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Implementing a New Performance Management System in the Egyptian Civil Service / تطبيق نظام جديد لإدارة الأداء في قطاع الخدمة المدنية في مصر

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THE PUBLIC POLICY **HUB**

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List of Abbreviations

CAOA	: Central Agency for Organization and Administration
CAPMAS	: Central Agency for Public Mobilization and Statistics
CSL	: Civil Service Law
ETUF	: Egyptian Trade Union Federation
HR	: Human Resources
HRIS	: Human Resources Information System
HRM	: Human Resources Management
ILO	: International Labor Organization
MPMAR	: Ministry of Planning and Administrative Reform
OECD	: Organization for Economic Cooperation and Development
PMS	: Performance Management System
SDS	: Sustainable Development Strategy
SFR	: Solution Focused Rating

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Executive Summary

The policy paper discusses the recently ratified Civil Service Law (CSL) No. 81/2016 with a special focus on the potential implementation pathways regarding the performance management system of government employees. In an attempt to combat the inefficiencies in state bureaucracy to achieve more economic growth, the CSL comes as a legislative instrument within an ambitious national agenda for administrative reform in Egypt seeking a better performance of the public sector institutions. Key features of the new performance management system mandated in the bylaws include conducting a realistic and objective evaluation that guarantees an unbiased and equal treatment for all, ensures an equal distribution, and aligns to job related goals and targets.

This paper tackles the issue domain of the gradual implementation of a new Performance Management System (PMS) across the central administration which directly and generally impacts economic development. With a special focus on the implementation of the multi-source evaluation system on government employees in the Egyptian context, the researchers reflect on a number of international best practices across the globe where similar experiences of implementation took place. In this framework, a number of policy alternatives are proposed.

In light of the literature reviewed, key-informant interviews conducted and international experience, the researchers recommend implementing a combination of Policy Alternative Two and Policy Alternative Three. Alternative Two suggests the application of the proposed multi-source evaluation on senior leadership and the limited multi-source evaluation on all other categories of employees, whereas Alternative Three suggesting piloting the proposed multi-source evaluation system on civil servants moving to the New Administrative Capital, followed by other segments gradually as deemed necessary.

The main proposition of this combination of alternatives is to apply the multi-source feedback appraisal to senior and leadership positions, starting with those that will be moving to the New Capital. Limited multi-source appraisals would be applied to all other employee categories. This recommendation comes in alignment with international best practices in recognition of the central role of senior civil servants in improving governmental performance and efficiency as well as pushing for the simplified performance appraisal system to the rest of the employee categories.

I. Background

Enhancing the effectiveness and efficiency of public institutions is considered a prerequisite for economic growth and development. In an attempt to combat inefficiencies in the state bureaucracy, the inception of proper human resource management and development frameworks is considered mandatory for better functioning public organizations: “Improving public service quality, accessibility and responsiveness, while carefully managing limited resources, requires effective performance management in the public sector” (OECD, 2017). For long, the

government sector⁽¹⁾ in Egypt has been characterized with high vulnerability to corruption and inefficiencies leading to public dissatisfaction and social unrest. The public civil service is considered low performing and inefficient and does not meet the growing and changing needs of the citizens that they serve.

Despite the different and ongoing reforms undertaken to improve the performance of public civil service, the main challenge remains in the proper implementation of a performance management system. The concept of managing performance in the civil service in Egypt, which had been in place since 1964, has evolved from being a tool that reflects and develops performance, into a means by which all civil servants and employees guarantee receiving annual bonuses and supplemental pay. Performance ‘appraisal’ is traditionally perceived by civil servants as being procedural rather than part of their development process. The essence of a performance management system as a motivational tool to encourage civil servants to enhance on a regular basis their professional knowledge and skills and develop their full work potential gets lost in translation. As a result, most civil servants currently lack the skills needed to perform their jobs efficiently and have not acquired the new skills needed to deal with the growing and changing needs.

Despite the continuous amendments to the Civil Servants Law since 1964 to cope with the socioeconomic developments, the amendments introduced concerning performance evaluation were almost insignificant. Consecutive amendments introduced in 1978, 1983 and 1992 were more or less amending the period provided for the employee to challenge the outcome of the evaluation report and the frequency of carrying out evaluation reports. The adopted performance evaluation system was mainly an evaluation of the direct manager of his/ her subordinates according to a form which sets generic evaluation criteria.

The Sustainable Development Strategy: Egypt Vision 2030 (SDS) sets the overall strategic direction for Egypt, and focuses through its fourth pillar on a vision for “Transparency and Efficiency of Government Institutions”. This vision cited “An efficient and effective public administration sector managing state resources with transparency, fairness and flexibility” (SDS, 2016). In accordance, the Ministry of Planning, Monitoring and Administrative Reform developed an Administrative Reform Plan for Egypt with the aim of guiding reform measures in the public administration. A robust performance management system is considered a key to achieving this vision and ensuring that the government apparatus performance meets the needs and hopes of the citizens. In an attempt to realize Pillar Four of the SDS vision 2030 and strike at the roots of the problem with civil service performance, the Egyptian government finally placed administrative reform high on the government’s agenda, with the bold move of introducing a new president-backed Civil Service Law in 2015. It replaces the Civil Service Law No. 47/1978, which has been in place for 38 years with minimal changes.

1- The CSL governs the central administration (ministries, local administration, general authorities that have internal regulations mandating following the CSL such as the Social Insurance Authority). Other public authorities (e.g. Suez Canal Authority, MASPERO, etc.) are not governed by this Law.

The new Civil Service Law No. 18/2015 initiates a step to reform the state bureaucracy and elevate the deteriorating public services by limiting bureaucratic inefficiencies and restructuring wages and recruitment procedures in government institutions to be able to encourage investments.

The law stirred a controversy after its rejection by the parliament. This rejection may be justified for various reasons, mainly for the absence of a social dialogue. In addition, the statements of the executive authority mainly focused on the financial burden the government bears due to the huge number of the employees. Because implementing the law would affect 6 million employees, the bill was returned to the government for review. The Law deliberately introduces new human resource management (HRM) practices across the central administration in alignment with the recommendations sent by the parliament and Council of the State. In 2016, Civil Service Law No. 81/2016 was finally ratified and put into force. The CSL bylaws (executive regulations) were endorsed by the Prime Minister's Decree No. 1216 for the year 2017. Moreover, the Prime Minister's new Decree No. 1146/2018 mandates the establishment of 6 administrative units in the Central Administration including a department for Human Resources among other departments. The issuance of this decree can also be considered a driving force for reform in the area of performance management design and implementation through the establishment of a department that is solely mandated with managing human resources.

It is worth mentioning here that the civil service law is a social legislation which primarily intends to protect the weaker party (employee). Although the new CSL provides more protection for the employee in case of weak performance, the performance evaluation in the new law is perceived as a mechanism to dismiss employees.

Currently, the Egyptian government is designing the implementation of many features of the CSL with priority given to the implementation of a reformed performance management system in the civil service. According to the new CSL, both the Ministry of Planning, Monitoring and Administrative Reform (MPMAR), and the Central Agency for Organization and Administration (CAOA) have been mandated with the development and implementation of the new performance management system. The key features of the reformed performance management system include conducting a realistic and objective evaluation that guarantees unbiased and equal treatment for all, reaches a normal distribution for performance, and aligns to job related goals and targets (Article 74 of the CSL bylaws).

Facts and Figures on Civil Services in Egypt

Being the largest employer in Egypt, the Egyptian bureaucracy has expanded from 250,000 employees in 1952 to around 5 million in 2017. Particularly after the Arab Spring when the general public voiced their extreme opposition, the government had to give many temporarily hired employees permanent jobs, which resulted in more unnecessary employment burdening the already dysfunctional administrative system. The total number of employees in the

public sector increased by 3.7% in the fiscal year 2013/2014, to reach 5.752 million (almost 6 million), compared to 5.545 million in 2012/2013 according to the Central Agency for Public Mobilization and Statistics (CAPMAS2017). It is worth noting that in 2015/2016, the trend has reversed to a decrease in the number of government employees, reaching a fall of 13% in the fiscal year 2016 /2017. This has reflected directly on the state budget where the compensation of employees which has accounted for 27% of total expenditures in 2013/2014, decreased to around 18% of total expenditures (amounting to around 270 billion LE) according to budget figures for 2018/2019 (MoF, 2018). This trend could be attributed to the measures introduced in the CSL, such as allowing early retirement starting from age 50.

