

THE APPLICATION OF PERFORMANCE EVALUATION RESULTS FOR CHINA'S SERVICE-ORIENTED GOVERNMENT: THE PRESENT SITUATION, PROBLEMS, AND SOLUTIONS

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Abstract

Experience drawn from foreign countries and domestic trials have shown that whether performance evaluation of the government can be sustained and achieve results depends mainly on the application of evaluation results. At present, the application of performance evaluation results in the Chinese Administration does not live up to the requirements of building a service-oriented government. Measures should be taken to promote their effective use, namely, create incentives for establishing quality public services by offering awards, improve administrative accountability systems for public services, make available to the public performance evaluation results of the Administration and report how these results are applied. Furthermore, improve the application of performance results in the Administration by such measures as linking them to budget appropriations.

Keywords: *performance evaluation, performance management, China, Chinese Administration, public sector reform, administrative accountability, system of responsibility.*

Introduction

The purpose of service-oriented government performance management is to promote the transformation of government functions, optimize government structures, introduce innovations in administrative operating mechanisms and thus make delivery of public services more efficient. Nevertheless, experience drawn from foreign countries and domestic trials have shown that whether performance evaluations of the government can be sustained and achieve effective results depends mainly on the application of evaluation results. We should attach great importance to and constantly promote the efficient application of performance evaluation results of the government in line with the requirements of building a service-oriented government.

I. Major Applications of the Performance Evaluation Results of China's Government

Currently, the performance evaluation results are mainly applied by the Chinese Administration in these five ways:⁵

1. Reporting of evaluation results internally. For example, the scores of annual

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comprehensive performance management of the Beijing municipal government are submitted to the meeting of the Municipal Party Committee for deliberation and then are circulated internally. In Guangxi, the results of annual government performance evaluation are circulated in an appropriate form within a certain scope and copies are sent to organization, personnel, discipline inspection, and finance departments. Annual performance evaluation results of the Yueyang municipal government in Hunan Province are released to the whole city, and the results of evaluation of central and provincial organizations stationed there are reported to their competent authorities at the next higher level.

2. Raising the proportion of ratings that can be excellent. For example, in Jilin Province, government departments which are rated as excellent, good, below standard, and poor in their performance evaluations are able to rate 20%, 18%, 17%, and 15% of their employees as excellent, respectively. The State Administration of Science, Technology, and Industry for National Defence stipulates that if a department is rated as excellent in its performance evaluation, an additional government employee of that department can be rated as excellent in their annual performance evaluation. In Nanning, if a government department is rated as excellent, the proportion of government employees who can be rated as excellent will be raised from 15% to 20% of that year.
3. Linking evaluation results to rewards. There are three major forms of rewards. (1) Commendations. For example, in Sichuan Province once the results of performance management for a department are approved at the executive meeting of the provincial government, the provincial government is to issue a commendation to departments with superior performance management. (2) Bonuses. For example, in Hunan Province, the provincial Party committee and provincial government award medals and bonuses to government departments which are evaluated as having superior performance, and give bonuses to government departments evaluated as qualified. Bonuses are made by departments according to each employee's annual performance level and in line with the principle of awarding excellence and punishing poor performance, then after being submitted to the Provincial Performance Management Office and Organization Department of the Provincial Party Committee for their approval, they are distributed out to government employees. (3) Citation of meritorious service. In Sichuan Province, any department that has had superior performance management three consecutive years or more is to receive a citation for meritorious service and a lump-sum bonus in addition to other mandated rewards. In Shenzhen, departments that have been rated as excellent for two consecutive years are to be given a citation for their meritorious service, and if they have been rated as excellent for three consecutive years or more, they are to be awarded class three collective merits and their leading bodies are also to be rewarded.
4. Serving as a criterion for the appraisal, selection, and appointment of leading officials. For example, the Ministry of State Land and Resources directly links the annual evaluation results of performance management with annual appraisals of

their leading bodies and officials. These results for the department is regarded as the annual appraisal of the leadership of that department, and accounts for 70%, 60%, and 50% of the result of performance evaluations of principal responsible leaders, other members of the leadership, and other bureau-level officials in the unit respectively. The evaluation results are also used as a major criterion for the selection and appointment of leading officials. In Liaoning Province, annual performance evaluation results of departments are a criterion for appraising leading bodies and officials and for promoting and appointing leading officials. The results of performance evaluations are also used by the organization and personnel departments.

