

Pay & Pension structure in Public Sector Undertakings

Annex 2.1.1

Pay Scales in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	Below Board level I - 23750-28550 H - 20500-26500 G - 19500-25600 F - 19000-24750 E - 18500-23900 D - 17500-22300 C - 16000-20800 B - Rs.13750-18700 A - 12000-17500 [Annual Increment (AI) 4% of BP)	Workmen VIII - 7400-14750 (AI 3% of BP) VII - 6700-13700 (AI 3% of BP) VI - 6300-13000 (AI 3% of BP) V - 5800-11800 (AI 3.5% of BP) IV - 5400-10850 (AI 3.5% of BP) III - 5000-9800 (AI 4% of BP) II - 4800-8900 (AI 4% of BP)
ONGC	Executives E9 - 23750-28550 E7/E8 - 20500-26500 E6 - 19500-25600 E5 - 18500-23900 E4 - 17500-22300 E3 - 16000-20800 E2 - 13750-18700 E1 - 12000-17500 E0 - 10750-16750 S level employees S I: 10220 S II: 11400 S III: 13070 S IV: 15200	Workmen W I: 4300 W II: 4500 W III/ A-I: 4700 W IV/ A-II: 5100 W V/ A-III: 5800 W VI/ A-IV: 6500 W VII: 10220

IBP Co. Ltd.	Officers H - 20500-26500 G - 19500-25600 F - 19000-24750 E - 18500-23900 D - 17500-22300 C - 16000-20800 B - 13750-18700\ A - 12000-17500 02 - 10750-16750 01 - 6550-11350	Workmen VI - 7400-14750 V - 6300-13200 IV - 5800-11500 III - 5400-10500 II - 5000-9400 I - 4600-8400
Bharat Petroleum Corporation Limited	Management Staff I - 23750-28550 H - 20500-26500 G - 19500-25600 F - 19000-24750 E - 18500-23900 D - 17500-22300 C - 16000-20800 B - 13750-18700 A - 12000-17500 (Annual Increment - 4% of the Basic Pay. Promotional Increment-6% of Basic Pay.)	Non Management Staff The scales are open ended and there is no maximum for any grade. Gr.XI: 6000-15000 Gr.X: 5800-14300 Gr.IX: 5600-13700 Gr.VIII: 5400-13100 Gr.VII: 5250-11600 Gr.VI: 5100-11100 Gr.V: 4950-10600 Gr.IV: 4800-10100 Gr.III: 4650-9600 Gr.II: 4500-9300 Gr.I: 4350-9000 Annual Increment - 4% of the Basic Pay. Promotional Increment-5.5% of Basic Pay.)
Oil India Limited	Executives H - 20500-26500 G - 19500-25600 F - 18500-23900 E - 17500-22300 D - 16000-20800 C/C1 - 13750-18700 B - 12000-17500 A - 10750-16750	

Engineers India Limited	Officers at levels 12 & above Level 20 - 23750-28550 Level 19 - 20500-26500 Level 18 - 19500-25600 Level 17 - 19000-24750 Level 16 - 18500-23900 Level 15 - 17500-22300 Level 14 - 16000-20800 Level 13 - 13750-18700 Level 12 - 12000-17500	Employees at levels 1-9 Level 9 - 7400-14750 Level 8 - 6700-13700 Level 7 - 6300-13000 Level 6 - 5800-11800 Level 5 - 5400-10850 Level 4 - 5000-9800 Level 3 - 4800-8900 Level 2 - 4600-8400 Level1 - 4300-7500
Bongaingon Refinery & Petro Chemicals Ltd.	Officers Gr. H - 20500-26500 Gr. G - 19500-25600 Gr. F - 19000-24750 Gr. E1 - 18500-23900 Gr.E - 17500-22300 Gr.D - 16000-20800 Gr.C - 13750-18700 Gr.B - 12000-17500 Gr.A - 8600-14600 Annual Increment 4% of Basic Pay On promotion, 6% of Basic Pay	Workmen SSG - 7600-14750 SG - 7400-14500 'e' - 7000-13700 'd' - Rs.6300-12500 'c' - 5800-11500 'b' - 5400-10500 'a' - 4600-8400 Annual increment - SSG, SG, 'e' & 'd': 4%, 'c' : 3.5%, 'b' & 'a': 3%
Chennai Petroleum	Supervisory Employees H/1 - 20500-26500 G - 19500-25600 F - 19000-24750 E - 18500-23900 D - 17500-22300 C - 16000-20800 B - 13750-18700 A1 - 2000-17500 Annual Increment 4% of BP Promotional Increment 6% of BP	Non Supervisory Employees V - 8400-15300 IV - 6900-12900 III - 5800-11100 II - 5100-9500 I - 4700-8500 IA - 4500-6800 Annual Increment IA & I - 3%, II & III - 3.5%, IV & V - 4%
Balmer Lawrie & Co. Ltd.	Executives H - 20500-26500 G - 19500-26500 F - 19000-24750 E - 18500-23900 D - 17500-22300	Non Supervisory S2 - 6400-10000 AI: Rs.180 S1 - 6000-9200 AI: Rs.160

	<p>C - 16000-20800 B - 13750-18700 A - 12000-17500 O2 - 8600-14600 Annual Increment: 4% of minimum of the basic pay of the grade.</p>	
Biecco Lawrie Ltd.	<p>Officers H - 20500-26500 G - 18500-23900 F - 17500-22300 E - 16000-20800 D - 14500-18700 C - 13000-18250 B - 10750-16750 A - 8600-14600 02 - 6550-11350 Clerical Staff Gr.I - 2559-6707 Gr.II - 2614-6850 Gr.III - 2669-6994 Gr.IV - 2724-7136 Gr.V - 2779-7283</p>	<p>Workers Gr.I - 2486-4416 Gr.II - 2498-4436 Gr.III - 2531-4497 Gr.IV - 2565-4555 Gr.V - 2668-4739</p>
Mangalore Refinery & Petro Chemicals Ltd.	<p>Executive Gr.M2 - Rs.28100 (minimum basic) Gr.M3 - Rs.24200 (minimum basic) Gr.M4 - Rs.22900 (minimum basic) Gr.M5 - Rs.21300 (minimum basic) Gr.M6 - Rs.18500 (minimum basic) Gr.M7 - Rs.16200 (minimum basic) Gr.M8 - Rs.1440028100 (minimum basic) Gr.M9 - Rs.12100 (minimum basic)</p>	<p>Workmen JM1 - Rs.10150 (Minimum basic) JM2 - Rs.8930 (Minimum basic) JM3 - Rs.7680 (Minimum basic) JM4 - Rs.6560 (Minimum basic) JM5 - Rs.5290 (Minimum basic) JM6 - Rs.4570 (Minimum basic)</p>

Rural Electrification Corporation Ltd.,	Executives Executive Director - 23750-28550 General Manager - 20500-26500 Chief and Equivalent - 19000-24750 Jt. Chief and Equiv. - 18500-23900 Dy. Chief/FE-I and Equiv.- 17500-22300 DPE/DD/ACAO/FE-II and Equiv. - 13750-18700 APE/AD/Sr.AO/FE-III and Equiv. - 11225-17250 AO/SO/PS and Equiv. - 10750-16750	Non Executives Sr. Asstt./ Acctt/Sr.PA and equiv. - 10000-16000 Asstt./ Asstt.(Acctts)/Liaison Asstt. and equiv. - 8600-14920 UDC/ Acctts Clerk/Computer Operator and equiv. - 7300-12660 LDC/SCD/Electrician/AC Mechanic/DMO (SG) - 5800-10790 Peon (SG)(Class-IV) - 5000-9590 Peon (Class-IV) - 4400-8430
NTPC	E9 - 23750-28550 E8 - 20500-26500 E7A - 19500-25600 E7 - 19000-24750 E6 - 18500-23900 E5 - 17500-22300 E4 - 16000-20800 E3 - 13750-18700 E2A - 12000-17500 E-2 - 11225-17250 E-1 - 10750-16750	SG - 10000-16000 W11/S4 - 9300-15590 W10/S3 - 8600-14920 W9/S2 - 7900-13700 W8/S1- 7300-12660 W7 - 6700-11750 W6 - 6200-11200 W5 - 5800-10790 W4 - 5400-10350 W3 - 5000-9590 W2 - 4700-9010 W1- 4400-8430 W0 - 3750-5450
NHPC	Executives E-1 8000-13400 E-2 8600-14600 E-2A 10750-16750 E-3 13750-18700 E-4 16000-20800 E-5 17500-22300 E-6 18500-23900 E-7 19500-25600 E-8 20500-26500	Workmen W-0 3750-5450 W-1 4400-8430 W-2 4700-9010 W-3 5000-9590 W-4 5800-10790 W-5 6700-12500 W-6 7200-13100 W-7 7900-13700 W-8 8550-14850

	E-9 23750-28550 Supervisors S-1 7900-13700 S-2 8600-14920 S-3 9300-15550 Special Grade 10000-16000	W-9 9000-15100
Satluj Jal Vidyut Nigam Ltd.	W11 9300-15590 W10 8600-14920 W9 7900-13700 W8 7300-12660 W7 6700-11750 W6 6200-11200 W5 5800-10790 W4 5400-10350 W3 5000-9580 W2 4700-9010 W1 4400-8430 S-4 9300-15590 S-3 6600-14920 S-2 7900-13700 S-1 7300-12660 Annual Increment W1-W7 3% W8-W11 3.5% S-1, S-2, S-3, S-4 3.5%	

House Rent Allowance in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	Company owned accommodation is provided wherever townships are located. Type of quarter depends upon the grade and seniority. Employees who reside in own house may avail self-lease facility within prescribed rental ceilings. Monthly recovery is made for company owned and leased accommodation, which depends upon the carpet area and the location. Employees who stay in rented accommodation are paid HRA as per classification of city as notified by Government.	
ONGC	HRA varies from 15-30%.	
IBP Co. Ltd.	<p>Officers & Workmen</p> <p>30% of basic pay, if posted in Mumbai, Delhi, Kolkata and Chennai ,25% of basic pay, if post in other 'A' class cities. 22-1/2% of basic pay, if post in B-1 class cities. 17-1/2% of basic pay, if post in B-2 class cities. 15% of basic pay, if posted in C and unclassified cities.</p>	
Bharat Petroleum Corporation Ltd.	<p>Management staff & Non Management Staff</p> <p>HRA: Metro Cities: 30% of Basic Pay (BP), A Class: 25% of BP, B-1 Class: 22.5% of BP, B-2 Class: 17.5% of BP, C & others: 15% of BP.</p> <p>Self Lease Rent: For staff whose house is taken on lease under the Scheme, rent payable is limited to the HRA rate applicable to the location where the resident is situated.</p> <p>Maintenance Expenses under self lease for reimbursement: On self certification, maintenance expenses will be reimbursed. The maximum maintenance charges permissible at Metro cities ranges between Rs.17880 and Rs.24840 p.a. (Rs.7302 and Rs.13571 in case of Non-Management Staff) depending on the grade of the staff.</p> <p>Above rates will vary depending on the classification of city. For other cities, the maint. Charges ranges between 88% and 63% of above.</p>	

	<p>Accommodation: Company provides accommodation to staff where it owns it or takes it on lease. Type of accommodation varies based on the grade and seniority. Employees who reside in own house can avail self lease facility within the prescribed rental ceilings. Monthly recovery in the form of Standard Rent Recovery is made which depends on the Carpet Area of the flat. However, in case of self lease, SRR is based on the Grade.</p>	
Oil India Ltd.		
Engineers India Ltd.	<p>Officers at levels 12-20</p> <p>1. HRA @ 15% to 30% of BP depending upon class of city. 2. For minor repairs: 2 months' rentals per annum.</p>	<p>Employees at levels 1-9</p> <p>1. HRA @ 15% to 30% of BP depending upon class of city. 2. For minor repairs: 2 months' rentals per annum.</p>
Bongaingon Refinery & Petro Chemicals Ltd.	<p>Officers & Workmen HRA 30/25/22.5/17.5/15 % of BP (Metro/A/B1/B2/C/Unclassified)</p>	
Chennai Petroleum	<p>Supervisory Employees HRA - Nil Self lease (Rental)</p> <p>For maximum of pay scale</p> <p>A: Rs.6315 B: Rs.6795 C: Rs.7530 D: Rs.8055 E: Rs.8595 F: Rs.8880 G: Rs.9145 H: Rs.9505</p> <p>Self Lease (Maintenance)</p> <p>A: Rs.1490 B: Rs.1697 C: Rs.1728 D: Rs.1782</p>	<p>Non Supervisory Employees HRA - Nil Self lease (Rental)</p> <p>For maximum of pay scale</p> <p>IA: Rs.2425 I: Rs.3030 II: Rs.3385 III: Rs.3950 IV: Rs.4580 V: Rs.5435</p> <p>Self Lease (Maintenance)</p> <p>IA: Rs.517 I: Rs.578 II: Rs.637 III: Rs.706</p>

