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# FAS RUSSIA BEST PRACTICE OF MEASURING EMPLOYEES' PROFESSIONAL PERFORMANCE IN REGIONAL OFFICES

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*The article is prepared by results of development and implementation of new personnel policy principles, in accordance with paragraph «R» of the Decree of the President of Russian Federation of 07.05.2012 No. 601 "On Priorities for Improving of the Public Administration System"<sup>1</sup>.*

1 Decree of the President of Russian Federation of 07.05.2012 No. 601 "On Priorities for Improving of the Public Administration System" // Corpus of Legislative Acts of the Russian Federation, 07.05.2012, No. 19. P. 2338.

The Federal Antimonopoly Service (hereinafter FAS Russia) is a dynamically growing regulatory body of the Russian Federation. Established in 2004 by reorganisation of the RF Ministry for Antimonopoly Policy and Support to Entrepreneurs. The FAS Russia's network covers the entire territory of the country with regional offices in each subject. Since 2004 it has been working on continuous modernization of the antimonopoly law, the trade law, and the new law on contractual system. The service has accepted to jurisdiction the following regulatory functions: control over public procurement, including the

## ОПЫТ ФАС РОССИИ В ОЦЕНКЕ РЕЗУЛЬТАТИВНОСТИ ДЕЯТЕЛЬНОСТИ СЛУЖАЩИХ ТЕРРИТОРИАЛЬНЫХ ОРГАНОВ

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**Аннотация:** Одной из актуальных проблем для органов государственной власти в настоящее время является рациональное использование кадровых ресурсов, особенно в связи с предусмотренными Правительством Российской Федерации сокращениями штатной численности.

Задача внедрения прозрачного, понятного и справедливого механизма премирования служащих, в соответствии с достижением поставленных перед ними целей в условиях достаточно ограниченного объема финансирования, является первостепенной для всех ведомств. Не исключением является и Федеральная антимонопольная служба, в структуру которой входит 84 территориальных органа, расположенных в каждом субъекте Российской Федерации.

В статье описан пилотный проект по разработке и внедрению единой системы оценки результативности профессиональной служебной деятельности служащих территориальных органов, начатый ФАС России в 2014 году на базе более двадцати территориальных управлений с целью решения указанных задач.

Рассмотренные методики оценки служащих были разработаны с участием самих территориальных органов и успешно апробированы на практике в 2015 г. Так, без привлечения дополнительного финансирования и сторонних специалистов, на базе самостоятельно разработанных показателей и с учетом их дальнейшей корректировки, а также по результатам двух этапов пилотного проекта в 2014 – 2015 гг., антимонопольным органам удалось повысить прозрачность распределения материального стимулирования и оценки деятельности государственных служащих.

Авторами описан порядок оценки, включающий методики определения результативности в соответствии с ролью сотрудников в решении задач, поставленных перед ФАС России, элементами которой являются качественные показатели эффективности деятельности руководителей территориальных органов и их заместителей, а также служащих, исполняющих контрольно-надзорные и обеспечивающие функции.

По мнению авторов, представленная методика позволяет повысить эффективность мониторинга и контроля за распределением функций и нагрузки между служащими с целью рационального планирования деятельности, а также обоснованного принятия управленческих решений со стороны центрального аппарата ФАС России.

Рассмотрение опыта ФАС России позволяет распространить его принципы и подходы к созданию условий прозрачной и объективной системы оценки деятельности государственных служащих, а также их мотивирования на другие органы власти и публичного управления.

**Ключевые слова:** оценка результативности, территориальные органы, органы государственной власти.

sphere of defence and security<sup>2</sup>, tariff regulation functions<sup>3</sup>, control over observing competition rules by the public authorities, and control over foreign investments and advertising law compliance. This required effective and well-rimed activity within the course designated by the President of the Russian Federation at his meeting with the Head of FAS Russia, namely the restriction of administrative barriers and, at the same time, should be carried out on a regular basis, correspond to the level of the economy and markets development, accommodate the interests of all economic agents<sup>4</sup>.