According to international standards, Egypt's general government is overstaffed. Statistics published by the ILO bring Egypt's general government as contributing to over 20% of total employment in 2014, and its public sector contributing to over 26% (ILO). These numbers are quite high compared to neighboring countries like Turkey, whose general government accounts for around 12% of total employment, and more developed countries like Japan with rates of just above 5% of total employment (OECD, 2017).

The percentage of women in the administrative institutions under the public sector is relatively low which forms around 19% (CAPMAS, 2017). In addition, gender gap is still persisting when it comes to leading positions due to a number of social, cultural and economic circumstances. It is worth mentioning here that the civil service introduced article 92 which allows promotion for women in case of maternity leave. However, there is a crucial need to adopt special measures to ensure gender mainstreaming in the public sector.

According to CAPMAS, the ratio of civil servants per citizen served reached to 1:14 compared to Morocco (1:88) and to France and other European countries (1:140). This makes the public employees almost 10 times the optimal number of employees needed to efficiently carry out the administrative processes. It also means that the current number of public personnel makes it challenging to manage them and develop them professionally.

II. Problem Statement

The newly introduced changes in the way human resources are managed in the government will have a real impact on the performance-related pay, career development, promotions, and increasingly also the employee's job security. Given the importance of these elements to employees, the instrument of performance management will gain a greater position at the core of human resource management. This increased significance demands an improvement in the application and professionalization of the entire performance management process, to ensure its successful institutionalization.

Despite the new legal, political and social realms governing the introduction of a new performance management system in the Egyptian civil service, notwithstanding the issuance of the bylaws more than two years ago, a new system is yet to be implemented across the central administration. The current approach as per the new Civil Service Law and its bylaws (see Annex 1) has laid down the strategic framework for the new performance management system and has identified the criteria that are to be used as a basis for evaluation. The new proposed system is that of a multi-source feedback system. However, the action plan for developing this new system, with all its forms, tools and working aids, is still a work in progress. The focus of the new system and the international model (or home-grown model) to be applied is also still unannounced.

To put the law in practice means pushing against a number of challenges characterizing the current performance management system and pushing forward mitigation strategies and reforms in the new system. The following is a list of potential challenges that the new performance management system has to overcome.

1. Perception: If performance appraisals are actually conducted they are considered as part of the everyday administrative chores that need to be performed by a civil servant. It is perceived as a burden for superiors and employees alike. Under the old CSL, performance appraisals in public administration were insignificant with no substantial impact on work conditions due to the prevalence of automatic promotions after completing a certain number of years. The security associated with life-long employment nature of the civil service also contributed to an ill-performing performance management system (Demmke, 2007).

2. Standardization “One Size Fits All”: standardized employee appraisal forms are used by all government organizations in Egypt. Using the same criteria to evaluate the performance of jobs that have different functional levels, and involve different activities is not reflective of proper performance evaluation. “The reality of administrative work cannot be pressed into a form and differs from authority to authority and between the various categories of employees” (Demmke, 2007).

3. Subjectivity: the criteria used in the evaluation forms are potentially misused by direct line managers in favor of or against the employees, opening the door to potential unfair practices and a lack of transparency. In addition, there is lack of information on performance in public sector jobs as compared to the private sector, and difficulty in quantifying many aspects of individual performance.

This takes a whole new level of complexity among more senior civil service ranks, where numerous factors can be used to explain individual performances. The assessment in this case is mostly dependent on the assessors' understanding of the criteria and is hence extremely subjective. The performance criteria used for the assessment are outdated, and do not reflect the current needs

and growing expectations of the citizens (Maher,2011). Moreover, to avoid internal management conflicts between employees, managers have an inclination to assign ratings that are relatively too high in relation to the actual employees' performance.

4. Design: The design of the current systems lacks a window for feedback from managers to employees with the aim of improving performance and ensuring that areas of weaknesses and strengths are highlighted. The current design of the performance management system also lacks benchmarking employee performance against clear strategic objectives that have been preset by the organization, and hence the system does not relate the performance of the employees to the institutions they are working in.

III. Stakeholder Analysis

There are many stakeholders that are involved in the reform of the performance appraisal system in Egypt that can be outlined as follows:

- **The Central Agency for Organization and Administration (CAOA):** this is the key implementing agency mandated with reforming government administration systems, improving levels of civil service, ensuring equality among all civil servants, enhancing efficiency of government units, and ensuring that government entities are meeting their mandates and responsibilities. It was established in 1964. The CAO A can be perceived as the “brawns” of the administrative reform in Egypt.
- **The Ministry of Planning, Monitoring and Administrative Reform (MPMAR):** this is the key strategic ministry that is mandated with overlooking and planning administrative reform in Egypt. It is considered the “brains” of the administrative reform in Egypt, and the Minister’s Deputy for Administrative Reform closely consults with the CAO A on all issues related to civil service reform.
- **The Parliament:** the Labor Committee and Budget and Planning Committee have a role to play in supporting or disproving any legislation that is perceived to negatively impact employees and civil servants.
- **The Higher Committee of Administrative Reform under Auspices of H.E Prime Minister:** this committee was formed in May 2017 with the aim of supporting and overseeing the implementation of the state’s plan for administrative reform by putting in place the mechanisms and programs that ensure improving levels of public service delivery. It is headed by the Prime Minister, and the membership of the Minister of MPMAR, the Minister of Finance, the Minister of Local Development, the Deputy Minister of MPMAR for Administrative Reform, and the Head of the CAO A.
- **The Newly established human resource departments within central administration units:** These units, previously known as Personnel Affairs departments, should now be established in all government units, and

empowered to carry out all HR-related functions including Performance Management. According to the bylaws, these units will have the responsibility of developing performance appraisal forms, developing and maintaining employee records of performance, arranging for the appraisals of the employees, informing employees of the results of the assessment, and following up on any petitions.

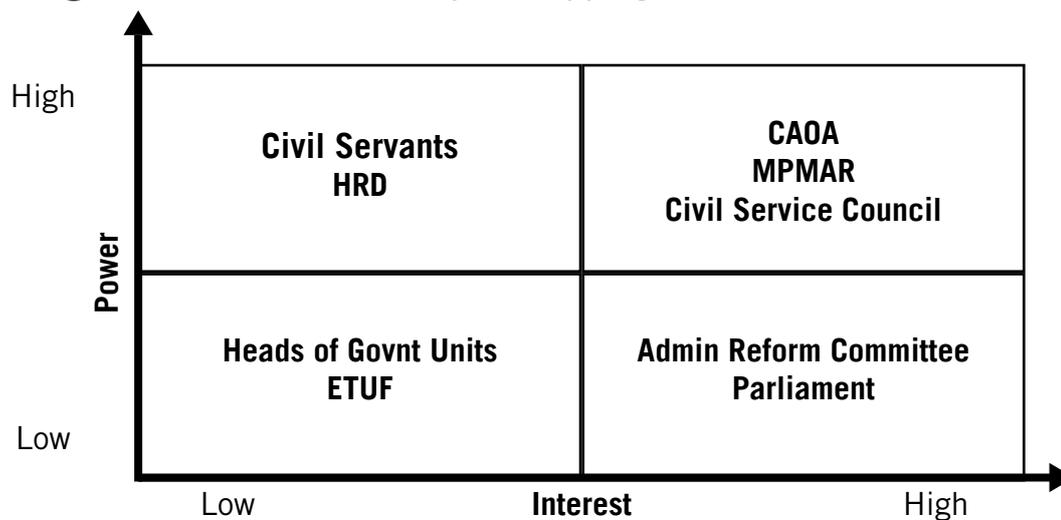
- **The Civil Servants:** these are the key vehicles of civil service reform in Egypt, and are perceived to represent Egypt's human resource factor. They will be the recipients of the forthcoming reform, and their involvement is a necessary factor for its successful implementation.

- **The Heads of Government Administration Units:** These are the ministers, governors, and CEOs in different government units, and they head the organizations in which the new PMS will be implemented. As per the bylaws, they are responsible for designing a performance management system (single or multiple) as per a guide that is to be approved by the CAO, as well as attributing weights to evaluation criteria based on the nature of the organization's operation.

- **The Civil Service Council:** This Council's establishment has been mandated by the new CSL, with the aim of providing recommendations and advice on the development of the civil service and improving the public services in Egypt. Among its key responsibilities are the provision of advice on the criteria of evaluation and the design of evaluations across the government. In February 2019, the MPMAR issued a decree for the formation of a Civil Service Council headed by the Head of the CAO, and currently includes in its formation the head of the legislative committee in the State Council, the head of the Central department for Civil Service in the CAO, the head of the State Budget department in the Ministry of Finance, and a representative from Egypt's Trade Union Federation.