	E: Rs.1809 F: Rs.1854 G: Rs.1890 H: Rs.2070	IV: Rs.793 V: Rs.1035
Balmer Lawrie & Co. Ltd.	HRA As in the Central Government.	HRA As in the Central Government.
Biecco Lawrie Ltd.	Officers HRA - 25% of Basic (max. of Rs.1500) Co Leased/Self Lease Rent per month H: Rs.3300, G: Rs.3090, F: Rs.2930, E: Rs.2750, D: Rs.2716, C: Rs.2360, B: Rs.2188, A: Rs.1950 Co Leased/Self Lease maintenance Per month H: Rs.825, G: Rs.808, F: Rs.794, E: Rs.688, D: Rs.685, C: Rs.488, B: Rs.474, A: Rs.454	Staff & Workers 25% of basic pay (max. of Rs.1500)
Mangalore Refinery & Petro Chemicals Ltd.	Executives HRA - Metros: 30% BP, A-Class: 25% BP, B-1 Class: 22.5% BP, B-2 class:17.5% BP, C&Unclassified: 15% BP	Workmen HRA - Metros: 30% BP, A-Class: 25% BP, B-1 Class: 22.5% BP, B-2 class: 17.5% BP, C&Unclassified: 15% BP
Rural Electrification Corporation Ltd.	House Rent Recovery City based Township (incl.BTPS) A type quarter - Rs.280/- pm B type quarter - Rs.710/- pm C type quarter - Rs.870/- pm D type quarter - Rs.1080/- pm Project / Stn. Townships A type quarter - Rs.140/- pm	Non-Executives W8/S1-W11/S4 & SG A type quarter Cities Rs.220/- pm Project Stn. Rs.110/- pm B type quarter Cities Rs.570/-

	B type quarter - Rs.355/- pm C type quarter - Rs.435/- pm D type quarter - Rs.540/-	pm Project Stn. Rs.285/- pm W7 & below A type quarter Rs.160/- pm B type quarter Rs.220/- pm
NTPC	A1 30% of Pay A-B-1, B-2 15% of Pay C 7.5% of Pay Unclassified 5% of Pay	
NHPC	A-1 30% of Pay A 25% of Pay B-1, B-2 & C 15% of Pay Other Unclassified 10% of Pay	
Satluj Jal Vidyut Nigam Limited	A-1 30% of Pay A 25% of Pay B-1, B-2 & C 15% of Pay Other Unclassified 10% of Pay	

**Conveyance Allowance/reimbursement/advance
in Petroleum and Power sector PSUs**

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	<p>Conveyance Reimbursement</p> <p>Officers who own a car and utilize the same for official duties are reimbursed expenses within the annual km. ceiling prescribed for each grade at the current per km rate of Rs.7.41. The monthly claim may vary but the annual claim should not exceed the ceiling.</p> <p>Similarly officers who use 2-wheeler are reimbursed Rs.1327 p.m. for scooter and Rs.715 p.m. for Moped. Workmen are reimbursed depending upon grade, Rs.990/887 p.m. for scooter and Rs.543/485 p.m. for Moped.</p> <p>Officers who have not availed conveyance advance and also do not claim reimbursement of conveyance running & maintenance expenses are entitled to transport assistance in the range of Rs.1000 to Rs.2000 p.m. depending upon the grade. Similar benefit to workmen is given as Transport Subsidy @ Rs.715 in metro cities and Rs.500 in other cities.</p>	
ONGC	<p>Executives Conveyance Reimbursements E0: Rs.2915, E1/E2: Min.Rs.2915 Max. Rs.4740, E3 to E9: Rs.4740 S level employees Conveyance Reimbursements S I & S II: Rs.1510, S III & S IV: Rs.2915</p>	<p>Workmen Conveyance Reimbursements @ Rs. 1510 p.m</p>
IBP Co. Ltd.	<p>Officers Rs.500 for Officers in Gr.01 & 02 Rs.700 for officers in Gr. A Rs.1000 for officers in Gr. B & C. Rs.1400 for officers in Gr. D & E. Rs.1400 for officers in Gr. F & above.</p>	<p>Workmen Gr.I to V : Rs.448 for Moped. Rs.819 for Scooter/Motor Cycle. Gr.VI : Rs.501 for Moped. Rs.914 for Scooter/Motor</p>

	Rs.1400 for Moped for all Grades. Rs.1400 for Scooter/Motor Cycle grades	Cycle. Transport Assistance - who are not receiving conveyance running expenses are paid @ Rs.500 (all Metros) for Moped and Rs.350 for others.
Bharat Petroleum Corporation Limited	<p>Management staff Conveyance Reimbursements</p> <p>Granted only to officers who own vehicle for KMs traveled for official use. The entitlement ranges between 4000 KMs to 9500 KMs depending on the grades. Rates of reimbursement: Cars-Rs.7.41 per KM.</p> <p>Granted only to officers who are not availing company transport or conveyance reimbursement. The payment ranges between Rs.700 to Rs.1400 p.m. depending on the grade of the staff.</p> <p>Management staff</p> <p>Conveyance/Transport Allowance in respect of those who do not have a vehicle Metros & A class Cities: Rs.620 p.m. In other cities: Rs.470 p.m. Those who own 2 wheeler or 4 wheeler: Rs.900 p.m.</p>	
Oil India Limited	Executives Conveyance Allowance @ Rs.800 p.m	-

<p>Engineers India Limited</p>	<p>Officers at levels 12 & above Level 12: Rs.3090, Level 13: Rs.3780, Level 14: Rs.3780, Level 15: Rs.4460, Level 16: Rs.4460, Level 17: Rs.5150, Level 18: Rs.5150, Level 19: N/A, Level 20: N/A</p>	<p>Employees at levels 1-9 Conveyance Allowance Levels 1 to 6 : @ Rs.650 p.m. Level 7: Rs.900, Level 8: Rs.1080 Level 9: Rs.1270</p>
<p>Bongaingon Refinery & Petro Chemicals Ltd.</p>	<p>Officers Conveyance Allowance for Scooter A grade: Rs.990 p.m. B grade & above: Rs.1327 p.m. (6500 km annual entitlement @ Rs.2.45/km)</p> <p>Conveyance Allowance for Car Mileage @ Rs.7.41 km B grade: Rs.2779 p.m. (4500 km p.a.) C grade: Rs.4323 p.m. (7000 km p.a.) D grade: Rs.4384 p.m. (7100 km p.a.) E grade: Rs.5311 p.m. (8600 km p.a.) E1 grade: 5434 p.m. (8800 km p.a.) F grade: Rs.6484 p.m. (10500 km p.a.) G&H: Rs.6793 p.m.(11000 km p.a.)</p> <p>Transport Subsidy/ Allowance (Payable to those not drawing conveyance allowance not availing company arranged transport)</p> <p>A Grade: Rs.800 p.m. B Grade: Rs.1000 p.m. C Grade: Rs.1200 p.m.</p>	<p>Workmen Conveyance allowance for Scooter</p> <p>a,b,c & d grade: Rs.887 p.m.</p> <p>d & SG: Rs.990 p.m.</p> <p>SSG: Rs.990</p> <p>Transport Subsidy/ Allowance</p> <p>Rs.500 at Headquarter and Rs.715 at Metro payable to those not drawing conveyance allowance and not availing company arranged transport.</p>

	D Grade: Rs.1300 p.m. E Grade: Rs.1700 p.m. E1 grade: Rs.1800 p.m. F Grade: Rs.1900 p.m. G & above: Rs.2000 p.m.	
Chennai Petroleum	Supervisory Employees Conveyance For maximum of the scale A: Rs.1670, B: Rs.3214, C: Rs.3214, D: Rs.4140, E: Rs.4140, F: Rs.5066, G: Rs.5066, H: - Transport Allowance @ Rs.800 p.m. Provision of Car for GM Rs.22820	Non Supervisory Employees Conveyance For maximum of the scale IA to IV : Rs.405 p.m. V: Rs.1229 p.m. Transport Allowance @ Rs.500 p.m.
Balmer Lawrie & Co. Ltd.	Executives Conveyance Reimbursements: H - Company car with 500 km per month for personal use G - 12200 km/annum @ 6.71 per km F - 6200 km/annum @ Rs.6.71 per km E & D - Max.5400 km/annum @ Rs.6.71 per km C & B - Rs.1000, A - Rs.700, O2 - Rs.500	Non Supervisory S2 Rs.450 S1 Rs.450
Biecco Lawrie Ltd.	Officers Transport Subsidy per month Gr. D to Gr H - Rs.540, Gr.B & C - Rs.410 Gr.A - Rs.275, Gr.02 - Rs.210 Reimbursement – Scooter per month All grades: Rs.529 Reimbursement – Car: H - Rs.8934, G - Rs.7362, F - Rs.2217, E - Rs.1931, D - Rs.1931, C - Rs.1645,	Workers @Rs.182 p.m.

	B - Rs.1645 Staff Transport Subsidy @ Rs.300 p.m.	
Mangalore Refinery & Petro Chemicals Ltd.	Executives Conveyance M2: Company Car M3 - Rs.5700, M4 - Rs.5500, M5- Rs.5400 M6 - Rs.4700, M7 - Rs.3700, M8 - Rs.3200, M9 - Rs.2300	Workmen JM1:Rs.1200 JM2 to JM6 : Rs.800
Rural Electrification Corporation Ltd.,	Tpt. Subsidy All Executives - Rs.570/- p.m. , All Non-executives - Rs.350/- p.m. Conv.Reimburse.(Car) - Chief & above - Rs.3950/- p.m. Dy.Chief, Jt.Chief & equiv. - Rs.3610/- p.m., AD/DD & equiv. - Rs. 3250 pm Scooter/M-Cycle - All Executives - Rs.1230/- pm, All NE-3 to NE-6 (LDC to Sr.Asstt.) - Rs.800/- p.m. Peon, Peon(SG) & equiv. - Rs.700/- p.m. Moped All Executives - Rs.570/- p.m., All Non-executives - Rs.350/- p.m. Tpt.Sub. For Blind & Orthopaedically - Double the entitlement of Tpt. Subsidy.	
NTPC	Tpt. Allowance (pm) Car E7 & above Rs.800/-, E5-E6 Rs.800/-, E2A-E4 Rs.800/- E1-E2 Rs.800/- Scooter / Motor-Cycle Executives Rs.800/-, Selection Gr. Rs.800/- , W8-W11/S1-S4- Rs.800/- W1-W7 Rs.585/- Moped All Executives - Rs.645/-, Selection Grade - Rs.510/-, W8-W11/S1-S4- Rs.480/- W0-W7 - Rs.400/- Not owning any vehicle Executives & SG Rs.500/- pm, W8-W11 & S1-S4 Rs.400/- pm W0-W7 - Rs.325/- pm Tpt. Allow to blind orthopaedically handicapped employees Exec. & SG - Rs.1000/- pm, W8 to W11 / S1 to S4 - Rs.800/- pm, W0 to W7 - Rs.650/- pm Conv. Reimbursement (pm) Car E7 & above Rs.3035/-, E5-E6 Rs.2690/-, E2A-E4	

	<p>Rs.2350/- E1-E2 Rs.1640/- Scooter / Motor Cycle Executives Rs.385/-, Selection Grade Rs.385/-, W8-W11 / S1-S4 Rs.80/- Conveyance Advance Car, Scooter, Motorcycle, Moped - 90% of the cost</p>
NHPC	<p>Tpt. Allowance Car/Scooter/Motor Cycle - Rs.800/- , Moped - Rs.645/- Spl. Gr.(S-4) Scooter/M.Cycle Rs.800/-, Moped Rs.510/-, S-1 to S-3 Scooter/M.Cycle Rs.800/-, Moped Rs.400/- W-6 to W-9 Scooter/M.Cycle Rs.800/- , Moped Rs.400/- W-1 to W-5 Scooter/M.Cycle Rs.585/- , Moped Rs.400/- Conveyance reimbursement (official) Car E-1 & E-2 Rs.1640/-, E-2A to E-4 Rs.2350/-, E-5 & E-6 Rs.2690/- E-7 & above Rs.3035/- Scooter / Motorcycle All Executives Rs.385/-, S-1 to S-3 Rs. 80/-, Spl. Gr.(S-4) Rs.385/- W-6 to W-9 Rs. 80/- Moped W-1 to W-5 Rs.235/-, W-6 & above Rs.280/- Employees not maintaining own vehicle All Executives Rs.500/-, S-1 to S-3 Rs.400/-, Spl. Grade Rs.500/- W-1 to W-5 Rs.325/-, W-6 & above Rs.400/-</p>
Satluj Jal Vidyut Nigam Ltd.	<p>Conveyance Reimburse. Car E7 & above 3452/-, E5 & E6 3147/-, E2 to E4 2836/- Scooter / Motor Cycle All Executives 1065/-, Supervisors 776/-, Workmen 528/- Moped All Executives 573/-, Supervisors 431/-, Workmen 359/-</p>