At the same time, exercising control over the observance of a significant number of federal laws, including antimonopoly legislation, legislation in the sphere of natural monopolies, in the sphere of state defence orders, procurement of goods, works and services for state and municipal needs<sup>5</sup>, the regional offices in recent years has experienced a significant increase in the load on the staff.

Thus, the number of examined applications, appeals, complaints in 2015 increased by more than 3.5 times in relation to the load for the year of 2012. The total amount of functions performed in the past 3 years increased by more than 70%, despite the fact that every function on the control performance (supervision) has its own specific administrative enforcement, regulatory prescriptions, scope of activities, and period of work execution. and deadlines. This situation required a rational use of available human resources potential, including the redistribution of employees' workload.

FAS Russia's has faced the task of enhancement of the effectiveness, and perfection of planning and management decisions based on monitoring and analysis of control objectives achieving the (supervision) [Bossidy L., Charan R., 2002].

These objectives achievement has required forming the Work Group to assess the effectiveness of the structural subdivisions of the central apparatus and regional offices. The Federal Service needed to develop a uniform methodology for performance evaluation of each employee of the regional office, in which indicators reflecting the quality of the work performed should be of maximum weight [Jestone J., Nelis J., 2006]. This has been one of the

priorities of personnel policy in the state civil service of the FAS Russia in recent years.

The complexity of achievement was due to the lack of methodologies for assessing the impact of public servants in 2014. Later, the Ministry of Labour and Social Protection of the Russian Federation has developed Methodical Recommendations on the Implementation of a System of Comprehensive Assessment of Professional Performance of Civil Officers (including public assessment)<sup>6</sup>, as well as a number of conferences, seminars, professional competitions, the results of which have found a certain reflection in the system of public officials' evaluation elaborated by FAS Russia.

At the same time, when determining the list of assessment indicators, the developers had to consider another feature of regional offices. Due to the fact that size of offices is set in reliance on a variety of indicators, including socio-economic development and entrepreneurial activity<sup>7</sup>, it ranges from 7 to 130 staff units. Regardless of size, each regional office fully fulfils all the functional scope in accordance with the Provisions on the Regional Offices of FAS Russia. These functions are shared among employees by the head of the regional office. Thus, in one regional office the management function of advertising control might be fulfilled by three to five officers, and in another one the function might be assigned to a single employee, who might be also involved, for example, in the analysis of commodity markets and supervision of another law.

Thereby, the task was to develop performance indicators that can be applied to each employee, and that would reflect not only the quantitative results, but also, most importantly, the quality of execution functions [Stuart-Kotze R., 2006].

Employees' performance assessment was supposed to provide all the regional offices with the same tools for well-balanced management decisions, in particular, to optimize the structure of regional offices, to share organizational tasks between the employees, to certify the staff, to define financial incentives, to provide professional development, to ensure civil service appointments in official order, and to submit for awards [George M.L., 2003].

The need for the rational use of human resources of the regional authorities, particularly in connection with reductions in regional offices regular staffing in conformity with the decrees of the Government of the Russian Federation<sup>8</sup>, was the starting point for a pilot project for development and implementation of professional

2 Decree of the Government of the Russian Federation of 25.12.2014 No. 1489 "On Invalidation and Annulment of Certain Acts of Government of the Russian Federation in view of abolition of Federal Service for Defense Contracts" // Corpus of Legislative Acts of the Russian Federation, 05.01.2015, No. 1 (Part II). P. 279.

3 Decree of the President of Russian Federation of 21.07.2015 No. 373 "On Certain Issues of Public Administration and Control in Antimonopoly and Tariff Regulation" // Corpus of Legislative Acts of the Russian Federation, 27.07.2015, No. 30. P. 4571.

4 Task meeting with Igor Artemiev, the Head of Federal Antimonopoly Service (FAS Russia), 08.06.2015. URL: <http://kremlin.ru/events/president/news/49640>.