5. Serving as a basis for administrative accountability. For example, in Fujian, there is an emphasis on administrative accountability in applying the performance evaluation results of the government. In the work of performance management and evaluation, those government workers who do not seriously carry out their duties, shift their responsibilities to others, are inefficient, create delays or hindrances in their work, or take bribes are to be held strictly accountable. In Xinjiang, performance evaluation results of the government are a basis for administrative accountability. The major leaders in charge of the departments which are lowly-ranked in performance will be met with, major leaders of the departments which are rated as poor in their performance evaluations will be admonished, and major leaders of departments that are have been rated as poor for two consecutive years will be punished.

II. Major Problems in the Application of Performance Evaluation Results in China's Government

Professor John Burns has noted that during the past ten years, performance evaluations of China's government have paid increasingly greater attention to public services. While this is indeed true, there are still major problems in the application of performance evaluation results in governments when compared to the requirements set forth at the Eighteenth National Congress of the CPC of building a service-oriented government that is well-structured, clean and efficient, and meets the satisfaction of the people, as well as the requirement of transforming government functions to create a favourable environment for development, provide quality public services, and uphold social fairness and justice.

1. Emphasizing material rewards to the neglect of encouraging a sense of spirit. Performance-based rewards can provide employees with an important motivation to work hard. However, in practice, performance evaluation results of the Government are mainly linked with material rewards, and much less so with encouraging employees' sense of spirit. Many local administrations stress that the purpose of performance evaluations is for assessing the amount of bonuses, and thus directly link evaluation results to bonuses. This is a serious misconception on their part. For example, some local administrations set aside special funds for the performance evaluations of Party and government management, awarding cash bonuses to those people who have been rated as excellent. Of these, 20% of the award money goes to major leaders, 30% goes to members of the leading group

(which includes the major leaders), and 50% goes to the permanent staff (which includes members of the leading group) of the department which is rated as excellent in performance evaluations. Material rewards are important motivation devices; however, public organizations are different than private organizations; their purpose is more complicated. As the representation of public power, the government provides not only material services, but also inspiration for and shaping of the public spirit. Directly linking performance evaluation results of the government to material rewards, especially bonuses, will tend to induce government workers to pursue personal benefits and weaken their awareness of responsibility to the public. This is inconsistent with establishing a public spirit and strengthening the mind-set of service that is so necessary to Chinese service-oriented administration.

2. The common phenomenon of emphasizing rewards but neglecting disciplinary measures and doing investigations but not holding people accountable. It is clearly stipulated in many localities that performance evaluation results of the government should be considered as a criterion for administrative accountability, however in practice, the problems of emphasizing rewards but neglecting disciplinary measures, and doing investigations but not holding people accountable, are quite common. For example, in some places, the performance evaluation results of the Administration are categorized into class one, class two, class three, and 'below standard'. If a department's annual score on its performance evaluation is 80% or above of the total score, then it is classified as 'meeting standard'; all departments rated as 'meeting standard' will be given awards. Departments rated as class one, class two, and class three will each receive a 50,000 yuan, 40,000 yuan, and 30,000 yuan' bonus respectively. Departments which are rated as 'below standard' are merely required to submit written explanations, and the decision of whether to admonish that department's major leaders will depend on the circumstances. Another example: according to some localities' regulations, those departments rated as poor in their performance evaluations for two consecutive years will be given a notice of criticism and the proportion of employees who can be rated as excellent within that department will be reduced by 4%. Additionally, the members of that department's leading body will be reprimanded and excluded from the honorary title of superior or excellent, and will also be required to submit a report of rectification measures to the city's government and put these measures into practice within a specified period of time. Bill Chou pointed out in his research that more than 99% of government workers are rated as excellent or competent, and thus nearly all of them receive performance-based bonuses and awards, resulting in weaker motivation to achieve greater levels of performance. Compared with rewards, the disciplinary measures for those who receive low performance scores are clearly too mild. Even those departments which have been rated as poor in their performance evaluations for two consecutive years merely receive a notice of criticism, their leading body members are only reprimanded, and they are required to address their problems within a specified time. The people describe this kind of accountability as "readying the whip high in the air, but then only lightly coming

down and touching them” or “raising the whip but never coming down”, and thus never really affecting the interests of those being punished. Each government needs to establish a system of responsibility; it is only in this way that they can function well and with wide acceptance from the public. A service-oriented government must be responsible to the public. The current situation of emphasizing rewards but neglecting disciplinary measures and doing investigations but not holding people accountable is preventing the formation of effective accountability and constraint mechanisms for public services. As a result, regulations are ‘left hanging’ as they are not well implemented, discipline in the government is lax, and workers lose their drive for working hard.