Children Education Allowance in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	Paid to employees at Rs.200 p.m. if child is studying upto class-Xth; and beyond class Xth, it is Rs.250 p.m. Hostel subsidy is paid at Rs.625 p.m. The benefit is limited to only 2 children.	
ONGC	Executives E0 to E3: Rs.1800 p.m. E4 to E9: Rs.2400 p.m. Besides, eligible employees are also entitled to Merit scholarship, transport subsidy for children, hostel subsidy, subject to fulfillment of certain laid down terms and conditions.	S level employees & Workmen Rs.1800 p.m. Besides, eligible employees are also entitled to Merit scholarship, transport subsidy for children, hostel subsidy, subject to fulfillment of certain laid down terms and conditions.
IBP Co. Ltd.	Officers & Workmen Rs.200 per month per eligible child upto class X . Rs.250 per month beyond Class X . Hostel Subsidy is also paid to an officer @ Rs.625 per month whose children are staying in a hostel and pursuing professional/ non-professional course.	
Bharat Petroleum Corporation Limited	Management staff & Non Management Staff Rs.150 per child upto Std. X Rs.200 per child from Stad. XI onwards upto graduation/PG. Max. 2 children at any given time.	
Oil India Limited	Executives Children Education Reimbursement is made @ Rs.750 p.m.	
Engineers India Limited	Officers at levels 12-20 Children Education Allowance @ Rs.150 per child subject to a maximum of 2 children.	Employees at levels 1-9 Children Education Allowance @ Rs.150 per child subject to a maximum of 2 children.
Bongaingon Refinery & Petro Chemicals Ltd.	Officers & Workmen Rs.200 p.m. per child – up to Matriculation. Rs.250 per child	

	above Matriculation Hostel Subsidy Rs.625 p.m. per child if studying in Boarding School/ College/ Institution. Children Merit award Rs.2000 (80%) marks, Rs.4500 for professional degree, Gold coin 10 gms for rank holders.	
Chennai Petroleum	Supervisory Employees & Non Supervisory Employees @ Rs.400 p.m.	
Balmer Lawrie & Co. Ltd.	Executives Rs.150 per child upto Class X and Rs.200 for XI and above.	Non Supervisory Rs.125 per child upto Class X and Rs.150 for Class XI and above.
Biecto Lawrie Ltd.	Officers Children Education Allowance per month Rs.100 per child (max 2 children)	
Mangalore Refinery & Petro Chemicals Ltd.	Executives M2:Rs.1000, M3-Rs.800, M4-Rs.700 M5- Rs.700, M6- Rs.450, M7-Rs.400 M8- Rs.400, M9- Rs.400	Workmen JM1- Rs.350, JM2- Rs.270, JM3- Rs.270 JM4- Rs.270, JM5- Rs.270, JM6- Rs.270
Rural Electrification Corporation Ltd.,	@ Rs.40/- p.m.per child from I to X, Rs.50/- p.m. per child from Xi and XII plus Rs.10/- p.m. per child as Science fee (upto 2 children) from IX to XII. For physically handicapped and mentally retarded children @ Rs.100/- p.m. upto XII. Hostel Subsidy @ Rs.300/- p.m. per child from I to XII (upto 2 children)	
NTPC	Over and above Rs.75/- pm per child reimbursement (Rs.225/- pm per child where CCA is not payable). Over and above Rs.75/- pm per child reimbursement (Rs.340/- pm per child where CCA is payable). Hostel subsidy @ Rs.675/- pm per child	
NHPC	Rs. 250/- p.m. per child Hostel subsidy @ Rs.1500/- p.m. per child	
Satluj Jal Vidyut Nigam Ltd.	Tuition Fee (where CCA is not payable) Rs.225/- pm per child Tuition Fee (where CCA is payable) Rs.340/- pm per child Hostel Subsidy @ Rs.675/- pm per child	

Leave Travel Concession in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	Employees are entitled to travel to home town or anywhere in India, in lieu of home town, once in a block of 2 years. The journey is performed as per normal travel entitlement. During visit to a place other than home town and if guest house/holiday home facility is not availed, then DA at applicable rate is reimbursed for a maximum of 10 nights for hiring accommodation	
ONGC	Executives E0/E1/E2: Min. Rs.720 Max. Rs.7178 E3 to E9: Rs.7178 S level employees @ Rs.720 p.m.	Workmen W I to W V/A-III: @ Rs.233 p.m. W VI/A-IV & W VII: @ Rs720 p.m.
IBP Co. Ltd.	Officers Leave Travel Assistance is paid once in a block of two years for self and dependent family members for visiting any place in India, as per the entitlement of the officer.	Workmen Leave Travel Assistance is paid one in a block of two years for self and dependent family members for visiting any place in India, as per the entitlement of the Workmen.
Bharat Petroleum Corporation Limited	Management Staff Actual travel for self, spouse, dependent children and dependent parents provided they stay with staff member. A to C : 1 st class rail/Ind class A/C sleeper, air travel to specific locations. D & above: 1 st class AC rail/Air(economy class)	Non Management Staff Actual travel for self, spouse, dependent children and dependent parents staying with the employee. Workmen with Basic Rs.8700 and above per month: II AC/I Class by train. Workmen with Basic Rs.8699 and below per month: II Class by Train.
Oil India Limited		
Engineers India Limited	Employees at levels 1-9 & Officers at levels 12-20 Leave Travel Concession: i. If availed, then fare for shortest route by the entitled class by	

	<p>rail for any place in India/home town in a block of two financial years.</p> <p>ii. If encashed, then 100%/ 50% fare for 5000 kms by entitled class by rail in respect of adult/minor dependent member.</p> <p>iii. Reimbursement in lieu of Holiday Home: 5 days Cash + Lodging Allowance for max. 4 members.</p>	
Bongaingon Refinery & Petro Chemicals Ltd.	<p>Officers Upto D grade: AC II tier E & Above: By Air/ AC 1st class LTC DA: 10 days maximum. DA for self+spouse+dependent children (max 2 for workmen)+dependant parents. DA not admissible when stay in company guest house. LTC encashment: Upto D grade: Rs.5118 per members E and above: Rs.10556 per member (except parents)</p>	<p>Workmen In case of LTC AC III tier entitlement allowed for those eligible in sleeper class. Air travel allowed once in lifetime to Andaman Nicobar/Lakshwadeep LTC DA: 10 days maximum. DA for self+spouse+dependent children (max 2 for workmen)+dependant parents. DA not admissible when stay in company guest house. LTC encashment: Those entitled in AC II- Rs.4110 per member except parents. DA not admissible when stay in company guest house.</p>
Chennai Petroleum	LTC benefits as per rules	LTC benefits as per rules
Balmer Lawrie & Co. Ltd.	<p>Executives Leave Travel Allowance D, E, F, G & H: Actual once every two years for self and dependents by economy air; option available to encash Rs.10556 per person. 02, A, B C Actual once every two years for self and dependents by AC Two tier; option available to encash Rs.5032 per person.</p>	<p>Non Supervisory S1 & S2 One month basic + DA every two years</p>

Biecco Lawrie Ltd.	Officers (Presently under suspension) Once in a block of two years for self and family. Staff LTA per annum @ Rs.700	Workers LTA per annum @ Rs.600
Mangalore Refinery & Petro Chemicals Ltd.	Executives & Workmen Leave Travel Allowance @ 1.5 months basic.	
Rural Electrification Corporation Ltd.,	(1800 kms/ Encashment 1400 kms) GM & above (J Class/2 yrs) lumpsum 6000/- DC to Chief (Y Class/2 yrs) lumpsum 5000/- SO to DD (2nd AC-Rail/2 yrs) lumpsum 4000/- UDC to Sr. Asstt. (2nd AC-Rail/2yrs) lumpsum 3500/- Peon (SG) to LDC (3rd AC-Rail/2yrs) lumpsum 2500/- Peon (3rd AC-Rail/2 yrs) lumpsum 2000/-	
NTPC		
NHPC	Cash Lump sum (1800 kms) E1-E3 Rs.4000/- E4-E6 Rs.5000/- E7 & above Rs.6000/- S1-S3 Rs.3500/- Spl. Grade Rs.3750/- W1-W2 Rs.2000/- W3-W5 Rs.2500/- W6-W7 Rs.3000/- W8-W9 Rs.3500/-	
Satluj Jal Vidyut Nigam Ltd.		

Medical benefits in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	At Refinery locations, Corporation maintains own hospitals at the townships attached to each refinery, where medical attendance can be received. At other places, expenses are reimbursed as per rules. For hospitalization, various hospitals have been placed on panel.	At Refinery locations, Corporation maintains own hospitals at the townships attached to each refinery, where medical attendance can be received. At other places, expenses are reimbursed as per rules. For hospitalization, various hospitals have been placed on panel
ONGC	Executives Rs.1500 p.m.	S level employees & Workmen Rs.1000 p.m.
IBP Co. Ltd.	Officers & Workmen Employees receive medical attendance from an Authorized Medical Attendant either under Allopathic or Homeopathic system. Employees and eligible dependents can obtain medical attendance both domiciliary and hospitalization in any Nursing Home/Hospital or from Specialist of their choice, subject to ceiling on reimbursement. However, Company has nominated a number of hospitals/nursing homes at various locations Bed entitlement linked to the grade of the employees and classification of city have been prescribed under the Medical Rules. The reimbursement of expenses incurred on hospitalization is made limited to the charges for such treatment related to the room entitlement of the employee.	
Bharat Petroleum Corporation Limited	Management Staff Actuals subject to certain item wise limits prescribed under the policy for self, spouse, dependent children and dependent parents.	Non Management Staff Medical reimbursement subject to two times the basic pay per year is available for domiciliary expenses for self, spouse, dependent children and dependent parents,

		widowed sister, widowed sister's children residing with the employee. The reimbursement is as per the schedule of rates in the medical scheme. Medical expenses incurred for hospitalization for major illnesses/surgeries are covered under a separate scheme called "Ex-Gratia Medical Assistance Scheme".
Oil India Limited	Executives Preventive Medicine Reimbursement is made in the range of Rs.500 (min) to Rs.800(max).	
Engineers India Limited	Employees at levels 1-9 & Officers at levels 12-20 Reimbursement towards medical Expenses: As per Contributory Medical Scheme of the Company.	
Bongaingon Refinery & Petro Chemicals Ltd.	Officers BRPL Hospital facility- free for self+family and dependant parents OPD treatment received outside-limits prescribed for consultation and investigations(not on actuals), Medicines actual. Referral Cases: Treatment on actuals. Bed charges limit prescribed Rs.500/850 to Rs.1600. Single AC room for DGM and above. Hospitalisation in non-referral cases: Reimbursement restricted to AIIMS/CMRI Kol rate. Referral hospitals prescribed at	Workmen BRPL Hospital facility- free for self+family and dependant parents OPD treatment received outside-limits prescribed for consultation and investigations(not on actuals), Medicines actual. Referral Cases: Treatment on actuals. Bed charges limit prescribed Rs.225/375 to Rs.650. Hospitalisation in non-referral cases: Reimbursement restricted to AIIMS/CMRI Kol rate. Referral hospitals prescribed at specified

	specified places. Spectacle reimbursement: Rs.4000 max. in a year for family.	places. Spectacle reimbursement: Rs.4000 max. in a year for family.
Chennai Petroleum	Supervisory Employees & Non Supervisory Employees Reimbursement of Medical benefits as per rules	
Balmer Lawrie & Co. Ltd.	Executives Actual expenses, subject to ceilings for individual tests/consultation, etc.	Non Supervisory 1 month basic + DA per annum plus mediclaim Insurance Rs.50000 each for hospitalization.
Biecto Lawrie Ltd.	Officers Limited to prescribed ceiling as set out in the Manual of Terms & Conditions of service for Officers. Hospitalisation (Medical Insurance) up to max. Gr.02 & Gr.A - Rs.8000 Gr.B to Gr.D - Rs.12000 Gr.E to Gr.H - Rs.16000 Staff Rs.1400 per annum	Workers Rs.1200 per annum
Mangalore Refinery & Petro Chemicals Ltd.	Executives & Workmen 1 month's basic	
Rural Electrification Corporation Ltd.,		
NTPC	Free treatment in NTPC Hospital / Dispensaries / Company Hospital / full reimbursement in notified or empanelled hospitals / in non-empanelled hospitals reimbursement limited to ceilings notified as per rules.	
NHPC	Outdoor - One months Basic + DA or Rs.15000/- whichever is more. Indoor - Actual expenditure incurred in Govt / empanelled Hospitals subject to entitlement.	
Satluj Jal Vidyut Nigam Ltd.	A Class - 100% of Holy Family Hospital B1 & B2 Class - 80% of Holy Family Hospital C Class / Unclassified - 60% of Holy Family Hospital	

