



The experience of Russia's Treasury in performance management

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Approaches to ensuring balanced treasury system

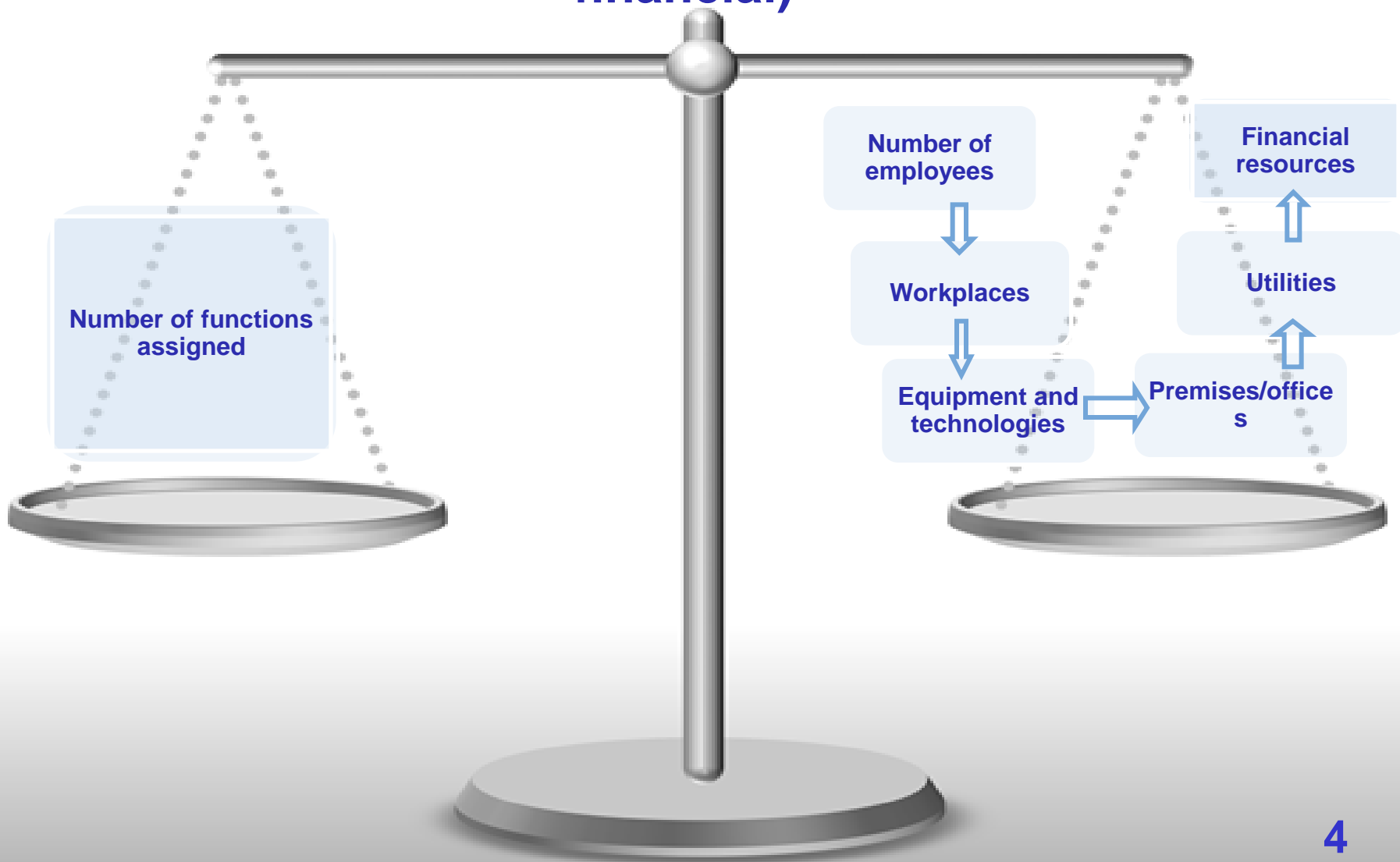
Goal: ensure proper balance between tasks and the resources allocated to fulfill these tasks

