad, 2015). A core committee headed the secretary (coordination and reforms) prepared the guideline of the GPMS through reviewing the civil servants' performance evaluation procedure in India, Bhutan, Kenya, Malaysia and South Africa. With the objective of introducing GPMS across the Government it has been decided to have the Annual Performance Agreements (APAs) between the Cabinet Division as the 1st party and all other ministries/divisions as the 2nd parties. Key objectives of introducing Annual Performance Agreement are: (a) moving the focus of the ministry from process-orientation to result-orientation, and (b) providing an objective and fair basis to evaluate overall performance of the ministry/division the end of the year (Guidelines for Annual Performance Agreement 2014-2015).

II. ANNUAL PERFORMANCE AGREEMENT (APA):

Result oriented performance management system has been started in many countries of the world to achieve goals through improving Government officials' effectiveness and their accountability. For implementing Government's vision, it has been decided to introduce dynamic and upgraded performance management system for the Government officials in Bangladesh which is known as Annual Performance Agreement (APA). Annual Performance Agreement is completely an unprecedented result-oriented performance management mechanism in Bangladesh. It has become one of the most important operational tools in civil administration of Bangladesh and Government officials have become familiar with it. Performance Agreements are planned-in partnership with administration and those truly doing the effort- to deliver a process for measuring performance and, there in establish accountability. The agreements state expectations of each party signing the agreement and help improve communication with customers and stakeholders, and ensure transparency and accountability of an organization or individual (Osman, 2009). Annual Performance Agreement focuses on keeping a document of understanding between a Minister signifying the peoples' commitment, and the Secretary of a Ministry/Division responsible for implementing this commitment and this record of understanding will also be dealt in the field level administration between line and staff agency. A Performance Agreement offers a precise document of the utmost significant outcomes that a ministry/division expects to achieve during the financial year. This document contains not only the agreed objectives, but also performance indicators and targets to measure progress in implementing them (Guidelines for Annual Performance Agreement 2014-2015). APA is an innovative process of evaluating yearly performance of the civil servants- both line and staff agencies and making them accountable to their assigned responsibilities. Under the agreement the ministries would ascertain vision, mission and strategic goals in consistence with the development priorities of the government, long term perspective plan, five year plan and allocation and business and budgetary allocation of the ministry. Creating a Vision and Mission for a ministry/division is a significant enterprise of APA. Ideally, Vision and Mission should be a byproduct of the strategic planning exercise undertaken by the ministry/division. In the light of Midterm Budgetary Framework (MBF), Annual Performance Agreement (APA) set the Mission ,Strategic Objectives, Functions, Activities, Performance (Output) parameters and Outcome , provided that they are consistent with the Perspective Plan 2010-21, 6th Five Year Plan and/or ministry/sector policy documents, the election manifesto, and announcement/agenda as spelt out by the Government from time to time. (Guidelines for Annual Performance Agreement 2014-2015). APA is mainly designed to make individual alignment with national vision 2021 and Sustainable Development Goal(SDG). In fact APA is an improved version of the existing ADP (annual development program) review. The APAs seek to address three basic questions: What are the main strategic objectives of a ministry/division in a particular year? What activities they propose to achieve these objectives? And how would someone know about the progresses in implementing the activities at the end of the year? (Ahmad,2015). Now ministers are contracting with secretaries and secretaries are making contract with the departments. And gradually it will be extended to the field administration.

III. CRITICAL AFFAIRS RELATED TO CURRENT APA:-

APA is a fantastic instrumental tool through which it is trying to ensure the proper utilization of Governments' allocated resources. It links up between Government's annual mandate and officials' performance. But ongoing analyses have clarified that different critical affairs are hindering the proper implementation of APA. I will focus on these critical affairs related to APA based on empirical knowledge of doing research on Annual Performance Agreement with title 'Achieving Efficient Performance Management and Effective Governance: Potential of Annual Performance Agreement in Bangladesh'. This research has been conducted by a Bangladeshi consulting firm Development Research Initiative (dRi) with financial and technical assistance of Governance Innovation Unit. In this point, total attention will be given to analysis of factors hindering the implementation of APA.