Performance Linked Incentive in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	PLI scheme is linked to Corporation's performance as per MOU with the Government & profitability; and also linked to Basic+DA of the employees. For the year 2005-06, PLI has been distributed @ 9.45% of base pay to employees whose annual performance was minimum satisfactory. Employees, who are rated below satisfactory are paid a maximum of Rs.6,000 for full year.	
ONGC	<p>Executives Incentive/Reward: Calculated on an average rate of payment of 25% of maximum of the scale for last six years. E0: Rs.4188, E1: Rs.4375, E2: Rs.4675 E3: Rs.5200, E4: Rs.5575, E5: Rs.5975 E6: Rs.6400, E7/E8:Rs.6625, E9: Rs.7138</p> <p>S level employees Incentive/Reward Average rate of payment for last six years is 25%, which is paid on minimum basic pay raised by a factor of 40%. S I: Rs.3577, S II: Rs.3990, S III: 4575 S IV: Rs.5320</p>	<p>Workmen Incentive/Reward W I: Rs.1505, W II: Rs.1575, W III/ A-I: Rs.1645 W IV/ A-II: Rs.1785 W V/ A-III:Rs.2030 W VI/ A-IV:Rs.2275 W VII:Rs.3577</p>
IBP Co. Ltd.		
Bharat Petroleum Corporation Limited	<p>Management Staff Performance Linked Incentive Scheme: It is calculated @ 20% of minimum of the scale with weightage for seniority. It includes ex-gratia in lieu of Bonus. Max. Rs.6000/- p.a.</p>	<p>Non Management Staff Performance Linked Incentive Scheme: It is calculated @ 20% of minimum of the scale with weightage for seniority. It includes ex-gratia in lieu of Bonus. Max. Rs.6000 p.a.</p>

	<p>Performance Related Incentive Scheme (PRISM): It considers individual performance and team performance while effecting payment. This scheme was introduced from the year 2003-04 in lieu of Productivity Incentive Scheme which entailed payments of incentive upto 15% of salary.</p>	<p>Productivity Incentive Scheme: It is calculated @ 15% of Basic + DA depending on the parameters laid down for Marketing and Refinery separately.</p>
Oil India Limited	<p>Executives i. Performance Linked Incentive is paid @ Rs.1243 (min) to Rs.3038(max). ii. REH @ Rs.500 iii. Performance Related Pay @ Rs.2800 (min) and Rs.7100 (max).</p>	
Engineers India Limited		
Bongaingon Refinery & Petro Chemicals Ltd.	<p>Officers & Workmen Performance Linked Incentive Scheme: Revised to allocable % of distributable profit (as approved by the BVoard - Maximum 2%) divided by gross base pay = % of PLI.</p>	
Chennai Petroleum	<p>Supervisory Employees & Non Supervisory Employees PLI benefits as per rules</p>	
Balmer Lawrie & Co. Ltd.	<p>Executive & Non Supervisory Performance Reward Those not eligible for bonus are paid performance reward on a reckonable salary of Rs.2500 subject to achieving MOU Rating between 1 and 2.49.</p>	
Biecco Lawrie Ltd.		
Mangalore Refinery & Petro Chemicals Ltd.	<p>Executives & Workman Performance related incentive @ 15% of BP</p>	
Rural Electrification Corporation Ltd.,		
NTPC	<p>Generation Incentive payable (% of BP) EAF 70% - Monthly 5.625, Quarterly 1.875, Total 7.50 EAF 90% and above - Monthly 22.500, Quarterly 7.500, Total 30.00</p>	

NHPC	
Satluj Jal Vidyut Nigam Ltd.	<p>Generation Incentive Target 100% - 114% Operation Staff - 10% Maintenance Staff - 7%</p> <p>Target 115% - 129% Operation Staff - 11% Maintenance Staff - 8%</p> <p>Target 130% - 144% Operation Staff - 12% Maintenance Staff - 9%</p> <p>Target 145% - 159% Operation Staff - 13% Maintenance Staff - 10%</p> <p>Target 160% - 174% Operation Staff - 14% Maintenance Staff - 10%</p> <p>Target 175% or more Operation Staff - 15% Maintenance Staff - 10%</p>

Productivity Incentive Scheme in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	Annual Productivity Incentive admissible to officers is based on team and individual performance. The ratio may vary from year to year. Team performance depends upon achievement against listed parameters. Individual performance depends upon score achieved against targets mutually decided in advance with controlling officer. In the case of workmen, incentive is payable only on team performance and is restricted to 15% of BP+DA. The total incentive pay-out in a year inclusive of PLI does not exceed 5% of Distributable profit.	
ONGC	S level employees Productivity Allowance is paid @ Rs.825 p.m.	Workmen Productivity Allowance is paid @ Rs.575-675 p.m. based on pay slabs.
IBP Co. Ltd.		
Bharat Petroleum Corporation Limited		
Oil India Limited		
Engineers India Limited		
Bongaingon Refinery & Petro Chemicals Ltd.	Officers & Workmen Productivity Incentive Scheme: Maximum 15% of pay on fulfillment of MoU target.	
Chennai Petroleum	Supervisory Employees & Non Supervisory Employees PIS benefits as per rules	
Balmer Lawrie & Co. Ltd.	Executive & Non Supervisory 1. Productivity Linked Incentive Maximum of 12% of reckonable salary of Rs.3500 linked to achieving the required productivity levels. 2. Profit Sharing Incentive 5% of the distributable profit is granted.	

Retirement benefits in Petroleum and Power sector PSUs

Name of PSU	Executives (Rs)	Workmen (Rs)
Indian Oil Corporation	<p>Provident Fund (PF) and EPS 95 IOC has its own Provident Fund run by PF Trusts. Employees are required to contribute @ 12% of pay & DA and the Company pays matching contribution. Out of the Company's contribution to PF, 8.33% of Rs.6,500 is diverted to DPS 95 scheme. The employee's and corporations contribution to PF, together with interest, is refunded at the time of retirement.</p> <p>Gratuity Gratuity rules are as per the Payment of Gratuity Act, 1972. Gratuity is payable at the time of separation @ 15/26 of the monthly emoluments for each completed year of service or part thereof in excess of six months subject to a maximum Rs.3,50,000.</p> <p>Post-retirement medical scheme The retired employees are enrolled under the scheme on one-time voluntary contribution. They are entitled to receive domiciliary and hospitalization treatment within the annual ceilings for each grade. If the hospitalization treatment is obtained in a Government/Nominated hospital, then full expenses are reimburse d for specified ailments; and for other than specified ailments, expenses upto 85%/75% to retired Officers/Workmen are reimbursed.</p>	
ONGC	<p>Provident Fund (PF) and EPS 95 Executives E0: Min. Rs.1590 Max. Rs.2779 E1:Min. Rs.1637 Max. Rs.2928 E2:Min. Rs.2184 Max. Rs.3166 E3:Min. Rs.2630 Max. Rs.3582 E4:Min. Rs.2928 Max. Rs.3879 E5:Min. Rs.3126 Max. Rs.4196 E6:Min. Rs.3324 Max. Rs.4533 E7/E8:Min. Rs.3522 Max. Rs.4712 E9:Min. Rs.4167 Max. Rs.5118 S level employees S I: Rs.1485, S II: Rs.1718, S</p>	<p>Provident Fund (PF) and EPS 95 Workmen W I: Rs.311,W II: Rs.351,W III/ A-I: Rs.390 W IV/ A-II:Rs.470, W V/ A-III:Rs.608 W VI/ A-IV:Rs.747, W VII: Rs.1485 Gratuity Workmen W I: Rs.342, W II: Rs.357, W III/ A-I: Rs.373, W IV/ A-II: Rs.405 W V/ A-III:Rs.461, W VI/</p>

	<p>III:Rs.2050 S IV:Rs.2472</p> <p>Gratuity Executives E0: Min. Rs.854 Max. Rs.1330 E1:Min. Rs.953 Max. Rs.1390 E2:Min. Rs.1092 Max. Rs.1485 E3:Min. Rs.1271 Max. Rs.1652 E4:Min. Rs.1390 Max. Rs.1771 E5:Min. Rs.1469 Max. Rs.1898 E6:Min. Rs.1549 Max. Rs.2033 E7/E8:Min. Rs.1628 Max. Rs.2105 E9:Min. Rs.1886 Max. Rs.2268</p> <p>S level employees S I : Rs.812, S II : Rs.905 S III: Rs.1036, S IV: Rs.1207</p> <p>Post retirement medical scheme Executives: Rs.1500 p.m. S level employees: Rs.1000 p.m.</p> <p>Leave encashment Executives E0:Rs.1085 – 1691, E1:Rs.1211 – 1787 E2:Rs.1388 – 1888, E3:Rs.1615 – 2100 E4:Rs.1767 – 2251, E5:Rs.1868 – 2413 E6: Rs.1969 – 2584, E7/E8:Rs.2070-2675 E9:Rs.2398 – 2882</p> <p>Company's contribution to pension Executives, S level employees & Workmen: Rs.541 p.m. (Calculated at 8.33% on Rs.6500)</p>	<p>A-IV: Rs.516 W VII:Rs.812</p> <p>Post retirement medical scheme Workmen: Rs.1000 p.m.</p> <p>Leave encashment Workmen W I: Rs.434,W II: Rs.454,W III/ A-I: Rs.474 W IV/ A-II: Rs.515,W V/ A-III:Rs.586, W VI/ A-IV:Rs.656, W VII:Rs.1032</p>
IBP Co. Ltd.	<p>Provident Fund (PF) and EPS 95 Officers & Workmen Benefit under Provident Fund under the provisions of Provident Fund Act</p> <p>Gratuity Officers & Workmen</p>	

	<p>Payment of Gratuity under the provisions of Gratuity Act.</p> <p>Post retirement medical scheme Officers & Workmen: Post retirement medical benefit for self, spouse and dependent parents.</p> <p>Leave encashment Officers & Workmen: Encashment of unavailed Privilege Leave & Sick Leave.</p> <p>Company's contribution to pension Benefit under provisions of Employees Family Pension Scheme, 1995.</p> <p>Resettlement benefits after retirement Officers Resettlement benefits to settle down at a place other than the place of last posting- i) Travelling Allowance II) Settling Allowance iii) Transit Allowance iv) Displacement Allowance v) Transport arrangement etc.</p>
Bharat Petroleum Corporation Limited	<p>Provident Fund (PF) and EPS 95 Management Staff & Non Management Staff BPCL contributes @ 12% of Basic + DA to the fund.</p> <p>Gratuity Management Staff & Non Management Staff Gratuity is paid as per the Payment of Gratuity Act.</p> <p>Post retirement medical scheme Management Staff & Non Management Staff: Domiciliary treatment & Hospitalisation expenses are covered as per existing scheme.</p> <p>Company's contribution to pension Management Staff & Non Management Staff Employees Pension Scheme-1995. 8.33% of company's contribution to Provident fund is paid by Company to EPS-95 Scheme as per the provisions of the Scheme. Employee get pension on retirement/death.</p>
Oil India Limited	
Engineers India Limited	<p>Provident Fund (PF) and EPS 95 Employees at levels 1-9 & Officers at levels 12-20 10% of (Basic Pay + DA)</p> <p>Gratuity Employees at levels 1-9 & Officers at levels 12-20 As per payment of Gratuity Act.</p> <p>Post retirement medical scheme</p>