- **The Egyptian Trade Union Federation (ETUF):** as a civil service actor, the labor unions represent the guardians of the employee's rights.

In the stakeholder analysis mapping, the Power-Interest Matrix is applied to identify the respective level of power and interest of the different stakeholders to better understand the landscape that governs the implementation of a new PMS in Egypt. Actors are mapped according to how strongly they have power to influence the implementation of a new PMS, and how interested they are in supporting this implementation.

Figure 1: Stakeholder Analysis Mapping: Power-Interest Matrix

The matrix shows that the CAO and the MPMAR are among the most powerful and the most vested stakeholders in the implementation of new PMS. They are the main champions of change and the ones with the highest stakes. They are also held accountable for introducing reform and yielding results that can be sensed by the general public. The Civil Service Council also has a high interest, since this reform lies directly within its mandate, but its power to influence implementation is more limited given its advisory function.

It is advisable to keep the actors who have a low power and a high interest engaged and informed of the progress of implementation. These include the Parliament and the Administrative Reform Committee. Although the Administrative Reform Committee is highly interested in advancing to a new PMS, its power to influence concrete steps in this direction is quite limited.

This is due to the very strategic nature of this committee and its limited implementation capacity. The Parliament, on the other hand, has less interest in supporting a new PMS due to the resistance and protest it might stir in the civil service, but its power to oppose something that is enshrined in the law and bylaws is unlikely.

Actors with a high power and a low interest should be approached with the intention of creating a need to engage or at least get their buy-in so as not to oppose any changes. These include the civil servants and HRDs. Civil servants generally have a low interest in changing the status quo and leaving their comfort zones, especially when the status quo PMS ensures that 99% of employees receive excellent performance appraisals regardless of the actual performance.

They do, however, have a very high power to influence the implementation since their engagement is key to a successful implementation. Their opposition is also a very strong risk to the system's implementation. As for the HRDs, most of them are newly established with limited initial capacities, and hence their interest in assuming more complex roles will likely be quite low. Nevertheless, their power to influence the new system is quite high given their central role in

designing and overlooking most phases of the PMS system.

Actors with a relatively low interest and a low power should be considered but without putting a lot of energy and time to engage them. These are the Heads of the Government Units and the ETUF. The Heads of Government units are not likely to take any actions in progressing to a new PMS system unless they are mandated to do so by an external entity (e.g. MPMAR/CAOA), given the perceived extra burden and change that will need to be introduced to their institutions. The ETUF will also likely perceive this new system as a threat to civil servant job security, due to actions that might be taken against low performing employees, and so will not be interested in advocating for the new system.

However, neither of these actors has much power to actually prevent the introduction of the new system.

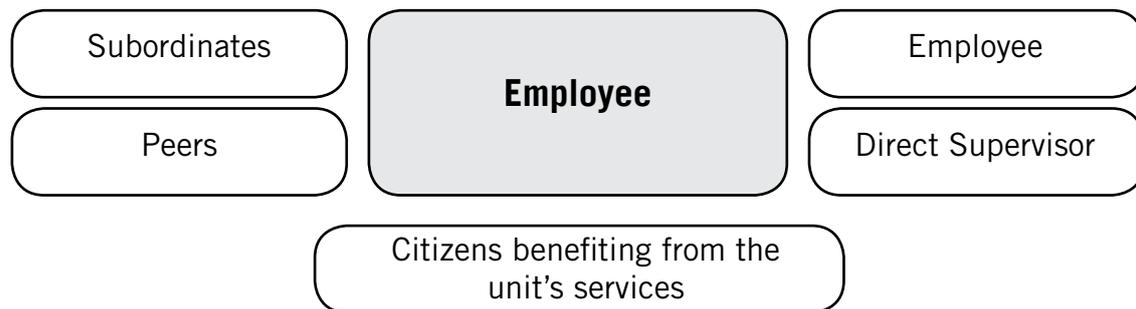
IV. The Main Features of the New Performance Management System as per the CSL

**Figure 2: What Does the CSL and Bylaws Say About Performance Appraisal?
Key Facts**

- **Responsibility for the Assessment and Decision Making:** The “Competent Authority”, which is the minister, governor or a public authority’s chairman of the board of directors, as applicable, and the Human Resources Department in the institution.
- **Frequency of the Assessment:** At least twice per year (May and November).
- **Duration of the Appraisal:** One month
- **Target of the assessment:** employees of over 6 months of work in the unit
- **Ratings (5):** Excellent, Competent, Above Average, Average, Weak
- **Performance Benchmark:** Unit’s Objectives, Activities, Position (job description) the availability of this information is a prerequisite for assessment
- **Appeal Submission:** within 15 days of the official notification of performance report to the responsible Grievances Board (establishing this board in all entities is a prerequisite for implementation) and for senior positions to the Competent Authority.
- **Assessment Consequences:**
 - 1 “Excellent” – eligibility for elective promotion for specialized position upon availability
 - 2 consecutive “competent” – eligibility for a promotion upon availability of positions
 - 2 consecutive “weaks” – transfer to another position of the same grade by the HR committee for one year, after which supplemental pay is to be reduced by 50% for six months if performance do not improve, after which the service will be terminated upon the approval of the Competent Authority.
 - 2 consecutive “below average” – service termination

Source: Official Gazette –edition 43 (A) on 1 November 2016

Figure 3: Proposed Option for Multi-source Feedback System as Described in the Bylaws



The Proposed Assessment criteria for all employees as per the bylaws include conduct, commitment, quality, excellence, innovation, creativity, achievement, and responsibility. Additional Assessment Criteria for Senior Positions include the ability to: plan, organize, supervise, monitor and direct, resolve conflicts, make decisions, and achieve the desired outcomes.

V. International Experiences

Aspiring to achieve progress towards a set of determined goals, most institutions introduced a form or another of appraisal depending on the overall goals of the organization and the different types of functions of the employees. The various functions provided by robust performance management include reflecting and improving institutional and/or employees' effectiveness; enhancing employees' levels of motivation; linking employees' pay with perceptions on their performance; raising levels of employee accountability; and aligning employees' objectives with those of the organization as a whole (Kim, 2011). Hence, governments seek institutionalizing performance appraisal systems that help in realizing most of these functions.

Different Techniques of Performance Appraisals across the Globe

Some developed countries such as Germany and Austria have chosen to apply modern performance appraisal systems such as the Solution Focused Rating (SFR). Other countries, such as the US, Britain and South Korea have chosen to focus more on appraisal design by adopting performance-pay systems. Some institutions such as the NHS in the UK have adopted the Balanced Scorecard Framework ultimately developed for the private sector. This framework is used to clarify the teams' vision and strategy for improvement and then turning them into clear objectives and measures. It is mostly adopted to ensure a system-wide approach to prevent bottlenecks. Some systems are more focused on the implementers of the appraisals and the key stakeholders in this process. One of the most prominent examples in this area is the 360 Appraisal Method, applied in the US and Canada. Another common approach followed by countries like Japan and Malaysia when reforming appraisal systems is to introduce new evaluation criteria that are of growing importance in assessing performance.

These include citizen centric criteria, such as citizen satisfaction, as well as newly needed skills, such as social intelligence. Lastly, there are systems that focus on the periodicity of evaluations, which requires laying systems for daily follow-ups and semi-annual performance appraisals, as compared to annual appraisals. These are used in the US and Japan (Maher, 2011).

IT-based appraisal systems provide an important window for: recognizing diversity among different employees, ensuring a more honest system of evaluation of team members, and identifying specific skill-gaps that need to be filled in order to optimize overall organizational performance. The problem with IT-based appraisal systems is the need to safeguard supervisors' fairness and transparency throughout the process to guarantee a meritocratic approach. A number of factors play a role in how successful the performance appraisal system can be: the capacity to effectively communicate, the overall maturity of the organization, and the availability of a process to maintain objectivity of assessments (AroGordon, 2015).

Numerous studies related to performance appraisal system implementation have identified 360-degree assessments (360s) - also known as multi-source or multirater assessments- as a common tool for personnel management. In these systems, employees receive feedback from supervisors, subordinates, peers, and customers, although there are many variants where two or more of these sources may be used. Multi-source assessments are now one of the most popular tools for feedback and development used to develop workforces in many organizations (Rand, 2015).