1.1. Involvement of top leadership

The commitment of top leadership plays driving role to implement Annual Performance Agreement (APA). But top leaders are not fully heartedly involved with APA. They have not own it yet. Both political and administrative top leaders are not completely inside of APA till now. They don't know about inner components of APA. Mainly mid-level officials are dealing the whole gamut of APA. Top level officials don't want to enter into the inside of APA. They don't accept the activities of APA as their daily responsibility. They only sign the report. Even there is no active team of APA in the ministry level though it is officially made. Even till now any active team in the ministry level has not been introduced for APA activities. On the other hand mid-level officials can't make the higher officials responsive for their hierarchical position. In this circumstances top leaders of which ministries are concerned about APA, they have done well in it. Otherwise mid-level officials are suffering from proper leadership crisis to make APA more fruitful.

1.2. Human Resources:

Government has not newly recruited any personnel to do the APA activities. APA is very time bound. All targets have specific timeline to be fulfilled. So it is tough to the ministries to do all the jobs of APA within timeline for the scarcity of required human resources. Besides, who will shoulder which responsibility of APA that is another point of question? Ministries have not any constructive division of work till now for accomplishing APA activities.

1.3. Qualitative Perspective

In the current Annual Performance Agreement (APA), performance indicators are set with unit and target value is measured through numerical percentage. So, there is no scope to add the qualitative perspective of performance in the current APA. For example: in the Ministry of Education a certain number of trainees are targeted. But quality of the training program is not assured through APA. Only numerical measurement is not sufficient to improve the annual performance of the ministries or Government offices. Current APA is not able to make comprehensive evaluation of performance at all.

1.4. Fixing up soft target

To achieve only targeted goal, soft targeting is very common in performance indicator set-up. In APA, soft targeting or gaming is also noticeable. Some ministries consider APA as only target based and result oriented. So for achieving good position in APA, ministries may set soft target which should be analyzed more. Other ministries, who can't achieve the target, blame for soft targeting of another ministries. But it is desirable that soft targeting will be reduced with time going.

1.5. Proper Training

Annual Performance Agreements (APAs) are now conducting between the Cabinet Division as the 1st party and all other ministries/divisions as the 2nd parties. As an instrumental tool of performance management APA is new in the administrative system of Bangladesh. It has not become possible to provide training to all the concerned officials of the Cabinet Division as well as the ministries yet. APA is till now only focal point dependent. In the ministries only one focal point with assistance from one or two officials is dealing all affairs of APA in the ministry. Even Cabinet Division itself is following "learning by doing" method. Often ministries can't understand about the target fixing mechanism and Cabinet division itself can't make understand the ministries about it. So there is a lack of conceptual clarity between Cabinet division and the ministries. So, participatory training session should be introduced between both parties of the agreement to reduce conceptual gap.

1.6. Tenure of job

Government officials are generally transferred for a 3(three) year term. In practice, according to a study(Monem and Islam, 1996 and 1997) the Government does not follow any systematic transfer policy and civil servants are transferred too frequently. As Government has lack of sufficient human resources and transfer of the officials is very frequent so it becomes tough to continue APA activities after the transfer of any focal point. Operational leadership for accomplishing the activities of APA has not been developed in the ministries yet.

1.7. Fear to change

Bangladesh bears a colonial legacy in its entire public administration system (Jahan, 2006). So, it is a big challenge to change the colonial mind set-up of the Government officials. Avoidance to change is a common phenomenon in the Bangladeshi administrative culture. When a new tool is introduced in the administration then generally it takes long time to coup up with it. As APA has been introduced for the first time in our administrative system so there has a tendency to avoid it. But APA is almost mandatory and has been prioritized by the present Government. So in spite of avoidance among upper echelon, now mid-level Government officials in the ministries are mainly accomplishing all the activities related to APA. But for the successful implementation of APA, it is very important to come on one platform of all the stakeholders.

1.8. Technical deficiency

Focal points in the ministries face technical deficiencies to deal with the activities of APA. They are not technically well-equipped at all. Technical deficiencies make the APA operating system faulty. Ministries can't directly submit any evaluation report to the cabinet division. As APA website remains locked so for submitting any report, responsible personnel of ministry is to call cabinet division over phone and then it is submitted through email as well as manually. Besides, there is no scope to add any feedback or comment to the calendar of APA which is given on the cabinet division website. So, it is almost closed system till now.