5 Decree of the Government of the Russian Federation of 30.07.2004 No. 331 "On Approving the Regulations on the Federal Antimonopoly Service" // Rossiyskaya Gazeta, No.162, 31.07.2004.

6 Methodical Recommendations on the Implementation of a System of Comprehensive Assessment of Professional Performance of Civil Officers (including public assessment). URL: <http://www.rosmintrud.ru/ministry/programms/gossluzhba/16/4/0>.

7 The Demographic Yearbook of Russia (2015) // Federal State Statistics Service. URL: [http://www.gks.ru/bgd/regl/B15\\_16/Main.htm](http://www.gks.ru/bgd/regl/B15_16/Main.htm).

8 Decree of the Government of the Russian Federation of 11.12.2015 No. 1353 "On Maximum Number and Salary Fund of Federal Civil Servants..." // Corpus of Legislative Acts of the Russian Federation, 28.12.2015, No. 52 (Part I). P. 7599.

**Table 1: Regional Offices Performance Assessment Model**

Regional Office	Staff Size (2015)	Total quantity of instructions, notifications and resolutions (2015)	Specified rates	Indicator values over reporting period (A)	Indicator values over reporting period (B)	Real values over reporting period (C=A/B)	Target value for reporting year (E)	Compliance level (C/E)
N	25	673	1. Share of corrected violations (A) to the total number of violations (B) of the antimonopoly legislation of the Russian Federation within regulatory activity of FAS Russia:	116	121	0,96	0,82	1,17
			1.1. On the facts of monopolistic activity of economic entities (except for violations in the commodity markets, within the scope of natural monopolies)	7	12	0,58	0,90	0,65
			1.2. On the facts of violations of the antimonopoly legislation in the markets within the scope of activities of natural monopoly entities	5	6	0,83	0,90	0,93
			1.3. On the facts of unfair competition	1	2	0,50	0,90	0,56
			1.4. On inappropriate advertising	24	27	0,89	0,85	1,05
			1.5. When related to federal and local authorities	31	37	0,84	0,99	0,85
			1.6. On complaints pursuant to Article 18.1 of the Law "On Protection of Competition"	48	48	1,00	0,82	1,22
			1.7. On the facts of violations of the legislation on contract system	140	140	1,00	0,95	1,05

performance evaluation of the employees of regional offices of FAS Russia (hereinafter – the pilot project)<sup>9</sup>, implemented in 2014-2015 the basis of 21<sup>st</sup> subdivision. The direct and active participation of regional offices in the assessment methodology development and testing, their expert opinions on the results of these two phases of the pilot project on the adjustment of parameters and methods of calculation, and other suggestions, based on the practice, allowed to develop an efficient performance evaluation system in a short period of time, without additional financing, or third-party experts.

The greatest practical contribution to the pilot project implementation was made by the regional offices of Tyumen, Novgorod, Sverdlovsk, Kirov, Stavropol, Kurgan, Tomsk, and North Ossetia. As a result, the active position of the heads of these departments in this collective work allowed to develop three techniques to evaluate the impact of employees' activity in accordance with their role in the solution of tasks of the Federal Antimonopoly Service of Russia:

To assess the heads and deputy heads of regional offices, whose primary objectives are of strategic nature;

To assess employees performing control functions (80% of regular staffing), whose main activity consists in qualitative performance of practical tasks and assignments;

To assess employees performing supportive functions (16% of regular staffing).

These methods has come from FAS Russia experience in assessment of structural subdivisions of the central Office in accordance with principles of the Quality Management System IS-SO-9001 (certificate obtained in 2011 and reaffirmed in 2016), calculation methodology for performance assessment of the executives of FAS Russia<sup>10</sup>, the system of assessment of the regional offices efficiency based on key performance indicators (KPIs), calculated in reliance on departmental reports including direct result, operational quality, customer satisfaction, resource usage, as well as taking into account external indicators.