Special Focus on Multi-source Feedback System

In most OECD countries, a combination of a traditional evaluation “evaluation only by supervisor” and a multi-source feedback is implemented. In Denmark, Finland and Norway the decision on the source of data for appraisal is done at the organizational level. In Belgium, 360° feedback and evaluations by colleagues, customers and citizens are conducted. In Great Britain (in the senior civil service), “the measure of qualitative results are often recorded through the use of assessment tools such as 360 degree feedback, input from peers, staff managed and colleagues as well as, for many of the most senior staff, the results of staff surveys and departmental feedback”. In some countries (e.g. in the British Senior Civil Service) customer questionnaires, 360-degree feedback, balanced scorecards, assessment centers, etc., are used for assessment (Demmke, 2007). In Netherlands, for example, peer evaluation is used along with supervisors' evaluation, whereas in Ireland a multi-source feedback is usually used for top managers and civil service development rather than for remuneration or promotion. Table 1 below depicts the different source combinations used in EU member states.

Table 1: Alternative Multi-source Combinations used in Selected EU Member States

Sources Combinations	Countries
Traditional Source as sole method (immediate superior)	Czech Republic, Croatia, Italy, Luxembourg, Malta, Norway, Poland, Romania, Slovenia, Serbia, Slovakia, Sweden
Traditional Source + Self-evaluation	Bulgaria, European Commission, Finland, Ireland, Latvia, Lithuania, Hungary, Portugal, Spain, Switzerland
Traditional + Superior of a higher level	Belgium, Bulgaria, Cyprus, France, Germany
Traditional + 180-degrees (on a voluntary basis)	Switzerland
Traditional for regular civil servants + multi-source for top managers	Estonia, France, Ireland
Traditional + multi-source	Latvia and Netherlands
Only multi-source	Greece

Source: EUPAN (2017).

Most countries use multi-source feedback systems in combination with other performance management systems, and rarely as the stand-alone system to measure employee performance. Multi-source feedback usually measures interpersonal proficiencies or “soft skills,” such as ability to lead, ability to work within a team, effective communication skills and other traits that are valued aspects of performance. The mainstream of organizations that have adopted multi-source feedback systems use them for development-related purposes. These include identifying training needs, annual development goals, and succession planning. Multi-source feedback is rarely used by organizations exclusively for evaluation purposes that impact employee decisions, such as promotions and salary increase (Rand, 2015). Advocates of multi-source feedback systems argue that the ability of the system to capture a diverse array of an employee’s performance helps deliver a more accurate picture of individual performance and interpersonal skills than traditional feedback systems which are dependent on purely objective measures. Another argument rests on the reliability of depending on evaluations coming from multiple evaluators as opposed to a single evaluator. Feedback from more than one evaluator also indicates lower evaluator biases and errors and promotes a sense of fairness and justice within the organization.

Challenges of Implementing the Multi-source Feedback System

However, there also are challenges associated with the implementation of multi-source feedback systems. These systems usually require intensive resources in terms of time and money to design, implement, and maintain. The process associated could also be time-consuming for participants, with risks of participants being reluctant to provide honest feedback if they have concerns regarding their anonymity.

HR experts with a focus on performance management stress the problems associated with excessive use of multi-source feedback systems that are not properly designed and implemented, based solely on its importance as a development tool. They argue that the resources associated with implementing such systems will not provide organizations with 'magical' solutions to leadership problems, but instead their success is dependent on customizing the system to individual service needs and goals (Rand, 2015).

One of the biggest implementation challenges in introducing a reformed PMS is creating a performance culture with the organization which requires a sophisticated approach. In the case of Mexico, there were three main challenges. Firstly, assessing performance represented a cultural change that the civil servants were not prepared to. Secondly, there was a lack of a comprehensive performance management system that is a precondition for performance assessment. Thirdly, the operational managers were neither accountable for performance nor empowered to exercise this responsibility (OECD 2013).

VI. Policy Options / Analysis of Alternatives

The proposed policy alternatives give suggestions on the entire performance management system, with its four stages; not only focusing on performance appraisals as it is one dimension of a comprehensive system. To choose between the different propositions, specific criteria need to be in place.

The following are the selected criteria for comparing and recommending policy alternatives:

(1) Effectiveness: To what extent does the policy alternative attain the goals set in the problem statement? How much improvement will this alternative bring to the issue?

(2) Efficiency: It is the ratio of inputs to outputs. The policy alternatives that achieve a desired goal at a lower cost are more efficient than those that achieve the same goals at a greater cost, or achieve a smaller goal at the same cost. Nevertheless, owing to the conflicting goals of different interest groups, we find that efficiency is used in government policies to describe specific programs rather than broad policy areas.

(3) Equity: Because the needs and abilities of individuals and groups differ, equity does not necessarily demand distributing equal amounts of goods or services. Instead, it is better referred to as ensuring a fair amount of goods

and service provision to each group or individual.

(4) Technical feasibility: Is the proposed alternative technically feasible in terms of needed technology for implementation, the amount of time needed to conduct the assessment, the effort and workload required, and integration with the existing public Human Resources Information System (HRIS)?

(5) Financial constraints: what is the expected cost of implementation of the alternative?

(6) Political acceptability: Is the proposed alternative acceptable to policy makers, policy targets, general public etc.?

The policy paper will utilize the previously mentioned criteria in comparing the proposed alternatives for the wide objective of realizing the public interest in the form of a better functioning central administration that serves citizens. An attempt will be made to select the most cost and time efficient solutions, and the solutions that can trigger radical changes to the implementation and measurement of the public employees' performance.

1. Implementing the proposed multi-source evaluation system across the civil service (for both senior leadership and all other employees' levels)

Description	The main proposition of this alternative is to develop a digital standardized multi-source evaluation system that is to be used uniformly across the civil service. In this policy alternative, the proposed multi-source feedback appraisal system that is outlined in the CSL will be implemented across all levels of government, and on all civil servants, regardless of their level of seniority, or job description. Given the nature of multi-source feedback systems, and the resource level needed to implement it, this policy alternative proposes the use of a digital system since it is more feasible to implement on a large scale as opposed to a paper-based system.
Effectiveness	In terms of applying the multi-source feedback to public employees, it realizes the purpose of the new CSL.
Efficiency	This is the least efficient policy alternative considering the large scale input needed to implement this evaluation system across all levels of the government (on central and governorate level) at the same time. The use of a digital system though will save an immense amount of paper needed to implement the multi-source feedback system, but it will require building the basic digital capacities of civil servants across the central administration, as well as providing them with the digital tools and infrastructure that enables them to use the system in an efficient and timely manner.

Equity	Although this alternative seems to ensure equity by applying a uniform performance system to all employees, multi-source feedback is considered the worse performance management tool if used solely for appraisal reasons. Hence, applying this system to all might put a lot of people at a disadvantage.
Technical feasibility	This alternative is the most technically infeasible, given the low level of digital skills of a large segment of the civil servants, the limited access to computers, and the general resistance to reforms among the civil servants. Introducing a new fully-fledged PMS at all levels will more likely be very challenging for both the central implementing agency (CAOA) as well as for the newly formed HR departments that will have to oversee the implementation in their respective entities.
Financial constraints	The costliest alternative, since it will mandate mass trainings on the new system, the purchase of the necessary performance software, and the procurement of an IT infrastructure that civil servants can use for the assessments. Making available the option of paper-based assessment for specific groups where using a digital platform is infeasible will mandate the provision of certain resources (paper, printers, ink, scanners).
Political acceptability	This alternative might induce the dissatisfaction of public employees similar to the grievance and resistance that took place during the first introduction of the law in 2015. For policy makers, the alternative is acceptable as long as it realizes the goals of the civil service law.

2. Applying the proposed multi-source evaluation on senior leadership and the traditional limited/single-source evaluation on all levels of employees

Description	The main proposition of this alternative is to segment the civil servants into two clusters; senior leadership positions and the remainder of all employee levels. It aims at applying the multi-source evaluation (more than two sources for feedback) on senior leadership positions and the traditional single-source (direct senior evaluates subordinate) on all other employees. In this policy alternative, the reform of the current PMS will come in the form of designing and implementing a totally new form of PM on seniors, and introducing changes and enhancements to the traditional (status quo) evaluation system to counter the challenges that have been outlined above, and in alignment with the requirements of the CSL bylaws (Article 74). Potential enhancements to the traditional appraisal system can include enhancements to the appraisal forms providing a space to other stakeholders (citizen satisfaction, peer review or HR) to contribute to the evaluation process if needed to ensure more objectivity, following a normal distribution for appraisal results.
Effectiveness	The proposed solution is considered a balanced approach towards a multi-source evaluation system to public employees. On the one hand, it does not require a high startup cost for implementation, and on the other hand, it fulfills the mandate stated in the bylaws. The segmentation of public employees into senior leadership and non-senior realizes the objective of the law-proposed multi-source evaluation but through giving priority to senior leadership evaluation. It also realizes the essence of using multi-source feedback which is for developmental rather than purely appraisal purposes (as outlined in country experiences).
Efficiency	The proposed alternative is considered relatively efficient as it attains the needed reform with limited input compared to other alternatives. Limited procurements might be needed to implement the multi-source feedback system on the estimated 4500 civil servants using a digital-based platform. For efficiency related reasons, the implementing agencies can choose to maintain the paper-based system for the traditional limited multi-source appraisals.