3.11. Target setting:

Targets are tools for driving performance improvements. Target levels should, therefore, contain an element of stretch and ambition. However, they must also be achievable (Guidelines for Annual Performance Agreement 2014-2015). Though according to the APA guideline targets are driving tools of performance improvement, but targets are not setting scientifically. Moreover, now ministries set yearly targets ambiguously and hypothetically. Again, as ministries don't do any job solely so targeting for individual ministry is problematic. Soft targeting or gaming is another problem of APA. But as ministries have to submit supporting documents with the annual report of APA, so it is tough to make any aerial visionary statement. However, target setting should be more scientific and realistic to implement.

3.12. Understanding gap of Cabinet Division

As APA is a completely new performance measurement tool in Bangladesh public administration, so conceptual clarification of it has not been institutionalized yet. Though Cabinet division is dealing all the affairs of APA, but it has enough conceptual understanding gaps till now. Cabinet division is following "learning by doing" process. In many cases Cabinet division can't understand about the performance criteria of different ministries. Performance indicators are not setting scientifically. Besides, responsible officials in the Cabinet division are not technically well-equipped. As Cabinet division is the implementing agency of APA, so it is must for the responsible officials to gather profound conceptual as well as technical knowledge to deal APA.

IV. RECOMMENDATIONS

Therefore, it can be said that in spite of critical affairs, APA has far reaching possibility in Bangladesh Public Administration. Now let me mention the actions to be taken to make APA more appropriate. Necessary actions based on above mentioned critical affairs of APA are pointing below:

- Full-fledged participation of the top leaders in the APA activities has to be assured.
- As there is scarcity of human resource, so separate wing should be introduced by the Cabinet division to deal the APA activities soundly and appropriately.
- Not only quantity but quality measurement indicators also have to be incorporated to APA.
- Targets of APA should have to be set scientifically and logically.
- More training, workshops, open table discussions, day long sessions have to be held for better understanding and clarification of the APA concept.
- According to Rules of Business and Civil Service Rules, tenure of job has to be maintained.

- Periodical evaluation has to be ensured for better performance of the ministries. Independent and proactive evaluation committee should be introduced to evaluate all the performance record of each and every ministry. Performance auditing is necessary for making evaluation more effective.
- Performance based proper incentive system should be instituted.
- Ministry level teams have to be made for coordinating APA activities.
- Government should recruit more employees with technical knowledge.
- For changing colonial mind set up of the Government officials, more behavior changing training should be arranged among all the stakeholders of APA.
- APA activities should be aligned with the institutional practice so that after transfer of responsible person there would be no problem.
- For ensuring impersonality in the performance management system, APA can be linked with Annual Confidential Report.
- More advanced technology should be introduced to deal APA.
- For sustaining the provision of APA, sound and proper implementation of APA is very important. If effective output and outcome of APA is ensured then it can be sustained.

V. CONCLUDING REMARK

In this paper researchers have tried to sort out the critical affairs of current APA and have also pointed out necessary actions to be taken to correct the APA. Due to poor governance, Bangladesh can't utilize its potentialities. Bangladesh, to ensure good governance along with establishing an efficient and result oriented public service system, has to make its political and administrative system more performance based, accountable, transparent, responsive and people-centric (Osman, 2009). So, APA has considerable potentialities to ensure good governance through establishing performance based appropriate public administration. Considering this Government has taken initiatives to reform the performance management system to make the public administration more responsive, accountable and transparent. However, administrative reform is not an easy task, particularly in a country like Bangladesh which is confronted with multifarious problems (Sarker, 2004). Now, APA is implementing as an instrument of performance measurement through pre-set indicators and targets. But if indicators and targets of APA are not being set realistically and logically then it will be only formal paper work. So for better output and outcome of APA, Government officials should rethink about its critical affairs and should take appropriate attempts to correct the present drawbacks. All the stakeholders of APA should be more committed to implement it properly for ensuring better performance management system.

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