Innovations in Performance Management

From Government Performance To Governance Performance

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South Korea’s average annual GDP growth rate dropped to 4.3% since 1997 from 8.4% between 1987-1996.

The country needs a new paradigm to regain its pride in a rapidly changing and more competitive era.
The Challenge:

Even with more experience and lessons from advanced countries, the effort of instituting a performance management system was a challenge because the formal processes often failed to mandate real changes and “the old ways continued in practice.”
1. Re-orientation in Perspectives and Expectations

A thoughtful reevaluation of misconceptions and failures has led the Administration to reorient its perspectives and expectations.

1) Managerial Performance & Democratic Processes

Performance management may not result in better performance in a short time period, but still can be an appropriate device for enhancing transparency and facilitating effective communications in policy making.

e.g., The On-nara Business Process System
2) From evaluation (an incentive mechanism) to management (capacity building)

Performance management was often perceived as a performance evaluation device because what matters to practitioners is individual scores rather than organization’s performance.

This often promoted destructive competition among individuals, departments and agencies discouraging collaboration and coordination that are more crucial in public service.

The focus needed to be shifted from an incentive/scorekeeping to a capacity building mechanism.

* e.g., Korea Customs Service’s Career Development Program
* e.g., Civil Service Commission’s Career Development Program
3) From more quantitative to more qualitative

Most performance management techniques mandate quantification of performance in one way or another. This approach has often resulted in excluding hardly-quantifiable qualitative services and democratic-constitutional values.

Performance management as part of governance architecture should give more emphasis on ‘doing the right things’ than ‘doing the things right.’

e.g., Office of Government Policy Coordination’s Governance System
4) Not only outcomes but also inputs & outputs

It has been preached that performance should be measured using outcome-based indicators. This approach can be appropriate for the high-level indicators. But at the operational level, outcome-based indicators are often unavailable and sometimes irrelevant.

Furthermore, outcome-based measures alone don’t provide managers with causal relationships that are essential for improving the performance.

e.g., Program Assessment Rating Tool-Korea
The ‘Accountable Government’ Initiative

2. Improving the Business Process: The On-nara BPS

The accountable government initiative integrates various:

- functions --- planning, budgeting, management, etc.;
- levels --- central and local;
- units of evaluation --- individuals, programs, policies, etc.
1) What is On-nara BPS?

The on-nara BPS is a government management system that accommodates document processing and program management online.

It will evolve as a backbone system that links to other management systems, such as performance management, program evaluation, the president’s management agenda, etc.
2) Designing Strategies

Many e-government tools driven by ICT solutions have led to a proliferation of websites, portals and e-management systems that are often overlapping, incompatible, confusing, expensive, and pressured to be replaced by a new solution. The on-nara BPS development team stressed the following strategies:

1. User-friendly
2. Useful information
3. Timely information
4. Time-efficient
5. Effective communication
3) What It Has Changed

1) more communication and better participation
2) personal responsibility & Transparency
3) long-term accountability
4) decision quality
5) Collaboration with and across agencies
3. Performance Management Systems

The structure and components of performance management differ by its function, the level of government and the unit of analysis, etc.

1) Job Analysis and Performance Appraisal

Job Analysis provides a solid foundation for the subsequent civil service reforms through redefining the roles and responsibilities of each position.

2) ‘Personal’ Performance Contract
3) ‘Program’ Performance Self-Assessment

The Program Performance Self-Assessment (PPSA), which benchmarked the US- PART (Program Assessment Rating Tool), is a systematic method of assessing the program performance across the central government.

4) ‘Policy’ Performance Evaluation

The Office for Government Policy Coordination (OPC) is responsible for coordinating major government policies, evaluating the overall government performance, and orchestrating regulatory reforms.
5) Each Ministry’s Performance Management System

Under the umbrella of various accountable government systems, as summarized above, each ministry is responsible for devising its own performance management system that best meets each ministry’s needs.

6) Performance-based ‘Auditing’

The Board of Audit and Inspection (BAI) is also in the process of shifting its focus to performance-based auditing from traditional accounting-based auditing.
Many countries in Asia point out that the success of reforms depends more on the “government capacity to carry out the reforms in many cases,” rather than on the availability of ideas or best practices.

The Civil Service Commission (CSC) in Korea has dedicated its effort to make the country’s government more competitive through open personnel management.
The open government initiative refers to a series of personnel policies that promote open competition in every aspect of personnel management, such as:

1. Flexible and Diverse Recruitment
2. Expanding Open Position System
3. Promoting Personnel Exchange Programs
4. Expanding Job Posting Program
5. Operating 'National Human Resource Data-base System'
Many countries in Asia report that “civil service reform is insufficient since there is also the need for transformative, persuasive and collaborative leadership.” This calls for “better training programs for medium to high level officials”

The Senior Civil Service Initiative of Korea responds to this by improving the quality of senior civil servants through various measures.
The three - accountable, open and senior civil service - initiatives are critical milestones that would transform South Korea into an advanced democracy and governance in a sustainable way.

The underlying philosophy of performance management in Korea is “doing the right things” rather than “doing the things right.”

Trust in government in the long-run may be more correlated with doing the right things than doing the things right.

Hence the term of “governance performance”
(instead of government performance).