<p>Equity</p>	<p>Being in a senior post automatically implies dealing with relatively more stakeholders within and outside the organization in addition to dealing with more strategic issues in comparison to other employees down the organizational hierarchy. Accordingly, applying the multi-source evaluation on senior leadership and the limited multi-source evaluation on other employees guarantees equity between these two segments of public servants. In addition, using the same appraisal criteria outlined in Article 67 of the CSL in both the multi-source and traditional limited multi-source appraisals will ensure a standardization of treatment for all.</p>
<p>Technical feasibility</p>	<p>Technically, this alternative is feasible in terms of establishing an electronic system to conduct the multi-source evaluation for the senior leadership. There are existing software programs that can be easily adopted for this type of evaluation. Given the relatively limited number of senior leadership positions (compared to the number of all public employees), such programs can be adopted. For the single-source evaluation it can possibly remain paper-based as is. In addition, and more importantly, senior and leadership position holders already go through a process of identifying their goals and work plans to a “Senior Positions Recruitment Committee” as a pre-requisite for landing their position. During the first year of implementation of the new PMS, this stage can be considered the “planning” phase of the PMS, and these goals can be used as a benchmark for the “appraisal” phase. Senior position holders are also required to take prerequisite courses in the CAO’s Leadership Center which includes enhancing their digital skills and computer literacy.</p>
<p>Financial constraints</p>	<p>Purchasing a software for the multi-source evaluation might be costly as a startup cost for implementation. The general assumption is that most senior and leadership positions in the government already have the basic IT infrastructure needed for implementing a digital appraisal. Since no major changes related to resources will be required for the traditional limited multi-source system, no extra costs will be expected there.</p>
<p>Political acceptability</p>	<p>The policymakers would support this alternative as it strikes a balance between the different segments of public employees and does not put a lot of pressure on public opinion.</p>

3. Gradual Segmentation: Piloting the proposed multi-source evaluation system on civil servants moving to the New Administrative Capital, followed by other segments gradually as deemed necessary.

Description	The main proposition of this alternative is to pilot the digital multi-source evaluation system on one segment of the civil servants, namely those who qualify to move to the New Capital, for one year. During this year, the rest of the civil servants will undergo the limited multi-source performance management system. Once piloted and the issues and challenges of implementation are resolved, the system can then be applied on another segment of the civil servants, possibly senior leadership positions. Hence, this alternative is based on gradual segmentation. As with other policy alternatives, the proposed multi-source system is to be IT-based using a digital platform or software.
Effectiveness	The policy alternative of piloting the more complicated multi-source evaluation gradually seems quite effective in the sense that it will give the government time to experiment with what works and what does not. However, it is quite ineffective in terms of ensuring a reformed performance management system in the short run. Since civil servants in the New Capital will not be interfacing with citizens, the larger targeted impact of using performance management to improve service delivery and citizen satisfaction will not be realized.
Efficiency	This alternative might have limited effectiveness, given the wide array of job titles/positions/ descriptions of civil servants that will need to be evaluated as part of this segmentation. This will mandate a lot of input in terms of time, resources, expertise and training that will be involved in developing the new appraisal system, and will likely be associated with a lot of implementation challenges. It will, however, be efficient in terms of limited IT resources that will be needed given the developed IT infrastructure expected in the New Capital. Those going to the New Capital will likely undergo very intense assessment phases in order to qualify for the move, and hence the information on each and every employee can also be used as a strong input for the “planning” phase of the PMS, and to be used to benchmark and assess performance in the “appraisal” phase.

<p>Equity</p>	<p>There might be general equity concerns associated with the concept of gradual segmentation, since at different points of time, different evaluation systems will be used among employees of job descriptions (e.g. seniors in the Administrative Capital will be evaluated using a different system than those in the traditional government sector in Cairo). Moreover, considering the general stigma associated with the implementation of the new CSL among a large segment of traditional civil servants, and the wide uncertainty regarding the criteria for choosing civil servants that will represent the “New Public Administration” to move to the New Capital, concerns regarding equity might be associated with any new tools/measures used for the civil servants that are moving.</p>
<p>Technical feasibility</p>	<p>Given the state-of-the-art technological infrastructure promised in the New Capital, it should be safe to assume that piloting the multi-source feedback system using digital tools/software would be technically feasible. The civil servants moving to the New Capital are also expected to be equipped with a number of skills (digital and others) that will facilitate the implementation of the new system. The new performance evaluation system will likely be easily integrated with the new HRIS system that should be in place in the New Capital. Those moving to the New Capital will likely have digital Employee Records (HR records).</p>
<p>Financial constraints</p>	<p>Limited financial constraints are expected given that the evaluation system will be digital, and only the costs of the software purchase will be needed. The cost of training programs that will be administered on the new evaluation system will also be incurred.</p>
<p>Political acceptability</p>	<p>This alternative might not be politically feasible since it might raise a lot of concerns from the civil servants at large on why a specific segment is being treated differently simply because they qualified to move to the New Capital. Any issues related to the New Capital and the perceptions of the move will impact the political feasibility of this policy alternative.</p>

4. Reviewing and amending the civil service law bylaws to allow for the introduction of alternative performance appraisal systems other than the multi-source feedback

Description	The main proposition of this alternative is to allow for the legal revision of the CSL bylaws which bestows a legal authority on the guiding manual and the code of conduct as it gives absolute power to the administrative authority to decide on the performance evaluation criteria which affect the career of the employees, in addition to introducing a percentage of women representation in the committees outlined in the law.
Effectiveness	Amending the bylaws and carrying out a social dialogue with relevant stakeholders will lead to postponing the introduction of a new reformed performance appraisal system, and a very long delay in the administrative reform agenda.
Efficiency	As the realization of this alternative would be time consuming, it is considered inefficient. Incorporating amendments to the CSL bylaws will also be a very time consuming process that might not ultimately lead to a much different outcome.
Equity	The equity dimension is guaranteed for all segments affected by the law especially if a participatory approach is adopted in amending the new bylaw. This also contributes to achieving the rule of law principle especially that the adoption of the civil service law faced a huge opposition due to the absence of a social dialogue with the stakeholders.
Technical feasibility	Technically very difficult, since it will mandate legal and jurisdictional considerations. It will require the allocation of technical expertise and adopting a participatory method in formulating new bylaws. There is no guarantee that the new proposed evaluation system will be easily implementable. The generic challenges associated with introducing any reformed performance appraisal system to the government sector will still apply.
Financial constraints	Extremely time consuming.

Political acceptability	This is highly politically unacceptable since it will be associated with having to postpone a very critical and long-awaited reform to the civil service. The risks associated with opening the door to amending the bylaws will open the door to reviewing other articles in the bylaws and re-opening the stage for controversial opinions and opposition to the reforms introduced in the CSL. In addition, there were no comments concerning the performance evaluation system other than giving the guiding manual and the code of conduct the power of law, this could be addressed by opening a social dialogue with stakeholders to avoid resistance.
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VII. Preferred Policy Alternative: A Roadmap to Implementation

We recommend implementing a combination of Policy Alternative 2 and 3. The new PMSs to be implemented gradually, where a multi-source feedback will be applied to senior and leadership positions, starting with those that will be moving to the New Capital. A limited multi-source evaluation system would be applied to all the other employee categories. This recommendation comes in alignment with international best practices in recognition of the central role of senior civil servants in improving the governmental performance and efficiency. It is also based on feedback received from key informant interviews with stakeholders from the public sector, HR professionals that have previously assumed leadership roles in Administrative Reform, and academic professors.

Senior managers in the civil service are expected to maintain and continuously develop skills that enable them “to be politically responsive, have deep understanding of the citizens they serve, and be effective managers capable of steering high-performing public sector organizations” (OECD, 2017). Most of the OECD countries have adopted specific PMS practices for senior civil servants to ensure that they have the skills profile needed to effectively lead in the public sector (ibid).