3. The performance evaluation results of the government and the ways they are applied are not open or transparent. Paul Hubbard, in his paper published in April 2008 on China’s implementation of provisions for the disclosure of government information, pointed out that “*China still has a long way to go to make government information open.*” Even though five years have passed, presently the practice of making performance evaluation results of the government and the ways they are applied readily available to the public is still not widespread enough, so that the right of public access has not been fully realized. The inadequate disclosure of relevant information to the public has become a problem we cannot afford to ignore. Although the public can access a fragment of performance evaluation results, that information is too incomplete, inaccurate, and inconsistent. Local governments rarely promulgate regulations concerning making performance evaluations results accessible to the public. Most provinces and cities, in carrying out implementation suggestions, work plans, and trial measures for performance evaluation results, have written about transparency in principle; however, they lack specific provisions on the disclosure of performance evaluation results to the public and the ways they are applied. As mentioned before, these results are usually circulated among Party and government organizations or within a limited range of the organizations of the people’s congress or the committees of the Chinese People’s Political Consultative Conference rather than to the public. Even if some local governments do a better job of disclosing relevant information to the public, they often put restrictions on the scope, form, and approval process for making information accessible to the public. For example, in Hunan Province, regulations state that after performance evaluation results of the government are reviewed by the Party committee and the government, they can be made available within an appropriate scope according to the specific circumstances. In Sichuan Province, regulations state that the results of government performance management and the ways they are applied should be made available to the public in an appropriate way and channels for public complaints and discussion should be opened up, thus achieving public oversight. The performance evaluation results of the government are seldom released to the public, and the ways these results are applied are released to the public even less. The examples above show that performance evaluation results of the government and the ways they are applied operate in a closed or semi-closed system. The government and its leaders do not pay enough attention to citizens’ attitudes and responses towards

performance evaluation results and the ways they are applied. For this reason, although governments at all levels have spent a lot of time, energy, and funds on the issue, the effectiveness and credibility of government performance evaluations are quite limited, as is the people's satisfaction. This situation where performance evaluation results and the ways they are applied are relatively closed off is not consistent with the requirement of a service-oriented government that the exercise of public power, government affairs, and administration in every area should be exposed to the public.

4. Performance evaluation results of the government are not linked to budget allocation closely enough. In developed countries, such as the United States, Britain, Australia, and New Zealand, the linking of performance evaluation results with budget allocation is the most important way of applying those results. China, on the other hand, has not widely appreciated or adopted this method. Robert Behn, professor at Harvard University's John F. Kennedy School of Government and the chairman of the executive program "Driving Government Performance", points out that performance evaluation of the government can help public officials allocate the budget; for the promotion of government performance, the budget is a natural tool. The governments at higher levels can better allocate and prioritize public service resources in light of performance evaluation results of lower level governments or departments as well as problems encountered in this process. This facilitates lower-level governments or departments which have better performance in obtaining more budgetary appropriations, transfer payments, public projects etc., so that they can offer more and better public goods and services and maximize the efficiency of public spending. Presently, the role of performance evaluation results of the government play only a limited role as a criterion of resource allocation for public services; this departs from the requirement of a service-oriented government to decrease expenditures, provide better services, and operate more efficiently.

III. Solutions to Effectively Apply Performance Evaluation Results of the Government

In order to properly address concerns that evaluations are mere formalities, are done simply for their own sake, or are done for the sake of gaining awards or recognition, as well as to let the results play a more reasonable and well-conceived role in building a service-oriented government, great efforts must be made to advance the effective application of performance evaluation results of the government.