Performance assessment of the executives of the regional offices is held annually in the central office of FAS Russia by the Public Service Department. For this category of public officers, the administrative order implies five indicators depending on areas of control (supervision), similar to performance assessment indicators of the Head of FAS Russia, and calculated

based on departmental periodic reports (example in **Tab. 1**). The results were delivered to the head of the agency and to the evaluation commission to take appropriate management decisions. Thus, according to the results of the 2015 assessment of 84-s heads of regional offices, 14 has shown low productivity, namely failure to reach 60% of the target value for the one third of performance indicators. By decision of the head of the agency, these employees had to present explanatory reports with the analysis of reasons of low performance and measures for its improvement.

Performance indicators of deputy heads of regional offices are approved by the order and in accordance with the functions and areas of work that they supervise. The calculation is also carried out in the central office on the basis of departmental reporting. The results are used in performance assessment of the deputy heads of the regional offices; heads of regional offices are guided by these results in presentation of their deputies for the awards, and in distribution of bonuses and incentives.

Performance assessment of the employees performing control functions is the most difficult, both in terms of methodology and in terms of organization. In order to comply with the principles of transparency, objectivity and comparability of the results, inherent in the assess-

<sup>9</sup> Competition "Best Personnel Practices of State and Municipal Civil Service" (2015). URL: <http://www.rosmintrud.ru/ministry/programms/gossuzhba/17/12>.

<sup>10</sup> Decree of the Government of the Russian Federation of 10.04.2014 No. 570-p // Corpus of Legislative Acts of the Russian Federation, 21.04.2014, No. 16. P. 1906.

ment procedure, together with the participants of the pilot project, an automated system of calculation and evaluation has been developed and implemented in the basis of intranet of FAS Russia, provided with an individual electronic form for each employee to enter the task orders for their control activities, and time for performance.

Immediate supervisor has open access to the subordinate employees' personal forms to add data on tasks execution quality, compliance with deadlines, as well as the load rates depending on the complexity of the work performed. To comply with the principles of objectivity and uniformity of procedure, the list of executable functions and load factors has been approved. The personal form completion implies automatically generated tab of each employee "final assessment". In order to compare the results, the forms can be any time checked by the head of the regional office to see the results of all employees involved in control (supervision) functions (example is provided in Tab. 2).

Assessment of employees performing supportive functions (human resources representatives, accountants, press office) is based on KPIs approved by the appropriate procedure. For example, the index "provision of assignment to all state civil servants the first of the next class rank, target value 100%". The actual value of the index is calculated using the formula:

$$C_4 = A_4 / B_4$$

$A_4$  – the number of employees of regional offices received the first or the next regular class rank in the reporting period;

$B_4$  – the total number of employees of regional offices achieved the terms of assignment of the first or the next regular class rank.

Specially created Commissions of the regional offices carry out performance assessment of civil servants filling the functions beneath the deputy head of the department. These Commissions allow to resolve disputes, and to avoid subjectivity immediate superiors in the evaluation of subordinate employees performance. The final scorecard provides the data on statutory values achievement and the assessment summary: the statutory value achievement of 80% meets the requirements; 60 to 80% – requires analysis of the causes of failure to achieve indicators and development of a performance improvement program, below 60 % – requires the adoption of administrative decisions.

It should be noted that one of the most important reasons for the development of a single performance assessment system was the need to introduce a transparent and fair mechanism for the distribution of awards and incentives of employees in a fairly limited amount of funding.

Applying the developed methodology for performance assessment of the employees, the head of the relevant Commission of the regional office use the data of the final scorecard, the amount of load on the officers implementing control functions, and besides that, another approved by the methodology indicator of an additional personal contribution.