	<p>Employees at levels 1-9 & Officers at levels 12-20: Medical benefits/facilities as per contributory post retirement medical scheme of the company.</p> <p>Leave encashment Employees at levels 1-9 & Officers at levels 12-20 Employees allowed to encash earned leave upto 50% of the leave available in their credit once in a financial year.</p>	
Bongaingon Refinery & Petro Chemicals Ltd.	<p>Resettlement benefits after retirement Officers Settling allowance: 1 month BP + DA Displacement allowance: 30 days DA. Loading/unloading: Rs.1000 per truck at each end. Packing: Upto D grade: Rs.5000 E,E1 & F: Rs.7500, G & above: Rs.10000 Travel expenses for self & family. Transportation of goods - 1 truck upto D grade & 2 trucks for E & above Transport of own conveyance: If transported by road loaded on a truck - reimbursement limited to charges for transportation by passenger train. If transported by own power-mileage @ Rs.7.41/km in which case self TA not admissible. Octroi charges- Actuals</p>	<p>Resettlement benefits after retirement Workmen Settling allowance: 1 month BP + DA Loading/unloading: Rs.600 at each end. Packing- a&b Gr.:Rs.2300, c&d : Rs.2500 e & above:Rs.3300 Travel expenses for self & family + DA for the journey period + joining time leave 6 days. Transportation of goods: 1 wagon load by goods train/1 full truck load Transport of own conveyance: If transported by road loaded on a truck - reimbursement limited to charges for transportation by passenger train. If transported by own power - mileage @ Rs.2.45/km in which case self TA not admissible. Octroi charges- Actuals</p>
Chennai Petroleum	<p>Provident Fund (PF) and EPS 95 Supervisory Employees & Non Supervisory Employees Provident Fund as per Rules Gratuity Supervisory Employees & Non Supervisory Employees Gratuity as per Rules</p>	

Balmer Lawrie & Co. Ltd.	Provident Fund (PF) and EPS 95 Executives & Non Supervisory Interms of the EPF & MP Act – 12% of basic pay and DA Gratuity Executives & Non Supervisory In terms of Payment of Gratuity Act, 1972 Leave encashment Executives & Non Supervisory: Unavailed Privilege Leave is encashable in multiples of 5 Company's contribution to pension Executives Self contributed fund.	
Biecco Lawrie Ltd.	Gratuity Officers, Staff & Workers As per Gratuity Act.	
Mangalore Refinery & Petro Chemicals Ltd.	Provident Fund (PF) and EPS 95 Executives M2: Rs.3372, M3- Rs.2904, M4- Rs.2748, M5- Rs.2556, M6- Rs.2220, M7- Rs.1944, M8- Rs.1728, M9- Rs.1452	Provident Fund (PF) and EPS 95 Workman JM1- Rs.1218, JM2- Rs.1072, JM3- Rs.922 JM4- Rs.787, JM5- Rs.635, JM6- Rs.548
Rural Electrification Corporation Ltd.,		
NTPC		
NHPC	Provident Fund (PF) and EPS 95 12% of Basic pay + DA Post retirement medical scheme Post retirement benefit for both employee and his or her spouse (indoor and outdoor)	
Satluj Jal Vidyut Nigam Ltd.		

Central Public Sector Enterprises: Performance Linked Incentive Schemes, Employees Stock Option Scheme and Enterprise specific implementation models

Annex 2.5.1

A. Central Public Sector Enterprises (CPSE) - Performance Linked Incentive Scheme

1. The High Level Pay Revision Committee headed by Justice S. Mohan had recommended that payments over and above the ceiling of 50% of basic pay should be entirely in the nature of performance related pay. These performance related payments should be a function of profitability at the level of a particular enterprise and emoluments at the level of the individual executive. The Committee believed that some norms would be desirable and suggested that such performance related payments should not, as a norm, exceed 5% of the distributable profits of the enterprise. Accordingly DPE OM No2 (49)/98-DPE (WC) dated 25-6-1999 lays down this principle with power of implementation being vested in the Board of Directors. The OM provides that "Payment of perquisites and allowances may be upto a maximum of 50 per cent of the basic pay, payments over and above the ceiling of 50 per cent should be entirely in the nature of Performance Related Payments which should not exceed 5 per cent of the distributable profits in an enterprise."

2. The distributable profit is arrived as below:
"Distributable profit represents the profit after tax and providing for transfer to Statutory Reserves such as Foreign Project Reserve, Investment Allowance Reserve, General Reserve (u/s 205 2A of the Companies Act) etc." (DPE OM No 2(49)/98-DPE (WC) GL-XXIX dated 12-9-2000).

B. CPSE - Employees Stock Option Scheme (ESOS)

3. The ESOS offers holding shares to employees. The beneficiaries of the Trust are regular employees of the company who voluntarily contribute to the scheme by investing their savings in the share and other instruments of the company. Each beneficiary may contribute each financial year to the trust a sum not exceeding 1/6th of his annual pay plus DA. The Trustees distribute to the beneficiaries the net earnings in proportion to the beneficiary certificate(s) held by the beneficiary during the year. The Trust normally has an independent existence, an arm's length relationship with management as well as the labour in terms of professional decision making. This scheme is applicable to all cases of disinvestment or fresh issue of equity by the enterprises and is subject to provision of Company Law and SEBI guidelines as applicable from time to time. (OM No: DPE/11(55)/97-Fin. Dated 28-1-1998)

C. CPSE – Enterprise specific implementation models

4. The first Performance Linked Incentive project discussed is the “**Project Construction Incentive Scheme of National Thermal Power Corporation (NTPC) for Barh (3x660 MW) Plant**”. NTPC has been successfully implementing performance related incentive schemes for some time. The incentive plan decided for the Barh project was group based in order to foster team spirit and create a cohesive environment essential for producing quick results. The NTPC experience shows that productivity rise is the highest when all direct and indirect employees are integrated in an incentive scheme which leads to collective collaboration. A set of targets were mutually agreed upon for the grant of incentives on the Barh project which comprised of major milestones that NTPC wanted to achieve in a given time-frame. Project Incentives (PI) were also coupled with generation incentives to incentivize the start of generation and achieve efficiencies in generation. The entitlement was as per categories of employees. The overall limit to PI was capped at 25% of the annual basic pay. However, additional performance related incentives were given in the form of extra incentive payment, if the project was completed ahead of the planned schedule. Thus, if the project was completed one month before schedule, PI cap was raised to 26.25% of the basic pay, and to 27.50% of the basic pay if the project was completed two months ahead of schedule.

Table 1 Details of project incentives

Group / Category	Project Incentive	Generation Incentive
Group – A (O&M Employees)	25 % of Project Incentive applicable to project construction employees as at Group B-II(b) subject to the condition that sum total of Project Construction incentive and generation Incentive (excluding Sp. Oil Incentive) does not exceed 25% of basic pay.	100%
Group-B-II a) Common Services Employees [Excluding Project Construction Employees as given below (b)]	25% of Project Incentive applicable to project construction employees as at Group-B-II(b) subject to the condition that sum total of Project Const. incentive and Generation Incentive will not exceed the amount payable to Group-A employees.	60% of Group-A
b) Project Construction Employees (Civil Construction & Equipment erection)	Incentive admissible as per performance – payment matrix, subject to the condition that total payment including Generation Incentive does not exceed the limits provided for.	50% of Group – B-II(a) i.e. 30% of group-A

5. The second example is the experience of the “**Indian Oil Corporation**” with performance based reward schemes. Indian Oil Corporation operates two schemes i.e. the Productivity Incentive Scheme (PIS) and Performance Linked Incentive (PLI).

i) Productivity Incentive Scheme (PIS)

- a) PIS system has both team performance and individual performance, combined in ratio of 80:20.
- b) For the Team performance incentive component, the constitution of teams and performance parameters for each team are based on business needs.
- c) The earlier scheme (prior to 2004/05) had only Team performance component where the maximum payout under Team Performance with 100% target achievement was 15%. With the team performance and individual performance in the ratio of 80:20. The team performance incentive for achieving 100% targets has been pegged at maximum of 12% (80% of 15%). For lower achievements, the percentage gets reduced according to the parameters.
- d) Payout on individual performance is based on the scores obtained by the individual in the normal performance appraisal.
- e) The individual scores on Key Performance Indicators (KPIs) from the Performance management system are on a scale of 1 to 5, against which the corresponding payout will be determined.
- f) For successful implementation of individual performance based incentive scheme, a robust performance management system with defined roles, KRAs, KPIs, weightages and targets has been introduced.

ii) Performance Linked incentive (PLI)

- a) The PLI continues to be linked to the performance against annual corporate MOU targets.
- b) The MOU rating slabs and percentage of distributable profits to be allocated against each slab have been revised as outlined below. The above percentages have been worked out after considering Indian Oil’s profitability. The distributable profit allocated is divided by the total pay (BP+DA) to arrive at the percentage of the individual of the individual base pay, which can be distributed to all the employees.

Table 2 MOU Rating with Percentage Distribution

MOU Rating	Percentage of distributable profits allocated
1.00 to 1.25	2.0%
1.26 to 1.50	1.5%
1.51 to 1.75	1.0%
1.76 to 1.99	0.5%

- c) Payment of incentive at the existing levels under PLI is guaranteed for every employee in case MOU score is more than a preset standard.

- d) The increase benefits are not admissible to officers and workmen who are rated less than 'Satisfactory' in their annual performance appraisals. Such employees are entitled to receive the amount as per existing (old) scheme.
- e) The incentive payments allocated under PIS & PLI put together does not exceed 5% of the distributable profits in a financial year.

6. The third example is the experience of the “**Bharat Heavy Electricals Limited**” (BHEL) with Plant Performance Payment Scheme (PPPS) and Performance Linked Incentive Scheme. The BHEL PPPS was introduced during 1973-74 to rationalize and replace the diverse production incentive schemes in vogue in the various units. The formula used for evaluation of the performance of the units and the scheme of payment for the same is given below:

Table 3 Evaluation of Performance

	Indices	Formula	Weightage
1	Physical Completion	Actual Physical Completion Budgeted Physical Completion	100
2	Delivery Performance & Project Completion	Actual milestone/important supplies completion during the Quarter (planned Milestone) Important supplies completion during the quarter	15
3	Quality Performance	For every 6% reduction in No. of NCR w.r.t. base year weightage will be 1 sub to max. weightage of 5 for 30% and above reduction in No of NCRs	5
			120*
* For the purpose of computation of % achievement, this will be converted to base of 100.			

The scheme at BHEL covers all categories of employees, including temporary and casual employees and trainees. The performance against the various indices is evaluated quarterly on cumulative basis but the payment in respect of the four quarters is made at the end of the year. The quantum of payment is computed as a percentage of wage (Basic pay + DA) subject to the condition that where an employee's wage/salary exceeds Rs 4000/- per month, performance payment is computed as if the salary or wage were Rs 4000/- per month.

7. The fourth example is the experience of “**The Shipping Corporation of India Limited**” (SCI). The scheme covers all shore based employees of SCI and is administered on the basis of organization's performance and individual measure. Eligibility criteria of Performance Related Incentive Payment at SCI are as under:

- a) Actual distribution not to exceed 5 % of distributable profit as defined by Department of Public Enterprises for one year
- b) While implementing the scheme, the individual's payment will be worked out on the basis of parameters, covering group performance, attendance records and ACR rating for the period.

Table 4 Scheme of payment (II)

Excellent	100%
Very Good	90%
Good	70%
Fair	40%
Poor	Nil

- i. 1st component comprising of 20% incentive amount will be payable to all shore employees
- ii. 2nd component comprising of 40% incentive shall be payable with reference to attendance.
- iii. 3rd component comprising of the remaining 40% of incentive is payable with reference to ACR for the financial year under consideration. The ACR scheme and incentives are paid in following manner:

Table 5 Percentage Payable w.r.t. ACR Average

ACR Average (out of 10)	% Payable
≥ 8.5	100 %
≥ 8.25 < 8.5	95%
≥ 8.00 < 8.25	90%
≥ 7.75 < 8.00	85%
≥ 7.50 < 7.75	80%
≥ 7.25 < 7.5	65%
≥ 7.00 < 7.25	50%
< 7.00	0%

- c) In addition, certain checks and balances have been proposed in the scheme.
 - i. Employees who have an unblemished record during financial year (no penalties) will be only entitled for the incentive for that particular year
 - ii. Employees who have been dismissed/discharged or terminated from the service shall not be entitled for incentive
 - iii. Employees under suspension shall not be entitled for the incentive payment until and unless proved not guilty and suspension order is revoked.
 - iv. In case of leave without pay, there will be pro-rata deduction of the payable PRI.

(Source: Inputs from Department of Public Enterprise's Letter DO No. 2(40)/06-DPE(WC) dated 26th March, 2007 and IIM Ahmedabad 'Synthesis Report on Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government'.)