1. Creating awards for providing quality public services, and making use of the role of encouraging a sense of spirit. Encouragement in a service-oriented government should centre on fostering a sense of spirit. Awards for quality public services are urgently needed in order to help government workers foster a spirit of the public, strengthen their sense of service, develop a character of serving the public, and better perform their duty of providing public services. In 1994, the European Union added an award for quality in public services to the European Quality Award. By the year 2000, the majority of European countries had set up national quality awards. In China, the Longgang district in Shenzhen created the Quality Award for Public Service, and in 2011, Hangzhou established the Quality Award for

Government Service. These practices play an active role in helping government workers develop a spirit of serving the public and enhancing their service awareness. We should review experience in this area, expand the scope of trials, gradually raise the level of quality awards for public service, striving to establish a national quality award for public service by the end of the Twelfth Five-Year Plan for National Economic and Social Development of the People's Republic of China. This will create standards of quality for public services, produce an important demonstration effect, and motivate governments at all levels to perform their duty of providing efficient, high-quality public services.

2. Improving the administrative accountability system which focuses on public services. In order to put performance evaluation results of a service-oriented government to use, there must be urgent improvement in the administrative accountability system centring around public services, the implementation of responsibility for offering public services, and the redressing of the problems of emphasizing rewards to the neglect of disciplinary measures and doing investigations but not holding people accountable. The responsibilities and powers of governments at all levels should be defined in accordance with the law. For departments or officials who don't seriously perform their duties concerning public service or which are rated as poor in their performance evaluations, there should be investigations to find out whether there were irregular decisions, poor execution, weak management, or administrative nonfeasance or malfeasance. When there are major mistakes in their work or major cases of negligence which have a serious social impact, the persons responsible and leading officials should strictly be held accountable. In addition, the scope, divisions, classifications, utilization, procedures, and time limits of administrative accountability should all be clarified in accordance with the law to make administrative accountability more institutionalized and standardized. This will effectively prevent cases of marginalizing or procrastinating important issues.
3. Releasing to the public performance evaluation results of the government and the ways they are applied. Well-established information disclosure systems serve as an institutional basis for the effective application of performance evaluation results of the government in western developed countries. A service-oriented government is an open and transparent government which puts people first. We must conscientiously implement the State Council's Regulations on Releasing Government Information and Suggestions on Deepening the Transparency of Administrative Affairs and Improving Administrative Services. The conclusions, ratings, discovered issues, and suggestions for rectification measures from evaluations, as well as the status of rectification measures and application of evaluation results, must be made available to the public through multiple channels such as government web portals, newspapers, publications, radio and television stations, and press conferences in a consistent, systematic, and unimpeded way. We must create workable channels through which the public can participate, such as the Internet, telephone, and email, in order to earnestly respect and uphold citizens' right to be informed, respond to the concerns of citizens, and accept comments,

suggestions, questions, and oversight from the people. Citizens must be welcomed to participate, and the media must be encouraged to provide oversight. With these measures, the public availability of evaluation results will drive rectification measures and constantly elevate the performance of the government's public services. Jilin Province has already laid a good foundation for making evaluation results open to the public. It is clearly stipulated in the evaluation work of cities, prefectures, counties and districts, that evaluation results should be reported to the relevant governments or government departments in a timely manner, feedback and suggestions should be given on improving the work of those being evaluated, and the results should be released to the public once they are confirmed. It is also stipulated that for performance evaluations of provincial government departments, the results of annual evaluations which have been approved by the provincial evaluation committee for government performance should be released to the public. The city of Heshan in Guangdong Province also has regulations for comments on performance evaluations of organs directly under the municipal government which state that the municipal Party committee should issue a notice of evaluation results, and results should be published on the government's website.

4. Linking performance evaluation results of the government to budget allocation. In countries like the United States, Britain, New Zealand, and Switzerland, performance evaluations are a crucial tool for improving public services provided by the public sector. We should learn from the successful experiences of developed countries in applying performance evaluation results of the government, link evaluation results with decisions made regarding public budget allocations, and use evaluation results as an important criterion for the budget appropriations, treasury transfer payments, and public projects of the following year. The higher-level governments, relevant leading departments, and finance departments should give priority to those governments or departments with good evaluation results in the allocation of treasury funds and public programs. Similarly, for governments or departments that have poor evaluation results which cannot be justified, or that have not effectively implemented suggestions offered on the basis of performance evaluations on their rectification, higher level governments, relevant competent departments, and finance departments should tightly control or decline treasury funds and public programs.