The rationale for combining Alternative 2 and 3 together can be summarized in the following points:

Being in a senior position automatically implies dealing with more strategic issues and a relatively more complex set of stakeholders within and outside the organization in comparison to other employee categories down the organizational hierarchy. As multi-source feedback evaluations generally require significant investments in time from service members and from raters and in technical support in database and software development, the benefits of this type of evaluation are hence more suitable for those in leadership positions given the nature of their strategic role in steering entire departments and sectors both within the organization and outside them.

Economically and technically speaking, multi-source feedback evaluations generally require significant investments. The application of the multi-source evaluation on senior leadership and the single-source evaluation on other employees mitigates these hurdles of economic and technical considerations.

Multi-source evaluations provide an overall comprehensive indication of leadership performance among employees — which cannot be captured by using traditional tools. These evaluations will help identify leadership gaps, and detect strengths and weaknesses across the organization's workforce. This could represent a very important starting point for relating performance assessment results to improved performance.

Applying the multi-source evaluation to seniors moving to the New Administrative Capital has the potential to yield concrete results given the presence of an initial electronic evaluation to seniors and to the enabling infrastructure there. From a pragmatic perspective, the seniors moving to the New Administrative Capital area well-defined sample of employees and will be subject to an initial IT-based evaluation system which will facilitate the initial planning phase. Secondly, the technological infrastructure at the New Capital enables the implementation of the evaluation software. These factors help in an efficient transition to the use of IT-based evaluation system and can potentially yield positive results.

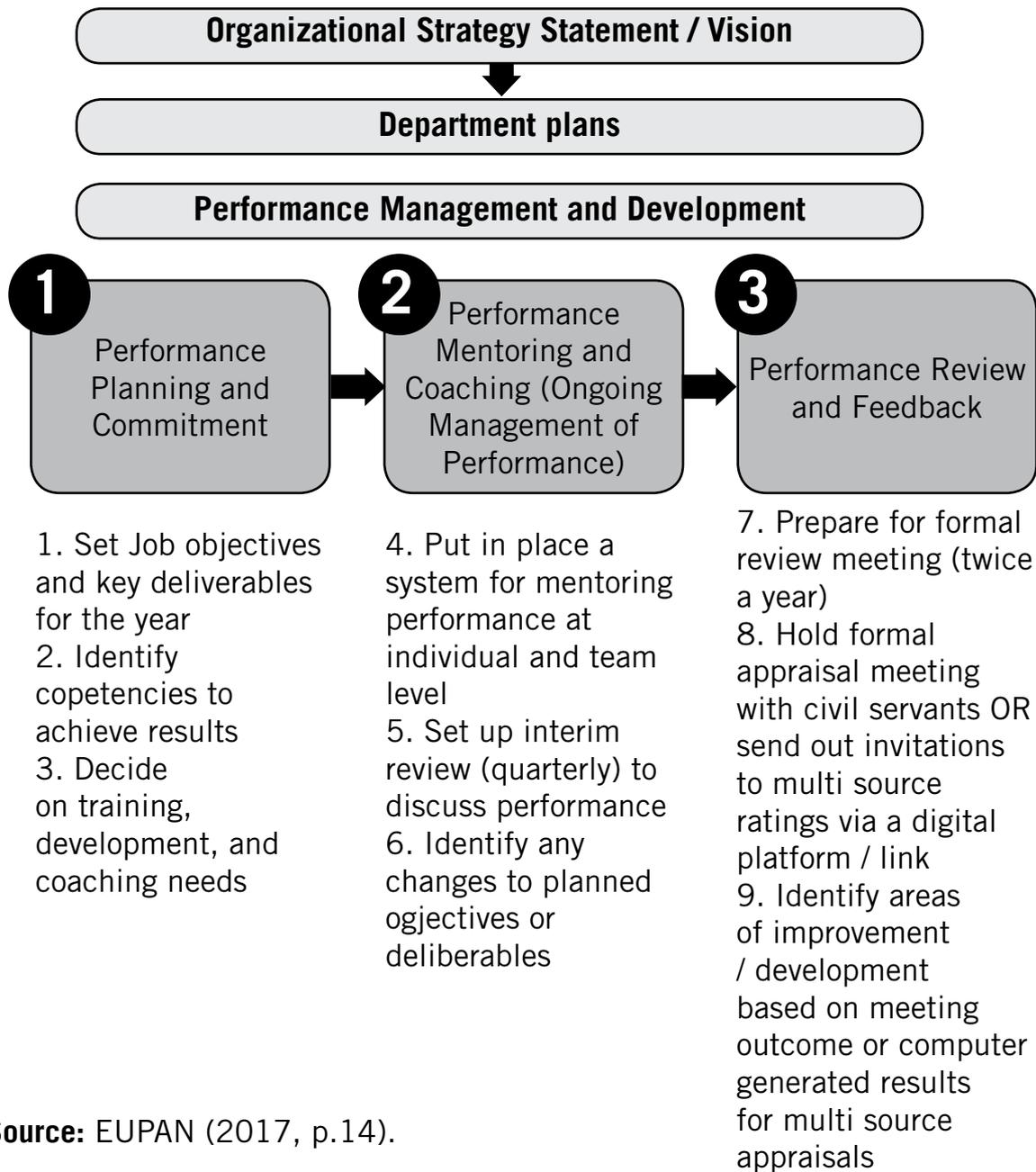
From an accountability perspective, the geographical proximity of the target sample of seniors moving to the New Administrative Capital enables a proper and close monitoring of the implementation process. For the first year of implementation, the proximity of the sample is a key determinant for close monitoring and thus a better assurance of accountability mechanisms.

The exact recommended actions for implementation can be classified into design-related actions and implementation-related actions:

A. Designing the Performance Management System

To ensure the successful design of the PMS, it is advisable to consider the overall process and plan for each stage accordingly. Performance management should not only be confined to performance appraisal but extend to include: planning and commitment (the performance contract), performance monitoring and coaching, and finally performance review and feedback. The illustrative figure 5 outlines these elements in relation to one another.

Figure 4: The Strategic Performance Management System (Process)



Source: EUPAN (2017, p.14).

In light of the PMS elements shown above, key considerations need to be tackled for the design of the system:

1. How structured/rigid should the PMS be?

As per Article 74 of the CSL bylaws regarding assuring objectivity in implementation, the system should be designed to guarantee the formal standards and criteria guiding the appraisal process reduce personal biases and inconsistencies in results across evaluators of the same organization or between organizations.

Yet, creating a system that is either too rigid or too flexible in design can possibly result in inaccurate evaluations or in an incapacity to respond to contextual factors. In addition, the criteria highly valued by appraisals shall be gender sensitive.

Based on international experiences, standards and criteria governing the PMS can be developed and imposed centrally (e.g. Bulgaria, France, Poland), or can be set at the organizational level (e.g. Finland, Italy, Spain), or a mix of both central and organizational levels (e.g. Belgium, Germany, Sweden), or developed centrally via collective agreement allowing for a local diversity (e.g. Denmark, Ireland).

2. To what degree should civil servants participate in the appraisal process (participatory performance appraisal)?

It is argued that increasing the participation of civil servants in the appraisal process increases motivation, since it promotes fairness, justice and ethics. Involving them in the design of the process also ensures ownership and consequently a higher degree of sustainability during implementation. There are many ways to involve civil servants and most of them are on voluntary basis; they could be involved in setting general standards and criteria of the appraisal system via mandatory discussions with labor unions (e.g. Norway, Finland), or in individual goal setting (e.g. Belgium, Croatia), or in proposing methods to improve performance (e.g. Greece, Slovakia), or by simply involving them in dialogue throughout the process (e.g. Poland, Netherlands).

3. How will the feedback on the performance appraisal/management be administered?

Communicating performance appraisal results (feedback provision) contributes to a better performance, makes civil servants more satisfied with the process (behavioral function), gives legitimacy to the process, and increases the practices of transparency. As per organizational learning literature, the importance of feedback as a precursor to learning is integral to organizational learning and is best achieved via dialogue rather than one-way progress reports. In addition, it helps to understand the practices that increase gender disparity within the system.

Mandatory feedback could be provided via:

- interviews or performance conversations (e.g. Germany, Poland),
- or both interviews and pre-determined templates for progress report (e.g. Belgium, Portugal),
- or interviews and free structure progress reports (e.g. Greece, Ireland),
- or only progress reports in pre-determined template (e.g. Bulgaria, France),
- or leave it upto the organization to decide what type of feedback format they would like to use (e.g. Finland, Spain),
- or finally opt for no feedback provision at all (e.g. Norway, Czech Republic).