Background:

- In 2005 the Federal Treasury became an independent federal executive agency (operating on the basis of MoF's Treasury agencies)
- Russia's Treasury system had a three-level structure in 2005 - Central Administration of the Federal Treasury, Territorial Offices of the Federal Treasury (83) and Federal Treasury branches (over 2200);
- Over 56,000 employees;
- Multiple and constant requests from Territorial Offices of the Federal Treasury to provide more personnel and financial/material resources;
- Pilot working group establish for one of the Territorial Treasury Offices to research the needs

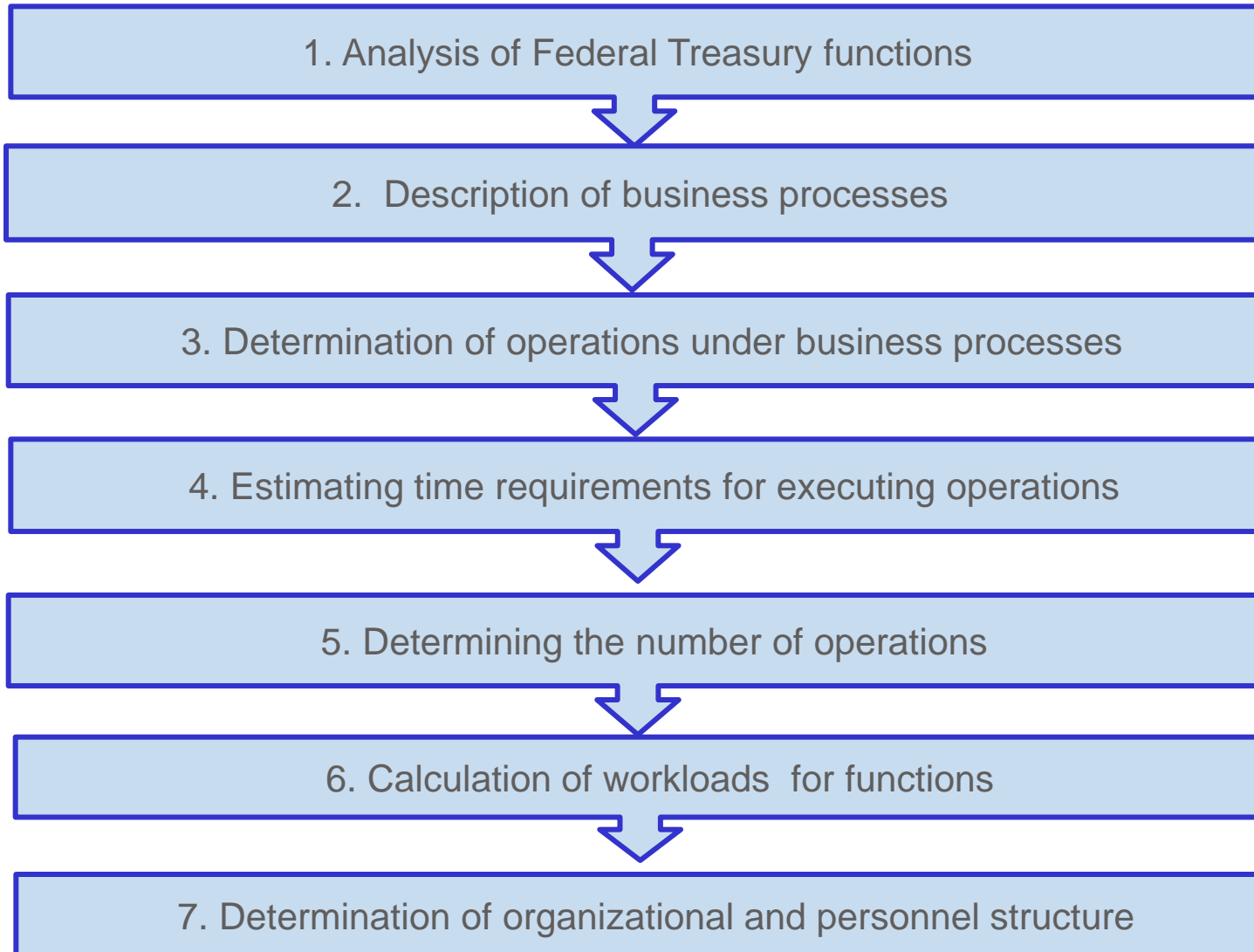


Ratio of assigned functions to resources (human, material, financial)





Determination of organizational and personnel structure on the basis of assigned functions and authorities





The number of employees at the Treasury is on the rise – general approach

Personnel needs calculation formula

$$Чш = T_o / \Phi_n$$

Where:

Чш – estimated personnel needs;

T_o - total work time of the operations performed by personnel

Φ_n - useful fund of working time per employee per year

(the difference between the normative working time fund (2000 hours) and the number of estimated absence days for reasons of annual leave, sick leave etc (estimated on the basis of accounting data* (estimated value – 10% of normative working time fund)