Experience of Private Organisations in India with Performance Related Incentives

Annex 2.5.2

Maruti Udyog Ltd	
Name/Eligible/Implementation	<ul style="list-style-type: none"> ➤ Supervisors and above. ➤ Productivity performance and reward system (PPRS) for technicians.
Amount Allocated	Variable Pay consists of three parts: <ol style="list-style-type: none"> 1. Business performance - Ratio of profit before tax/net sales 2. Collective performance <ul style="list-style-type: none"> ▪ Direct labour productivity ▪ Spares & accessories turnover ratio ▪ Quality improvement 3. Individual Performance <ul style="list-style-type: none"> ▪ Attendance ▪ Proper leave planning
Remarks	The variable pay as a percentage of total pay is different at all management levels: <ul style="list-style-type: none"> ▪ Junior - 10% ▪ Middle 1 - 15% ▪ Middle 2 - 20% ▪ Senior - 25% Payment is made two times: <ol style="list-style-type: none"> 1. In the middle of the year (during Diwali). 2. At the end of the year, the balance payment due to the individual according to his appraisal
Indian Petrochemicals Corporation Ltd	
Name/Eligible/Implementation	<ul style="list-style-type: none"> ➤ Non - supervisory staff ➤ Supervisory employees and above
Process of Measurement of Performance	<ul style="list-style-type: none"> ➤ An index is communicated to the union and performance linked incentive is paid if it is achieved. ➤ Key responsibility areas (KRAs) are decided mutually by supervisors and employees at the start of the year
Amount Allocated	<ul style="list-style-type: none"> ➤ A composite index is worked out on the basis of the following 4 indices: <ul style="list-style-type: none"> ▪ Capacity utilization ▪ Raw material utilization ▪ Energy utilization

	<ul style="list-style-type: none"> ▪ Manpower utilization ➤ It also has a linkage to the attendance of employees. ➤ It is paid on the achievement of KRAs set at individual as well as department levels.
Remarks	<p>The staff above the non supervisory staff is divided into seven job categories but is broadly classified into three levels:</p> <ul style="list-style-type: none"> ▪ Executive ▪ Manager ▪ Leader
Infrastructure Leasing and Financial Services Ltd	
Name/Eligible/Implementation	All permanent employees.
Amount Available for Distribution	It is a percentage of the net profits of the company for a financial year.
Process of Measurement of Performance	<p>The pay is determined on the basis of two variables which are allocated different weightages:</p> <ol style="list-style-type: none"> 1. Level: represents the hierarchy. 2. Performance: <ul style="list-style-type: none"> ▪ Individual- measured on a 4 point rating scale ▪ Group- as viewed by the head of department.
Amount Allocated	<ul style="list-style-type: none"> ➤ First allocations are made for directors and members of board committees. Balance is distributed among other employees in two components: <ul style="list-style-type: none"> ▪ Group- 40% Here, 70% is reserved for front office groups and 30% for support units: ▪ Individual-60%
Remarks	EWT (Employee Welfare Trust) holds 5% of shares of each group company of IL&FS. These shares are issued to employees and senior management members based on their performance.
Larsen & Toubro Ltd	
Name/Eligible/Implementation	<p>3P Model</p> <ul style="list-style-type: none"> ▪ Person ▪ Potential ▪ Performance
Amount Available for Distribution	<p>Taking into consideration the business performance on the basis of the following:</p> <ul style="list-style-type: none"> ▪ Economic value added ▪ Profit before dividend and income tax ▪ Sales ▪ Talent available ▪ Strategic goals <p>The corpus for distribution is decided.</p>

Process of Measurement of Performance	Measurement includes the following principles: <ul style="list-style-type: none"> ▪ Absolute rating ▪ Relative rating ▪ Forced distribution
Amount Allocated	Individuals are awarded on the basis of the potential they hold.
Remarks	The linkage between performance and pay is absent.
Gujarat Energy Training and Research Institute	
Amount Available for Distribution	<ul style="list-style-type: none"> ➤ Normal increment would be equal to the dearness allowance of the last year. ➤ Merit increment will be a percentage of the revised pay (basic pay+ dearness allowance)
Process of Measurement of Performance	Key performance areas (KPA) are identified by employees and confirmed by their supervisors in a goal sheet. At the end of the year, the employee does a self appraisal followed by appraisal from appraiser and then by a reviewing officer. Finally, the employee is given a rating after completing the appraisal process.
Amount Allocated	<ul style="list-style-type: none"> ➤ For each level of performance the merit increment would vary. ➤ For poor performance it will be zero but for outstanding performance it would be three times that for normal performance.
Adani Group	
Name/Eligible/ Implementation	General Bonus
Amount Available for Distribution	3 months salary of an employee
Amount Allocated	<ol style="list-style-type: none"> 1. Group (50%) -1.5 month's salary. Based on annual group earnings before income tax achieved 2. Individual (50%)- 1.5 month's salary. Based on achieving the targets set at the individual level
RPG Enterprises	
Name/Eligible/ Implementation	<ul style="list-style-type: none"> ➤ Salary Increments ➤ Performance Bonus
Amount Available for Distribution	<ul style="list-style-type: none"> ➤ It is based on the company's performance in achieving the target laid down for profit before tax. Pool available for distribution is a percentage of total basic + allowances. ➤ The percentage varies depending on the company's achievement of laid target. If it is greater than 110% then 20% pool available and if less than 0% then no pool available.
Process of Measurement of Performance	KRAs set for management teams and individuals. Based on the performance on KRAs, rating is given on a four point rating scale.
Amount Allocated	➤ Based on the ratings received the salary increments and bonus is paid.

	<ul style="list-style-type: none"> ➤ Those employees who are in the below 10% are counselled to perform better but if again they fall in bottom 10% then they are removed from the job.
Remarks	<p>The percentage of variable pay at different levels is as follows:</p> <ul style="list-style-type: none"> ▪ Middle - 10-15% ▪ Senior - 15-20% ▪ CEO - 20-25%
Apollo Tyres Ltd	
Name/Eligible/Implementation	Pace
Process of Measurement of Performance	<p>Performance measurement is based on three factors:</p> <ul style="list-style-type: none"> ▪ Individual KRA achievement ▪ Annual competency rating ▪ Corporate performance rating
Amount Allocated	<ul style="list-style-type: none"> ➤ The payout ratio is worked out on the basis of weightages of individual rating (given on basis of Individual KRA achievement and competency rating) and corporate rating. ➤ For each level of management the weightages for individual and corporate rating would differ. At the higher levels the corporate rating will hold more weightage. ➤ It is paid according to the volume of sales achieved.
Remarks	The percentage of variable pay at executive level is 7% and keeps increasing as one goes up in the management hierarchy. At the highest level i.e. of Chief is 30%.
BARCO Ltd	
Name/Eligible/Implementation	Commission Bonus
Process of Measurement of Performance	It is based on the goals laid down. They are both tangible and intangible in nature and pertain to individual and company performance.
Amount Allocated	It is paid according to the volume of sales achieved.
Remarks	Not more than 30% of the salary is variable at any management level.
Thomas Cook	
Name/Eligible/Implementation	<ul style="list-style-type: none"> ➤ Performance based variable bonus ➤ All employees except for union category employees, who are given productivity bonus negotiated with the unions
Amount Available for Distribution	The amount available is based on return on equity achieved and the degree to which the goal expectations are achieved.

Process of Measurement of Performance	The payout is dependent on the performance of <ul style="list-style-type: none">▪ Company▪ Business▪ Individual
----------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------

(Source: Table 9, Synthesis Report of studies on Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government, IIM Ahmedabad based on IIM Ahmedabad Study Workshop May 1, 2007.)

International Experience of PRIS

History of "Performance and Reward Link" in government

The earliest implementation of PRI (Performance Related Incentive) in the government can be traced back to 1946 when France adopted the first Civil Services by-laws which made provisions for individual and/or group bonuses in order to recognise and reward exceptional performance. Japan introduced a "diligence allowance" for public employees in 1950 and it was implemented countrywide. The year 1964 saw the introduction of a merit-based pay enhancement system in Canada. The Civil Service Reform Act of 1978 introduced performance pay for managers, the Senior Executive Service, in the USA. This was extended to mid-level managers in 1981. The US government revised the scheme in 1984 when it became the Performance Management and Recognition System. However, it was abolished in 1993, after which many US government departments and institutions have moved to performance pay based on the broad guidelines issued by the Office of Personnel Management. Many other countries like Spain (1984), Denmark (1987), New Zealand (1988), and the Netherlands (1989) followed suit. However, most of these schemes were not PRI in the true sense because of two reasons: firstly, they were largely negative incentives where the emphasis was to avoid penalties; secondly, they were most of the time related to age and/or length of the service in the organization, which is not really what PRI (present concept) is about.

The present day PRI concept started towards the end of 1980's and early 1990's with OECD countries¹. Introduction of PRI implied rewarding government employees with financial rewards, in addition to the traditional methods of rewarding employees, namely by promotions. Finland and the postal department in Germany experimented with PRI in the 1980's and subsequently countries like Denmark, the Netherlands, New Zealand, Spain, Sweden, the UK and USA adopted PRI in different formats, most suited to their individual contexts and circumstances. Australia, Finland, Ireland, and Italy joined soon after. Recently countries such as Korea, Switzerland, Czech Republic, Hungary, Poland, and the Slovak Republic etc have also initiated the process of putting PRI systems in place for their government sector employees.

¹ OECD (2005) "Performance Related Pay Policies for Government Employees", OECD Publishing.

France implemented PRI admissible in the form of bonuses (to a maximum of 20% of the basic) at the very top level for its civil servants (Director's level) in six ministries as a pilot in 2004, i.e. Ministries of Finance, Defence, Interior, Equipment, Agriculture, and Civil Service. The USA also adopted a legislation in 2004 that gives the Departments of Homeland Security and Defence the flexibility to introduce PRI. Both these departments have adopted the system and announced that they would shift the 'General Schedule' employees to a salary system based on performance related pay. This system will cover about 750,000 employees.

In the USA, the performance-based incentive has been the norm of the day for a long time. In fact, many professionals earn much more in the form of incentives and bonuses than their fixed basic pay. The private sector in the USA lays great emphasis on the power of performance related incentives in motivating employees and pushing them to achieve ever higher levels of performance. PRI is becoming more and more common, including at the very top level – the CEO. As per the 'Mercer Human Resource Consulting 2006 CEO Compensation Survey'², performance-based pay is the norm and, more than 50% of the CEOs receive performance-based shares. According to the above report, one third of US CEO's did not get any pay increase, since they failed to show expected performance. In the UK, a survey conducted across 250 companies by the Business Intelligence and Personnel Today, has discovered that over 70 percent of these companies use PRI, and 71.4 percent of these gave PRI an effectiveness score of 3-4 (on a 1 to 5 scale, with 5 being totally effective as a performance motivator) .

In the US government, a number of agencies such as The General Accounting Office, the Internal Revenue Service and the Federal Aviation Administration have also moved towards implementing a performance related pay.

Even the Vatican has introduced pay for performance for its employees. Vatican salaries are considered modest. It has been reported that, the Vatican is introducing a pay system that also depends on factors of performance for its employees. According to a press release from the Vatican "...approved the introduction [of PRI] into the Vatican pay system of an element of incentive and remuneration that takes account of factors such as dedication, professionalism, productivity, and politeness." The PRI scheme will apply to the lay workers employed by Vatican, some 2600 employees working its own super market, a railway station, a post office, gardens, museums, and the official newspaper.

Some African and other developing countries have also introduced PRI for motivating their employees and to ensure performance improvements, especially in services delivery to common citizens³. For example, countries like Cambodia, Tanzania, Uganda and Kenya instituted performance related incentives for improving health services and strengthening health systems in the hinterland. Though their social and physical

² www.mercer.com/pressrelease/details.html/dynamic/idcontent/1263210

³ OECD (2005) cited earlier.

infrastructure leaves much to be desired, an early beginning has been made and they are confident that they will be able to evolve performance management systems and monitoring mechanisms over time, in order to effectively implement PRI. More countries like Ethiopia, Ghana, Indonesia, Mali, Mozambique, Myanmar, and PNG are considering PRI as an innovative strategy to be adopted and implemented for improving health services in their respective countries⁴.

PRI has been largely put in place by most of the OECD countries for the government sector⁵. These countries were faced with the problems of economic pressures and dwindling government efficiency and output around twenty years back when they gradually started to put PRI systems in place to tackle these problems. Things have changed now for these countries. Socio-economic pressures have led to the development of incentives (financial and otherwise) other than promotion to improve performance in the government. Today most of the civil servants, specially the senior managers in many OECD countries are covered by PRI scheme of one kind or another. Over the years PRI has also taken non-managerial employees into its fold.