The additional personal contribution is the activity of an employee beyond the scope of performance of the

**Table 2: Final Scorecard of the Federal State Civil Employees of FAS Russia Regional Office "N" for the Period of January 1, 2016 – 31.2016**

Job Title: Head of Authority (Regional Office)

Beginning of Period	End of Period	Department	Employee						
January 2016	July 2016	Statutory Compliance Control Department	All	Find					
No	Department	Full Name Job Title	Achievement of Standard "Quality by time" (%) Real Value	Achievement of Standard "Quality by Performance" (%) Conclusion	Work Load Real Value	Score Conclusion	Additional Personal Contribution		
1	Statutory Compliance Control Department	Vasilyeva, N.P. Consultant	94	Meets requirements	93	Meets requirements	112,6	99,1	n/a
2	Statutory Compliance Control Department	Nikolaev, I.I. Senior Expert	68	Requires analysis of reasons and measures for improvement	64	Requires analysis of reasons and measures for improvement	52,3	24,2	n/a
3	Statutory Compliance Control Department	Solovieva, O.A. Chief Expert	66	Requires analysis of reasons and measures for improvement	66	Requires analysis of reasons and measures for improvement	79,9	34,8	25
4	Statutory Compliance Control Department	Mikhailova, A.N. Deputy Head of Department	98	Meets requirements	98	Meets requirements	160,5	154,1	50
Total	405,3	312,2	75						

functions defined by official regulations, but positively affecting the regional office effectiveness. For example, the teaching activities of an employee in the disciplines related to the field of activity of the antimonopoly authority, or making a presentation at regional inter-ministerial working group meeting. This value is calculated in points based on the tables filled and submitted by employees and containing specific actions, self-assessment of the contribution, and the evaluation by immediate superior. Acceptance for awards of financial incentives requires that the additional personal contribution cannot exceed 20% of the total. However, experience has shown that this figure, on the one hand, has a stimulating effect on the employees, and on the other – allows the head of the office consider the work done beyond the prescribed control activities.

Based on the FAS Russia's experience we can conclude that the implementation of the unified professional performance assessment of employees of the regional offices, creating conditions for a transparent and objective assessment of the impact on the basis of a unified methodology allows to monitor and control the activities of employees, to adjust of the distribution of functions, to perform further planning and management decisions for achieving the objectives of the FAS Russia.

Summing up, some judgments should be shared based on practical experience in the development and imple-

mentation of employees performance assessment (1) The participants of the pilot project came to the conclusion that the success of this work fully depends on the interest and involvement in methodology and indicators development of the regional offices when assessing their employees. (2) The attained results should be tested in pilot organizations. (3) Execution of such a project and implementation of performance assessment is impossible without the commitment and support of the senior staff.

Thus, FAS Russia has implemented another mechanism to apply a modern principle of public administration – planning and management based on performance assessment.

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**Summary:** Given the optimization of staffing levels provisioned by the Government of the Russian Federation, rational use of human resources is currently one of the main challenges for public authorities. In the context of limited funding, all public institutions should concentrate on the creation of a transparent, clear and fair rewarding mechanism based on the employees' performance. The Federal Antimonopoly Service (FAS Russia), represented by 84 Regional Offices located in every constituent of the Russian Federation, should play an important role in this process.

The article represents pilot project by FAS Russia aimed at the development and implementation of a unified professional performance measuring system. The project has started in 2014 and currently covers more than twenty Regional Offices.

Performance evaluation methods described in the paper has been developed in a close cooperation with the Regional Offices and successfully tested in 2015. As such during first two stages of the pilot project of 2014 – 2015, FAS Russia developed its own set of performance indicators, which has been later tailored to the project needs. As an outcome, the FAS Russia was able to increase transparency of internal funds allocation process and improve performance of its employees, without additional funding or third-party consultants.

The authors describe the performance evaluation process, including the methodology based on the quality indicators, which were tailored to the employees' roles in the FAS Russia structure. In particular, a qualitative assessment of employees performing supervisory and control roles, e.g. Heads and Deputy Heads of Regional Offices, has been conducted.

FAS Russia's experience in public servants' performance assessment can be utilized as a best practice by other governmental authorities in creation of transparent and fair employees' reward systems. Authors believe that the discussed approach allows for enhanced distribution of workload between employees and, thus, results in efficient planning and decision-making management by the FAS Russia's Central Office.

**Keywords:** performance evaluation, regional offices, governmental authorities

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