* On average, useful fund of working time per employee per year equals 1,910 hours



Formula for calculating personnel strength at Federal Treasury agencies (Ч)

$$\text{Ч} = \text{Ч ф} + \text{Ч ю} + \text{Ч о} + \text{Ч р} + \text{Ч моп}$$

$\text{Ч ф} = \text{К лс} / \text{К н}$ – personnel strength of the “operations area”,

where:

Клс – number of “conditional” client accounts;

Кн = 5, workload ratio

(number of client accounts per employee of the operations area)

$$\text{К лс} = \text{К п} \times 1 + \text{К р} \times 0,43 + \text{К ад} \times 0,4 + \text{К вр} \times 0,3,$$

where:

Кп – number of accounts of public agencies -recipients of public funds; $\text{Кп} = \text{Клс} / \text{Чф}$

Кр – number of accounts of public funds’ administrators;

Кадр – number of accounts of revenue administrators;

Квр – number of accounts under temporary management

1; 0,43; 0,4; 0,3 – weighted ratios of the workload for servicing accounts of respective types to the workload of servicing accounts of public agencies - recipients of public funds



Formula for calculating personnel strength of Federal Treasury agencies (Ч)

$Ч_{ю} = T_{ю} / \Phi_{п}$ – personnel strength of the legal department,

where:

$T_{ю}$ – work hours for the tasks of the legal department,

$\Phi_{п}$ – useful fund of the working time per employee per year;

$Ч_{о} = Ч_{ф} \times 25 / 100$ – personnel strength of the logistics area,

where:

$T_{ю}$ – work hours for the tasks performed by employees of the logistics area

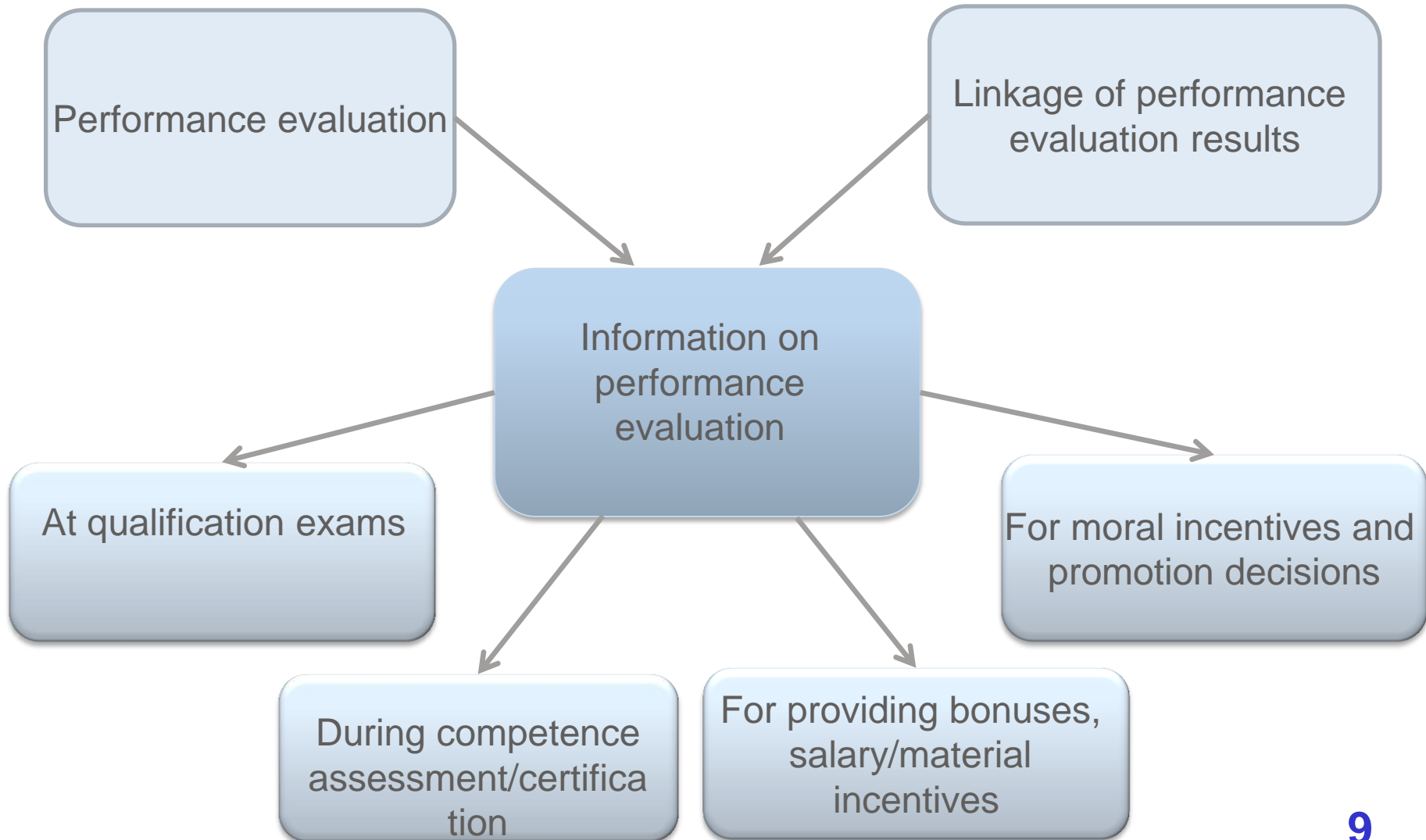
$\Phi_{п}$ – useful fund of the working time per employee per year;

$Ч_{р}$ – personnel strength of the management;

$Ч_{моп} = (Ч_{ф} + Ч_{ю} + Ч_{о} + Ч_{р}) \times 15/100$ – personnel strength of junior management