Two-thirds of the countries have implemented PRI or are in the process of implementing PRI, though very few countries have an extended, formalized PRI policy - Denmark, Finland, Korea, New Zealand, Switzerland, and the United Kingdom. Mostly, countries which have developed the strongest links between performance appraisals and pay as employee incentives are those which have the highest delegation of responsibility for human resources and budget management and usually have position-based systems. Delegation of authority is very crucial and can not be over-emphasized for the effective implementation of PRI systems in government. This is especially relevant in the Indian context where a lot of decentralization, delegation of authority and autonomy to take decisions will have to be passed on to regional/local levels for effectively introducing and implementing PRI systems in the government.

Different countries have pursued different objectives with PRI, depending on their perceived need for focus and the inherent differences in the culture, working conditions and constraints faced by the country. Nordic countries focus on the personnel development concepts; Westminster countries try to achieve the PRI objectives of motivational aspect; France and Germany emphasize the leadership and accountability concepts; and others such as Finland, Hungary and Italy use PRI as a tool to achieve flexibility and responsiveness in governmental working. This highlights and complements the life-cycle concept of PRI that we have discussed earlier i.e. PRI systems can be designed and adapted to serve the need of the organization/country.

⁴ Making Health Systems Work: Working Paper No. 5; Department of Health Policy, Development and Services Evidence and Information for Policy, WHO.

⁵ OECD (2005)

Different countries have also adopted different methodologies for introducing PRI, ranging from introduction by the central government to consultative mechanisms instituted at the organizational level. For example, PRI was introduced by law in Germany, Hungary, Italy, Spain, Switzerland, USA whereas PRI was introduced by collective agreement in Denmark, Finland and Sweden. The UK implemented PRI through negotiations between Cabinet Office and HM Treasury. Even within the same framework of implementation, countries have evolved PRI over the years. For example, Denmark concluded a Collective Agreement in 1997, 2002 and in 2005. Subsequent to the 2002 agreement, most of the unions agreed to enter the new incentive system. The choice of the methodology to introduce PRI also depends on how centralized or devolved the public service within that particular country is. In centralized countries, PRI can be introduced by law and be made applicable to the entire government machinery (Examples: Australia, USA, UK, Canada, Ireland etc). In countries that have a higher level of decentralization, there is a higher level of uniqueness and thus diversity amongst the departments and units which has to be factored-in while implementing PRI (Examples: Denmark, Sweden, New Zealand). Most of the countries lie somewhere in between these two extremes – partially decentralized (Examples: Finland, Italy). A related influence on the choice of methodology is the strength of the influence of unions on the operation of the performance appraisal system.

Most of the countries have implemented PRI after a long drawn pilot project and gradually over the years. The biggest advantage of a pilot system is that it allows the new system to be tested on a limited number of employees and it can be experimented with and improved before extending it to all the members within an organization. It also makes the implementation process smooth and relatively trouble free as there is reduced resistance to the new idea, it is adapted to the organization, unions have tested its implementation, and some champions emerge for the cause. Pilots give an opportunity to learn and adapt, to evolve and reform (incremental) rather than bring about a revolution.

Most of these countries have developed a formal performance appraisal system which relies on the mutually agreed upon performance agreements rather than on standard job descriptions for those particular positions. The performance measurement strategy brings about goal congruence by linking individual and organizational objectives. PRI for senior management is operationalised along multiple parameters than for lower levels of staff. In fact, the focus is strongly on the managers so that the government is able to retain their key employees and keep them motivated. Most of the countries are focusing on developing systematic policies to address the problem of under-performance (some by instituting sanctions for the same) by relying on strong incentives to promote good performance. Most countries, apart from differentiating between performance levels also impose caps on the maximum amount payable under PRI. We now present a brief description of eleven different countries' experience with PRI. Table 1 highlights different models of PRI, contexts faced by eleven select countries and their response with respect to PRI implementation in the government sector.

Table 1: Form and Maximum Size of Individual PRI Payments

Country	Merit Increments	Bonuses
Australia		Departmental secretaries and executive agency heads are eligible for annual performance bonuses.
Canada	Progression of 5% p.a., up to three years	10-25% bonus lump sum.
France		<p>1. Indemnities represent about 17% of the remuneration of civil servants, but this number varies greatly by ministry, sector, and level of qualifications of staff.</p> <p>2. Senior civil servants receive higher bonuses than other categories of staff (about 40% of their remuneration depends on bonuses). Indemnities are not included in the basic salary.</p> <p>3. In 2004, France experimented with PRI in six ministries where bonuses up to 20% of the base salary can be given.</p>
Germany	Merit increments, known as performance steps, are granted to not more than 15% of civil servants and military personnel under remuneration scheme A, for people who have not yet reached the final basic salary.	<p>1. Up to 15% staff in civil and military can receive performance bonuses and performance allowances for outstanding special services.</p> <p>2. Performance bonuses shall not exceed the initial base salary of the respective pay grade.</p> <p>3. Performance allowances shall not exceed 7% of the initial basic salary.</p>
Hungary	Merit increments of up to 20% of the salary.	--
Italy		Bonuses for senior managers. The annual PRI cannot be less than 20% of the annual value of the award for the particular post, within the limits of available resources.
Korea	Merit increments are added to the annual salary of a higher-level government employee and	1. Bonuses are paid to government employees annually and designed for mid and lower level employees. Lump

	linked to his performance ratings. Up to 7% of the performance standard amount (nearly the equivalent of half of annual salary) for those rated excellent.	sum bonuses vary from 100% to 40% of the monthly base salary p.a. 2. Performance bonuses can be provided in various ways: on an individual basis/departmental basis, and on a combination of both.
New Zealand	Merit increments are decided by individual departments within the pay range set out in voluntary agreements.	Bonuses are also decided by individual departments.
Switzerland	Merit increments: from 4.1-6% for outstanding performance (ranked A++). Increase of 3% if assessment is A (good performance).	Bonuses can reach 12% of salary for outstanding performance. If bad performance, no bonus and after two years decrease of the salary to 94% in the range of the salary.
UK	Merit increments.	1. Non-consolidated bonuses - now being used as one of the main vehicles for delivering PRI to staff performing above a satisfactory level. 2. Bonus levels vary in different organizations and can be substantial in some and much less substantial in others.
United States	In the General Schedule base pay system an agency may advance an employee who meets a high performance bar - outstanding performance - to the next step of a grade (approximately a 3% increase). Merit increments are based on the manager's annual performance rating and current position in the pay range. A full merit increment is equal to approximately 3% of the average pay rate for that grade. Managers who are rated 'unacceptable' receive no general increase.	1. Cash performance bonus for above average performance is typically 1-2% of salary. Funding for both Quality Step Increases (QSI's) and bonuses is provided out of the regular budget for salaries and expenses. This scheme applies to about one million employees. 2. Cash bonuses of up to 10% of the base pay can also be paid to managers. In the case of unusually outstanding performance, a department head may pay an individual a larger bonus, but not more than 20% of the base pay.

Source: OECD (2005) "Performance Related Pay Policies for Government Employees", OECD Publishing.

Experiences of PRI in Asia: Governments

Like other governments in Europe and North American continents, Asian countries have also introduced performance related pay in the government, covering different ministries/ departments. In this section we present some Asian experiences of PRI.

Singapore⁶

The Singapore government provides a highly successful example of implementing PRI for civil servants (government employees). The traditional seniority based pay and promotion have been replaced by performance linked pay and promotions. Thus instead of fixed annual increments, the employees have a chance to earn bonus and merit increments, based on their competence and performance. To implement this, care has been taken to provide an elaborate performance assessment system as well as providing a centrally determined pool of funds for distribution of the bonus. The strategic intent behind the move has been that a well-paid and corruption-free civil service is important for the overall development of the country, and that civil service pay should be in congruence with the private sector pay so that the civil service is able to retain and attract talent that is critically in short supply these days.

Three justifications are given for the high level of reward for high public offices (RHPO) in Singapore. Firstly, retention of talent is important for the government and good pay and incentives help retain and attract talent. Secondly, it minimizes corruption in government as well-paid employees do not succumb to the temptation of corruption. The emphasis placed on this fact is amply reflected in the following words of the Prime Minister of Singapore (Lee Kuan Yew 1985, in a parliamentary debate):

“How is Singapore to preserve its most precious asset, an administration that is absolutely corruption free...why does it attract banks, financial services...in preference to so many countries better endowed – in terms of natural resources, manpower and markets? ...Do we want to maintain our system?...I am probably the highest paid in the Commonwealth if you go by the official salary...I am one of the best paid and probably one of the poorest of the third world Prime Ministers...There are ways and ways of doing things and I am suggesting my way – moving with the market is an honest, open, defensible and workable system. You abandon this for hypocrisy; you will end up with duplicity and corruption. Take your choice”.

⁶ Part of the write-up is drawn from the presentation made by Shri Suresh C Gupta IAS at IIMA during a workshop on ‘Pay for Performance’, May 1, 2007.

The third justification emphasizes meritocracy, implying that good salaries attract brightest employees to join the government, and that this meritocracy must spread upwards to include virtually up to all elected political leaders holding office, since competent political leadership is a pre-requisite to growth and quality governance.

The amount of PRI that individuals receive is partly dependent on their individual contribution to the job that they are performing (assessed as an individual/group) and partly on the overall performance of the economy. This is especially helpful in keeping the performance related incentive payouts relevant and in proper perspective.

The defining mark of Singapore government's compensation system was the system of salary benchmarking for paying market rates. The first higher benchmark was for the Ministers and the top Administrative Service Officers (Staff Grade I appointment); the second benchmark related to salary of relatively young, middle level officers, who are identified as potential civil service leaders (Super scale G officers). Their salary is also set at par with the private sector as the problem of attrition of talent is very acute at this level.

Table: Salary Benchmarks in Singapore

	1994 Benchmark	2000 Benchmark
Ministers and the top Administrative Service Officers (Staff Grade I appointment)	<ul style="list-style-type: none"> - 2/3rd the average of the annual earnings of the top four professionals in Singapore representing following professions: bankers, accountants, engineers, lawyers, MNCs and local manufacturing companies. - Further adjustment by discounting it by 1/3rd was also made as a "demonstration of sacrifice" for assuming high public office. - The objective is to equate the earning with that of the top 101st private sector earner in Singapore. 	2/3 rd the median income of top eight people in the six professions.
Super scale G officers	<ul style="list-style-type: none"> - Average of the earning of the 15th person from top in the age group 30-34, from the aforesaid six professional. - The logic: A 32-year-old officer could "easily rank among top 90 in his cohort in terms of ability" and thus should earn equal to them in order for him to continue to stay with the Government. 	Same as 1996

Source: as cited in the report

The new system was introduced in 1987 and had the aim of aligning all future adjustments in pay only through the variable component - both monthly and annual. This made civil servants total remuneration variable up to 18%, which has now risen to over 40% of the total annual salary. The civil service wage structure has the following five components:

- i) Fixed Component - Basic monthly pay (this has remained unchanged since 1987).
- ii) Variable components - this consists of -
 - a. Monthly Variable Component (MVC)
 - b. Monthly Non-Pensionable Variable Payment (NPVP)
 - c. Non-Pensionable Annual Allowance (NPAA)
 - d. Annual Variable Component (AVC): equal to up to 3 months pay to be decided by Government and paid twice in a year, in line with the performance of the national economy.
 - e. Annual Special Bonus: one off special bonus equal to 0.25 month's pay was made in the year 2004 in view of exceptional economic performance.

The components are truly variable. For example, in 1998, after the Asian Financial Crisis the AVC was reduced. In 1999, monthly NPVP component was also reduced. However, in 2000, as the economy recovered, monthly NPVP was restored and AVC was raised. Till the year 2003, the AVC was equal to 1.5 months pay, but was revised to only ½ month's pay in view of declining private sector salaries in November 2003, which was again raised in 2004 (2 months) and 2005 (2.15 months' pay).

To administer the PRI system, a central pool of funds is placed at the disposal of all the Ministries, who have the flexibility to take final decisions on distribution of bonus among employees, subject to the overall dollar limit. The actual payout is determined by one of the three Personnel Boards, depending on the assessment of performance, rank and the position of an employee (within the overall pool of each ministry). The quantum of reward varies significantly according to levels, higher the position greater the reward (for performance).

Individual performance is measured through a performance appraisal system. It assesses current performance and includes an estimation of the future potential of an officer. The appraisal results in a rating done on a five grade scale (A to E) on the basis of parameters like work output, quality of work, organizational ability, behaviour under stress, sense of responsibility, service quality, team work and work related knowledge. For Division I officers, team performance, organizational contribution and concurrent appointments are also assessed for evaluation of the overall performance grade. These ratings are moderated at the ministry level based on a pre-determined quota. For lower grades, the system works in a fairly routine manner, given the high probability of almost everyone

getting it if the overall organizational and economic performance is found to be acceptable.