4. Will an absolute or relative rating framework be used?

Absolute rating frameworks are based on evaluating individual performance against criteria (pre-determined standard), while relative rating is based on

comparing different civil servant performances against each other to determine the relative position (norm-referenced, forced distribution or quota).

Some countries use forced distribution, where differentiated grades are mandatory. This distribution ensures that only a limited number of employees can receive the highest grade, and grades are determined based on how employees perform relative to each other.

5. Who should be involved in the appraisal process?

The direct/ immediate supervisor is the key actor in the appraisal process, yet there is a general orientation to involve more actors in the process while keeping in mind limiting rater errors and achieving as much fairness and objectivity as possible. Setting up appraisal committees to oversee and safeguard the appraisals is a growing trend in some countries, and could involve representatives from manager levels, employee levels, and in some cases a union representative if important issues are pertaining.

In Latvia, the direct/immediate superior is the only actor for regular civil service appraisal, but for top managers and seniors, a committee is set up to oversee the appraisal. The committee is composed of top managers, the minister/advisor to the minister etc.

In Ireland, a Performance Review Group (Two Secretary Generals and an external member) oversee the appraisal process along with the Minister. Another option would be to involve the executive level (manager of the immediate superior) in the appraisal process, or alternatively, the HR department in the organization.

6. What accountability mechanisms will be in place to safeguard transparency?

Scrutiny of the performance appraisal system is meant to ensure that the processes are valid, fair and non-political. Accountability mechanisms include:

- setting up appeal procedures, evaluating raters for their performance appraisal skills (e.g. Finland, Greece),
- regularly evaluating the performance reports to check content and accuracy (e.g. Italy, Hungary, Malta),
- systematically evaluating the overall performance appraisal process (e.g. Belgium, France),
- allowing the employee being rated to add his/her comments on the appraisal report (e.g. Germany, Hungary),
- and creating a performance related committee to overlook the process (e.g. Assessment Coordinating Council in Portugal, Performance Appraisal Commission in Lithuania).

Figure 5: Key Issue to Consider when Designing the Multi-Source Evaluation System

- **Organizational Readiness** for a multi-source evaluation system: consider issues related to consistency of the evaluation with the existing organizational culture. If not, what measures need to be taken?
- **System design and implementation:** The CAO will ideally provide the needed guidance, but who will support the process of developing and handling the assessment rating forms within the institution? Should the form be developed by internal teams, or consultants, or both?
- **Content of the rating form:** what to include?
- **Types of ratings:** Should they be rated as per degrees of agreement on the existence of the criteria (e.g. strongly agree to strongly disagree), or effectiveness (“not effective” to “very effective”), or importance to the job (“very important” to “not important”) or frequency (“always”, or “daily”).
- **Question formats:** open-ended questions? Closed-end questions? Most institutions preferred limiting the total number of questions to 11- 40 per form, and some included 3 or less open-ended questions only.
- **Voluntary or Compulsory participation of ratees and evaluators**
- **Evaluator Selection:** Who chooses the evaluators; the participant with the manager’s approval? the HR department?
- **Number of evaluators needed of each job type and from each source.**
- **Frequency of collecting feedback.**
- **Presentation of results to ratees:** over time? aggregated within source and/or across sources? etc.
- **Viewers of evaluation results:** Who sees them?
- **Identity of evaluators:** anonymous? identified?
- **Training on the new system:** In order to complete the survey, the participants need to be trained on the new system and in filling out the new form. In most cases, the test is included in the survey. Other methods include web training, in-person training, emails and teleconferences.

B. Implementing the Performance Management System

For successful implementation (critical success factors) of the PMS in different institutions, it will be dependent on a number of elements within and outside the sphere of the organization:

Organizational characteristics that include the organizational size, the nature of the task, the level of technological advancement, the organizational culture and others. Experience shows that institutions with more routine and predictable

tasks have a better chance in implementing performance management systems successfully compared to organizations with less predictable tasks.

The complexity of external environmental influences surrounding the organization plays a crucial role in determining the successful implementation of performance systems. These influences are usually the cause of vague, multiple or conflicting institutional mandates, which constraint the institution's ability to set clear goals.

The managerial capacity and leadership are mainly manifested in an institution's strategic planning competency, and analytical capability. According to experiences, "an organization's ability to implement performance management can be conditioned by its managerial capacity and the competence of its leadership" (Seouk, 2007).

Performance management is a resource and information intensive process which requires a strong commitment from the organization's leadership and management capacity. Simply adopting the new system does not guarantee its successful implementation.

The Competency and disposition of the implementers are key determinants for successful implementation. Case studies have shown that the role of central implementing agencies (e.g. in Norway, Canada, UK) is very important. The implementation agent in Egypt (CAOA) needs to ensure that the HR departments that will implement the system in their respective organizations have the necessary competencies to manage the implementation process. General skill sets needed include but are not confined to: communication skills, negotiation, facilitation, management of groups, and knowledge of the rationale of change.

Experience has shown that reforms introduced to the civil service on the basis of political symbolism raises concerns among implementers and recipients of the reform on how "real" the reforms are, and if there is enough political will and backing to implement the new system.

Organizational competency frameworks are needed to identify the behavioral skills that are needed in an organization. These can be communicated to across the workforce and measures can be developed to outline how these skills are to be measured. In these frameworks, organizations recognize and document what skills are valued by them, and what the expectations for leaders and staff are. These expectations would be further developed using clear standards and measurement benchmarks that can be communicated and understood by all employees. Developing such frameworks can be guided by international benchmarks, such as the Executive Core Qualification in the US or the Professional Skills for Government competency framework in UK.

For proper implementation in the Egyptian context, the key implementing agency or agencies need to take charge of steering the entire process, whereas implementing departments need to execute the mandated reforms. The following are key defined actions that need to be taken by the relevant actors:

Newly incepted HR Departments in all government units are to clearly compile a documentation of all the unit and department objectives, activities, and job positions (job descriptions). The departments are responsible to ensure that the performance system is well-functioning on the institutional level which necessitates the development of clear institutional performance goals and objectives, and translating them down to specific employee goals.

All competent authorities and government units are to be requested to issue internal decrees for the establishment of “grievances boards”. These boards are composed of 3 senior positions and a nominee of the unit’s union committee or employee relations representative. The decree is to include positions and not individual names to ensure sustainability of the board in case individuals are to be replaced or leave for any reason in the long or short term. Furthermore, there is a crucial need to ensure gender representation on the board since women play an important role in performance evaluation.

The CAO is to develop a guiding manual in coordination with the MPMAR that outlines “How to Apply the New Performance Appraisal System for Senior and Supervisory Positions in the Civil Service”. Once approved jointly by the MPMAR and CAO, this manual is to be rolled out after issuing the required Decree by the Minister of the MPMAR (as per Article 74 of the Bylaws).

Capacity Building, Training and Mentoring/Coaching need to be provided via the CAO. Once the manual has been circulated among all central administration units governed by the CSL No. 81/2016, the HRDs in each unit should be allowed a window of two weeks to request further coaching and explanation.

Coaching is to be provided by a group of 10 specialists that have been prepared to provide this assistance in the CAO. After the 2 weeks, the HRDs will be expected to develop assessment forms for all the senior and supervisory positions that they have.

In Spain, the newly introduced performance appraisal has been piloted in some units as a preliminary step. In this process, two different target groups were defined for the trainings (on how to hold assessment interviews, make competence profiles, etc.); public employees in general, and a mandatory training for administrative units in charge of developing pilot programs for performance appraisal.

Alternatively, functional knowledge on HR was usually part of mandatory senior management training (e.g. in Slovenia, Portugal, Slovakia, Sweden, Switzerland), or a one-time obligatory training is conducted once when the new system is introduced (e.g. in Greece, Hungary, Ireland, Netherlands, Spain). “Content wise, all of the countries cover topics of goal setting and techniques for conducting performance interview and other feedback provision in performance appraisal training. Similarly, most of these countries also tackle errors and flaws related to performance appraisal, ethical implications and supervision, but also technical issues of indicators creation” (EUPAN, 2017).

With an eye for gender mainstreaming in the performance management system, the CAO should champion the exploration of any gender-specific practices that need to be reflected in the structure of the performance systems. It is worth mentioning here that performance evaluation shall not depend on quantitative methodology only and allow a margin for qualitative tools to give a margin for women to voice their needs and to report against social practices that affect their career promotion (Fenech, 2017).