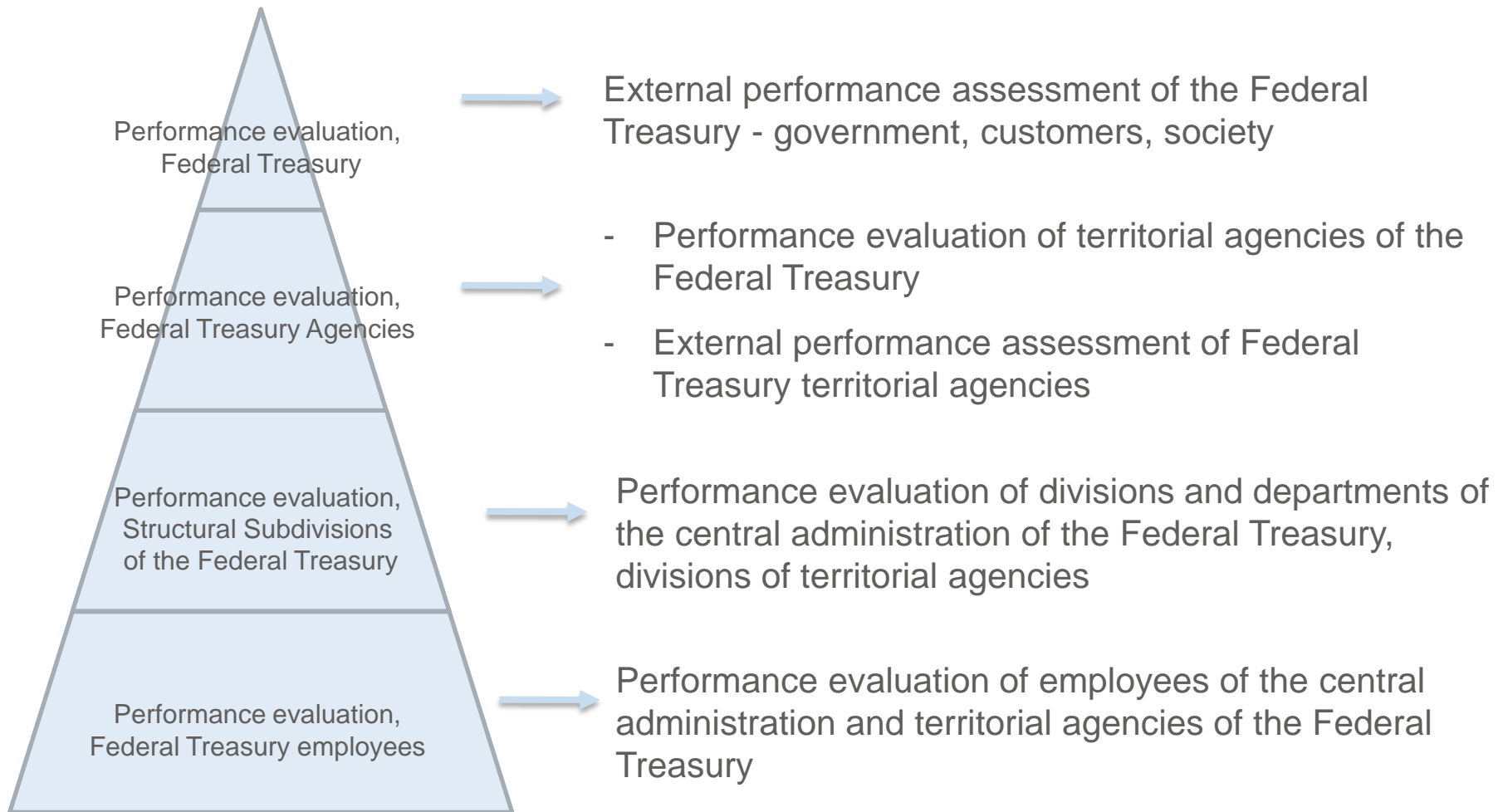


Justification for the need to establish a performance evaluation system





Performance evaluation system at the Federal Treasury





Formula for calculating employee's performance index (Pc):

$$Pc = 100\% - O_H,$$

where:

O_H – weighted ratio of unfulfilled indicators

$$O_H = O_1 + O_2 + \dots,$$

where:

O_1, O_2, \dots - assessment of each unfulfilled indicator



Example of Federal Treasury's Employee Performance index table

Name of the civil servant, position, agency	Performance index of a federal employee - civil servant who works at the central administration of the Federal Treasury									Total performance assessment Общ (100%)
	Lack of irregularities at hiring, transferring and dismissing employees, as detected/reported by controlling and supervisory authorities (O1)	Control over the terms and procedures for certification and performance reviews of civil servants (O2)	Control over the terms and procedures for conducting qualification exams of civil servants (O3)	Lack of grounded complaints from employees over hiring, working or being dismissed (O4)	Ensuring the protection of employees' personal data (O5)	Providing required reports on time, veracity of the reports (O6)	Providing required reports on time, veracity and quality of reports and other materials provided to the leadership of the Federal Treasury, Russia's Ministry of Finance and other line ministries and agencies (O7)	Following the instructions from the Head of the Department, his or her Deputy in charge of human resources-related issues (O8)	Observing work behavior rules and regulations (O9)	
Ivan Ivanov, Head of the Human Resources Department at the central office of administrative division	15%	10%	10%	10%	20%	15%	10%	5%	5%	100%



Formula for calculating performance index of structural subdivisions of Federal Treasury Agencies (P_п)

$$P_{п} = P_1 + P_2 + P_3 + P_{эв} \dots + P_i / i,$$

where:

P₁, P₂, P₃, P_i – performance indicator for fulfilling tasks №1, №2, №3, №i;

P_{эв} – index of efficiency of cooperation between structural subdivisions

$$P_i = 10 - C_i * H_i,$$

where:

10 – top grade for fulfilling a task;

C_i – sanctions for violation or non-performance of the task;

H_i - number of violations for the respective task.



Performance calculation and evaluation table for structural subdivisions of Federal Treasury

№	Functions	Tasks	Number of violations (Hi)	Sanctions (Ci)	Performance index (Pi)
1	2	3	4	5	6
	TOTAL				

$$P_i = 10 - C_i * H_i ;$$

where:

P_i – performance index for the implementation of respective task;

10 – top grade for fulfilling a task;

C_i – sanctions for violation or non-performance of the task;

H_i - number of violations for the respective task



Performance calculation and evaluation table for Human Resources Department of the Federal Treasury. Example

№	Function	Tasks	Number of violations (Hi)	Sanctions (Ci)	Performance index (Pi)
1	2	3	4	5	6
1	Organization and conduct of competitions for vacancies at _____	Conduct of competitions for vacancies at _____	None	2	10
2	Organizing and ensuring the organization of qualification exams of civil servants _____	Assigning grades to civil servants _____	None	2	10
3	Organization and conduct of certification of public servants _____	Conduct of certification of public servants _____	None	2	10
4



Formula for calculating performance index of Territorial/regional Offices of the Federal Treasury:

$$ROFT = P1 + P2 + P3 + P_{ВН} \dots + P_i / i,$$

where:

i – number of tasks;

$P1, P2, P3, P_i$ – performance indicator for fulfilling tasks №1, №2, №3, № i ;

$P_{ВН}$ – external evaluation.

$$P_i = 10 - C_i * H_i ;$$

where:

P_i – performance index for the implementation of respective task;