Figure 6: The Proposed Components of the “How to Apply the New Performance Appraisal System for Senior and Supervisory Positions in the Civil Service”:

- Sample assessment forms that are to be filled in for each senior position.
- A standardized Performance Monitoring Form that is to be filled on a quarterly basis by the direct superior for each senior position. The form should ideally be a maximum of one double faced form, that is to include for each quarter achievements, setbacks and incidents of misconduct (Article 70).
- A standardized Appraisal Petition Form that can be used for refuting the appraisal results (Article 81).
- Clear, implementable guidelines on how to place different weights on the assessment criteria based on the nature of their activities, and the job descriptions of the senior positions involved. For example, units that are in direct contact with citizens might be more inclined to put a larger weight on citizen satisfaction with services provided than units that are not directly serving citizens. For example, *in Poland*, there are 14 criteria/competencies set in the regulation: 5 are obligatory for all evaluated persons, and maximum 3 of the remaining 9 are to be chosen by evaluators in line with the specifics of the position. The set of 5 obligatory criteria/competencies differs between managerial positions and regular civil service, given the different nature of each. In *Ireland*, criteria for evaluation of senior civil servants are grouped into 4 categories; policy, operational, leadership and collaboration, with the aim of reflecting the full range of challenges faced by the senior leadership, and also competencies needed to reflect their responsibilities in leading change (EUPAN, 2017).
- Guidance on how to ensure objectivity during appraisals. One suggestion could possibly be to include the job description of the position being appraised on the first page of every evaluation form, or alternatively attach it to each evaluation form. This should help keep the appraisal in the context of expected tasks and outputs from the person being evaluated. Another suggestion could be to assess the senior positions based on the goals and initiatives that have been provided by these individuals as part of their selection process. Maintaining anonymity with respect to those undertaking the evaluation is another way of attempting to ensure objectivity of assessments and minimizing employee-evaluator tensions.

- An explanation of the Bell Curve Distribution of assessment and why this is necessary to ensure fair and objective assessments.
- Procedural Guidelines on how to appraise employees who have been transferred from one unit to another at any time of the year, etc.

Risks and Risk Mitigation

There are a number of risks to the successful implementation of the new PMS system, particularly in Egypt. Some of these risks include but are not confined to:

Resistance to change (cultural barrier): The layer of cultural resistance includes a culture of both conflict avoidance and subordinate/superior relationships.

Studies show that in collectivist societies, such as in Egypt, there is a very thin line between professional and personal lives. Formal evaluations hence greatly influence personal and professional relations and are influenced by them. A new culture that understands and appreciates PMS as a tool for recognizing good performance and not a burden is needed to guarantee a successful implementation.

Alignment and integration of PMS with the organization: HR Departments will not be able to implement the new PMS system or introduce the enhancements proposed to the traditional performance appraisal system unless there are clear organization strategies, clear job descriptions, and clear department level goals. The new appraisal system can then be aligned based on these determinants. This should be considered a preparatory step before launching the system. The PMS will also need to be integrated with the rest of the core HR functions in the organization.

Leadership commitment: Since the introduction of the new PMS is more on the top-down approach of implementation due to large parts of it already being outlined in the new CSL, the commitment of heads of organizations is a necessary condition. Institutionalization of reformed performance systems mandates commitment via committing needed resources and modeling appropriate behavior (Kim, 2011).

Evaluator errors: These include being influenced by first impressions, ‘similar to me’ effects, stereotyping, following consistent rater patterns, etc.

Evaluator bias: Evaluators might have a tendency to carry out assessments the way they are used to affecting the results of the evaluation. Also issues of stereotyping or referring to the history of the employee with no consideration to the criteria set is another potential risk of implementation.

Table 2: Risks and Risk Mitigation Options

Risk	Likelihood	Impact	Priority	Potential Mitigation Approach	Owner
Resistance to Change (Cultural Barrier)	High	High	High	<ul style="list-style-type: none"> • Considering stakeholder involvement (please see stakeholder analysis above) and attempting to obtain the support of the entire workforce and associated unions. This might require social dialogue with relevant stakeholders. • Preparing a proper publicity campaign that accompanies the introduction of this policy. The campaign could include awareness raising sessions, visibility material that clearly addresses the “What’s In It For Me” concept to explain to senior civil servants the benefits expected from applying the new PMS, and that addresses civil servants on how the enhancements to the traditional system will improve the overall functioning of the central administration. • Provide training for the officials who conduct performance appraisals on all aspects of the process, including how to conduct a good interview, how to handle problems, how to coach and mentor. 	

<p>Alignment of new PMS with organizational strategies and Human Resources Information System (HRIS)</p>	<p>Medium</p>	<p>Medium</p>	<p>Medium</p>	<ul style="list-style-type: none"> • Ensuring the existence of clear institutional strategies across central administration, and clear job descriptions for holders of senior and leadership positions. • The PMS should not be introduced as a stand-alone, but instead, the guidelines provided by the CAO A should indicate how the reformed PMS will be integrated with other functions such as compensation and benefits, HR planning and Strategic HRM among others. 	<p>CAOA HR departments in organizations across central administration.</p>
<p>Leadership Commitment</p>	<p>Medium</p>	<p>High</p>	<p>Medium</p>	<ul style="list-style-type: none"> • The CAO A/MPMAR will need to closely coordinate with heads of ministries and other authorities and engage them in most of the implementation phases (possibly even before final release of the manual) via interactive workshops to ensure that they are on-board and own the reform that will take place. • HR department managers need to be convinced that the system is relevant and operational. This requires awareness raising measures and relevant capacity building to empower them to perform their roles more efficiently. 	

<p>Rater Errors/ Rater Bias</p>	<p>High</p>	<p>High</p>	<p>High</p>	<ul style="list-style-type: none"> • Ensure that a robust accountability mechanism is in place (see above). • The use of a digital platform for evaluation with minimal interaction required among raters can help resolve a number of rater errors. • Anonymity could also be an option to minimize errors. • Outliers in computer-generated results would also indicate possible errors. 	
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IX. Appendices

Appendix 1: Relevant Articles of the Civil Service Law No. 81/2016

Section 3: Performance Assessment

(Article 25)

The Competent Authority shall establish a scheme that ensures that a unit's employee performance is assessed in accordance with the nature of its activities, objectives and types of positions. An employee's performance assessment for a financial year shall be conducted at least twice prior to drawing up the final report. Performance assessment shall be limited to employees who have worked at the unit for at least six months. Regular performance in line with a unit's objectives, activities and types of positions shall be the basis on which employee performance is assessed. Performance assessment rankings are excellent, competent, above average, average, weak. The Implementing Regulations shall set out the controls and procedures for assessment to ensure the impartiality and accuracy of measurement in order to determine the natural performance curve, as well as the dates for finalising assessment reports, the manner of adopting and protesting reports, and the manner of equating grades with the grades applicable at the date of this Law's entry into force. The performance assessment of employees who have not actually worked at the unit over a period of at least six months due to military conscription, or call-up to or retention in the military reserves, or sickness, parental leave, membership of a trade union council, or membership of the House of Representatives shall automatically be estimated as meeting the rank of 'competent', or at the rank of 'excellent' if the preceding year's performance was assessed at that rank.

(Article 26)

The human resources department shall notify employees with a copy of their performance assessment reports once they are endorsed by the Competent Authority. Employees may appeal their report within fifteen days of the date of notification. Holders of senior positions and supervisory management positions' appeal against their performance reports shall be submitted to the Competent Authority. Other employees' appeals shall be submitted to a specially established grievances board composed, pursuant to a decision of the Competent Authority, of three senior position holders and a member nominated by the unit's union committee, if applicable. Appeals shall be decided within sixty days from the date of submission and the human resources department must notify the employee concerned of the appeal decision and grounds thereof. Without prejudice to the right to litigation, the decisions of the Competent Authority or the appeals board shall be final. Performance assessment reports shall be deemed final only after the expiration of the appeal period or arrival at a determination on the appeal. The Implementing Regulations shall specify how employees are notified of their performance assessment reports and the results of any appeal.

(Article 27)

The case of an employee who scores a 'weak' assessment in two successive reports shall be referred to the human resources committee for transfer to another appropriate position at the same grade for one year. Should the said committee determine, upon expiry of the period referred to in the preceding paragraph, that such employee is unfit for work to a satisfactory level, it shall propose the deduction of 50% of their supplemental pay for six months. If, following the six months mentioned above, such employees are found to be unfit for work, the committee shall propose their service termination due to unfitness for the job while preserving their insurance entitlements. In all cases, the committee shall submit its report to the Competent Authority for approval.

(Article 28)

The service of occupants of senior positions who receive two successive assessment reports below 'above average' shall be terminated, on grounds of unfitness for the job, from the day following the date of the second final report while preserving their pension entitlements.



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