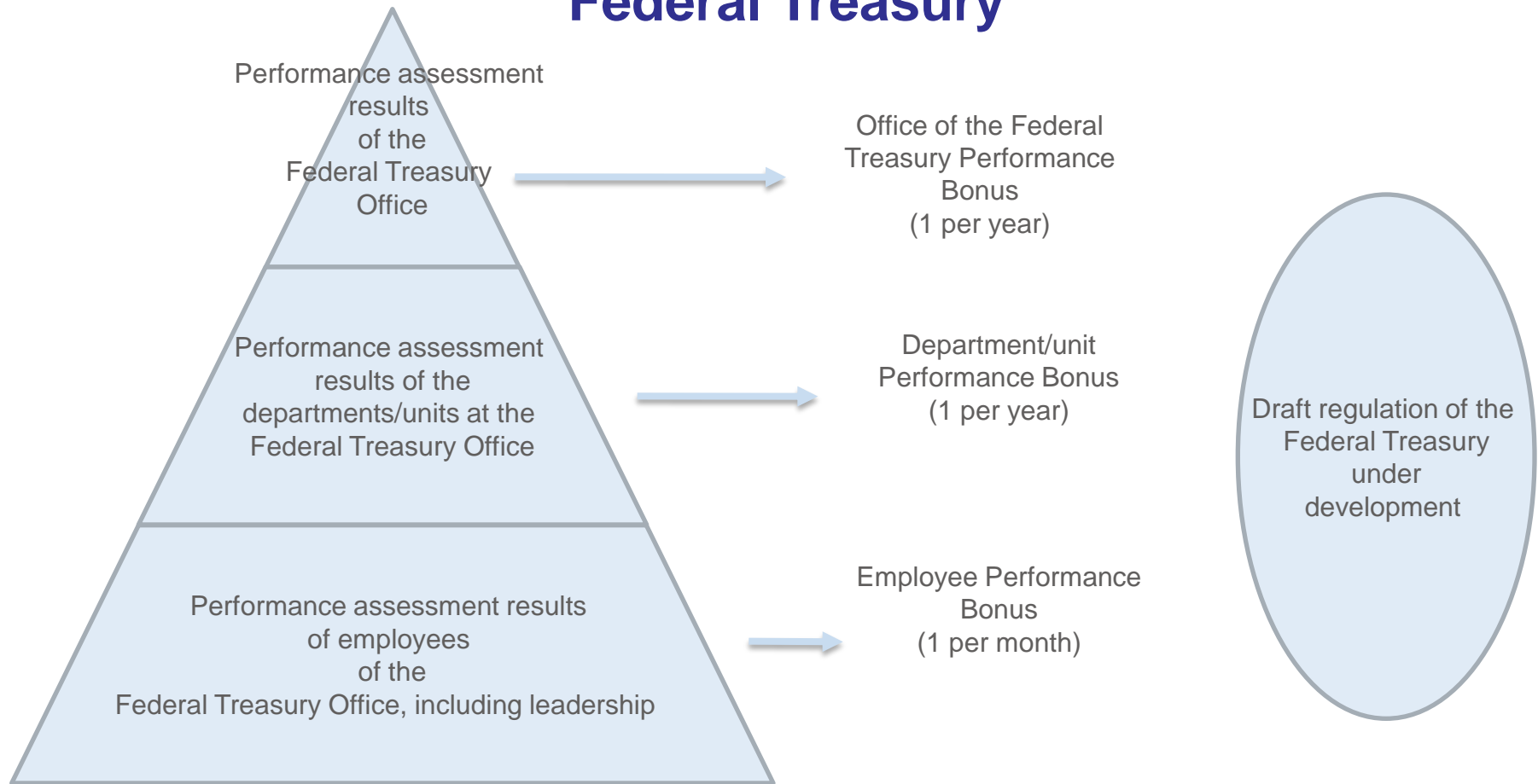
10 – top grade for fulfilling a task;

C_i – sanctions for violation or non-performance of the task;

H_i - number of violations for the respective task



Incentives/bonus system at the Territorial Offices of the Federal Treasury





Bonus calculation methodology

1. $\text{Пфф1} = \text{Ппф1} \times \text{РОФТ}/10,$

where:

Пфф1 – actual bonus fund of the Federal Treasury territorial/regional office;

Ппф1 – planned bonus fund of the Federal Treasury territorial/regional office;

Руфк – performance index of the Federal Treasury territorial/regional office.

2. $\text{Пфф2} = \text{Ппф2} \times \text{Рп} /10,$

where:

Пфф2 – actual bonus fund of the structural subdivision;

Ппф2 – planned bonus fund of the structural subdivision;

Рп – performance index of the structural subdivision.

3. $\text{Пфс3} = \text{Ппс3} \times \text{Рс} /100\%,$

where:

Пфс3 – performance bonus fund of the employee;

Ппс3 – planned fund per employee

Рс – performance of the employee.



**THANK YOU FOR YOUR
ATTENTION!**