South Korea

In South Korea, performance evaluation has undergone a sea-change. In the traditional, seniority-based compensation system the evaluation was not important, however, the evaluation system has been gaining more importance and is now being applied for both employee development decisions as well as compensation decisions. The Asian financial crisis accelerated the transition of companies from the *Ho-bong* style (pay-table reflecting seniority) to the *Yeon-bong je* (Korean style merit pay). Almost 80% of the companies that adopted *Yeon-bong je* adopted it right after the financial crisis and the move has served them well. By 2005, almost 50% of all Korean firms had some form of performance related incentive in place to keep employees motivated and to reward differential performance. The adoption of performance related incentive system has been found to be related to increases in labor productivity and firm performance. This is increasing the popularity of PRI in Korea.

The Korean government supported the initiatives of the industry by putting in place initiatives on Human Capital Management (HCM) in 2003⁷. President Roh's Participatory government put the HCM reform at the top of reform agenda. It regarded human capital as: the aggregate of people's potentials for lifetime self-development, knowledge accumulation, and technological advancement. Therefore, a distinct feature of human capital is to embrace a non-commercial, qualitative and quantitative, social and external effect. The participatory HCM system put in place four distinct goals:

1. HCM system should be both autonomous and responsible for its actions
2. Be both fair and transparent
3. Focus on strengthening professionalism and core competencies, within its domain
4. Induce active participation by public servants, under the principle of "putting the right person in the right job."

The HCM reform strategies (necessary to achieve these aims) included:

1. Encouraged a general acceptance of reform and to include further ideas in reform processes at all levels of the organization.
2. Differentiated the HCM reform program as per Grades of employees. Higher level of employees (Political appointees and Grade 1-3) were required to play a leading role in driving HCM reform and acting as change agents; while lower levels were required to proactively participate in supporting the reform agenda.

⁷ Kim, Pan Suk (2007) 'Transforming higher-level civil service in a new age: a case study of a new senior civil service in Korea' Public Personnel Management • Summer

3. Introduced a promotion and compensation system based on acknowledged transparent and fair appraisal system to achieve a well-balanced HCM based on employees' competency and self-development.

Job analysis was implemented to establish a flexible HCM system and an open government structure and jobs were classified into different categories (in 2003-04). The Ministry of Foreign Affairs and Trade was the first one to adopt the Job Classification System for its HCM needs, which has since been improved and expanded to various central agencies. A job analysis was initially carried out for all the Director-General level posts in the government ministries and then gradually to Grade-4 posts and below. Another objective behind job analysis was to enable job mobility amongst occupations or agencies, from the situation of bureaucratic rigidity.

The Korean government now has an annual incremental merit pay program for its civil servants in Grade-3 and above, and for contracted workers⁸. Pay, thus consists of two components - fixed pay (and allowances) and a variable pay component, which depends on appraisal results under an MBO⁹ system. Individual ministries are given the freedom to set the amount and grades of PRI, but overall quotas (scope) are set for performance levels (evaluated on 4 points Excellent, Outstanding, Normal and Unsatisfactory). Payment varied between 8%, 5% to 3% for normal as merit increments for top level officials and for others annual bonus from 110% for excellent, 80% and 40% for Normal. Around 30% of employee strength fall under unsatisfactory group and they are denied any performance pay.

Malaysia

Malaysia, in the process of "reinventing government," introduced what is commonly known as the New Public Management (NMP) practices aimed at improving public sector efficiency and performance in the delivery of services.

The New Remuneration Scheme (NRS) was introduced in 1992, the purpose of which was to establish clear linkages between employee performance and reward. It also enabled the government in reviewing, restructuring, and reducing the flab of the government. For example, between 1992 and 1997, a total of 570 government agencies were reviewed and rationalized. NRS also brought about important changes in the area of performance appraisal and made public sector pay and promotions more objective. NRS also linked performance with rewards by introducing a Matrix Salary Schedule (MSS) and provided for flexibility in salary progression, as opposed to the prevailing linear salary structure. The MSS payout was based on the employees' performance and depending on performance the salary could move on four ways: static, horizontal, vertical and diagonal. Top performers move diagonally, thus enjoying double annual increments compared to average performers, while poor performers are not rewarded. As a part of the introduction of NRS, the performance evaluation system was also revised to become

⁸ <http://www.csc.go.kr/eng/csS/css06.asp>

⁹ MBO- Management by Objectives

more systematic, transparent, and reliable while minimizing subjectivity in performance appraisal. The whole performance appraisal was decentralized and a panel was created and endowed with powers to assess employees' performance and determine salary progressions.

Vietnam

As Vietnam moved from the Soviet-style command economy towards a market economy (known as *doi moi*), it tried to incorporate 'performance' as a factor in the remuneration of civil servants. As a part of the post-1993 pay reforms, some important allowances were added to the basic pay, one of them was linking job description to the salary rather than just rank. A substantial restructuring program - Master Program on Public Administration Reform for the period 2001-2010 (PAR) was undertaken by the Government of Vietnam to effectively meet the demands of managing a mixed, open economy.

Decree 10 of December 2002 gave public service delivery units significant budgetary autonomy, which allowed them to:

1. Carry forward funds unspent in the current/previous financial year
2. Set their own administrative spending norms, which could be different from the norms set by the government
3. Manage their own revenue accounts
4. Adjust salary payouts to provide for performance related rewards/incentives
5. Review, re-organize and restructure to achieve efficiency and effectiveness in staffing.

Each public service delivery agency was classified on the basis of its capacity to generate revenue. The state funding to these agencies was thus decided and fixed for a period of three years. The most important aspect of this mechanism was the autonomy and the discretion granted to managers to payout "above-award" rates in recognition of improved performance and productivity, thus effectively creating the provision of performance related incentives in Vietnam. In 2003, the Ordinance on Cadres and Civil Servants sanctioned greater flexibility in remuneration and terms and conditions of employment.

Decree 10 also accentuated the commercialization of service production (provision for fee-paying services) which led to revenue enhancement and significant wage increases (based on performance). These were accompanied with rationalization and cost reduction. For example, the government allowed Hanoi schools to admit "Grade B" students (students who did not meet academic or residential entrance requirements) who could be charged fees at a rate much higher than the government regulated and controlled fees. These students became a source of extra revenue for the schools as only a small proportion of the fee charged had to be shared with the government. When the salary increase of 2003 was announced by the government, these surplus funds were allocated by the schools to the salary budgets and were often paid out as incentives for improved performance and productivity.

Pakistan

Pakistan has also taken initiatives to introduce performance-based remuneration in the government and the public sector. It must be noted here, that private enterprises in Pakistan already have the concept of performance related incentives.

As part of reforms in higher education, a Higher Education Commission was created in Pakistan in 2002. The commission focused on a number of initiatives such as sending students abroad on scholarships, building of universities, emphasized on teaching quality and research, targeted plagiarists, etc. With a view to improve teaching quality and research, performance related incentives were introduced by the Commission. The introduction of PRI in the education system has started to yield positive results in terms of enhanced effort being rendered by employees, and improving teaching quality. Similarly, Pakistan's Central Board of Revenue (CBR), has also instituted performance related pay for its employees to create motivation and incentives for better performance. According to published information, the performance of CBR across a range of measures has gone up after instituting performance related incentives and by paying special attention to capacity building, welfare, training etc of its employees.

(Source: Extracts from Chapter II, Performance Related Incentive in Government: Concept and Practices in 'Synthesis Report of studies on Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government', IIM Ahmedabad)

(Extracts from Chapter III, 'PRI Model for Government of India', 'Synthesis Report of studies on Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government', IIM Ahmedabad)

Feasibility of PRI in GOI

The five studies carried out by the IIM-Ahmedabad show that the potential for PRI exists in the departments and ministries of GOI. Direct financial gains will be easier to realize in those organizations engaged in revenue generation activities, but for others (and the former) potential for cost efficiency and productivity increase exists. The five studies support the well known fact that, the approach to PRI should be contextual. However, synthesizing the underlying objectives of the studies, we have developed a framework for implementing the PRI model in Government of India. The framework is limited to providing a conceptual framework for designing a PRI program in GOI. While operationalising the same in respective ministries/departments etc. it has to be customized to the objectives and deliverables of the respective organizations. This also means ushering changes in the working style, procedures and specifying accountability and it's delivery to public and other stakeholders. Hence "internal reforms" and public/stakeholder accountability becomes integral to introduction of PRI.

Definition of PRI

Performance Related Incentive (PRI) is the variable component of the pay which is awarded ex-post, after individual/group performance is measured against pre-set (ex-ante) and mutually agreed upon goals for a given period of assessment. It is non-additive and non-cumulative. It is not an automatic default incentive which is given for the nature of duties and responsibilities or levels of difficulty (working conditions) for a certain rank/post. PRI is also linked with respective organizations measurable contribution to responsive governance. PRI will cover all employees of Government of India, irrespective of position in the hierarchy.

The above definition emphasizes the following points:

1. PRI is not an assured entitlement for all employees. It is totally based on performance assessment (individual, group or combination) and varies according to performance. It does not cover assured incentives like those given for difficult

working conditions, special schemes, normal increments or promotion related pay increase.

2. PRI payment will be made over and above the compensation entitlement for a particular rank/position. Thus the model will be ' $1 + X$ ', where 'X' is expressed as a percent of the annual basic salary. The value of 'X' should be decided by the ministry/department, based on the PRI pool generated internally.
3. The PRI system runs with the support of Performance Management System (PMS) and MIS system. Extensive communication and training of employees should support PRI introduction. It is also necessary that basic conditions required for work and supervision is put in place.
4. Clarity about objectives and deliverables at multiple levels, starting with ministry/department and cascading down the line up to individual level has to be developed. At the apex level, the vision/mission, budgetary goals set by the government and stakeholder commitments/citizen charter can be the guiding posts. It has to be cascaded down the line of hierarchy to all final delivery point (individual or group), through a structured process.
5. Clarity about reporting and monitoring channels, work activities and deliverables (job-descriptions and performance indicators), delegation and accountability charts and work processes flow/government business processes also needs to be developed, as they form the foundation of PRI. This implies initiating the process of internal reforms.
6. The duration of one PRI cycle in normal cases will be 12 months. However, sub-periods suitable to organizational requirements can be worked out.
7. Within the ministry/department/other offices, clear individual and/or group (organizational) targets need to be set at the beginning of the PRI cycle and communicated to all parties involved. These targets are preferably mutually evolved and agreed upon by involved parties. In rare cases it has to be given or self proposed, but agreed-to between performing unit (individual/team) and supervisor. Certain parameters, particularly strategic (long term directions), leadership competencies and service indicators will be common across. Apart from the task involved, targets should also reflect reform commitments.
8. PRI should be based on multiple measures covering work deliverables, product/service quality, efficiency, innovation, improved processes, etc. so that the end result is balanced. While at some organizational and employee levels, fully objective approach may be possible, combined use of objective and subjective measures will be required in many jobs.
9. PRI is based on measures of employees' performance within the ambit of their influence (role/delegation/reporting relationship etc.) & accountability.
10. PRI is only awarded when targeted performance levels are exceeded by the individual or group at the end of cycle (generally one year). Meeting targets may not entitle for any or maximum PRI payment. Hence, benchmarks for acceptable performance levels should be set carefully such that it balances organizational

interests, good governance expectations and motivates individuals/teams. The PMS and MIS systems will capture the extent of target achievement.

11. The fund for pay out of PRI (pool) should be generated internally from benefits accruing through higher productivity, cost efficiency, savings etc. In short, the PRI scheme should be self sustaining, and not become another cost head requiring budgetary support.
12. Generally, PRI is awarded after proper assessment of achievement levels of completed tasks against set targets/benchmarks. It is not for anticipated results.

Objectives of PRI

PRI emerged from the management need of performance budgeting and performance management. It became important in the government because of tight economic and budgetary constraints faced by the governments and the resulting need to incorporate performance objectives and budgeting processes to move towards variability of incentives and recognition and reward of individual/group effort and achievement. The increasing public accountability and economic pressure increased the need for achieving goal congruence between organizational and individual/group goals in the overall interest of organizational performance and service delivery. Thus it can be seen that, the essence of PRI is that *differential performance must be differentially rewarded*, so as to enhance government performance and improve employee motivation and accountability.

- Introduction of performance related incentives (PRI) in government would lead to significant improvements in economy, efficiency and effectiveness in all facets of government (ministries/ departments/subordinate/attached offices etc.)
- In addition, PRI will help to enhance employee motivation by incentivising individual and /or team performance, since it provides performing employees/groups with an opportunity to earn more.
- PRI will serve as a catalyst to usher in responsive governance and public (stakeholder) accountability, by linking tangible rewards to measurable achievements of employees at all levels of government.

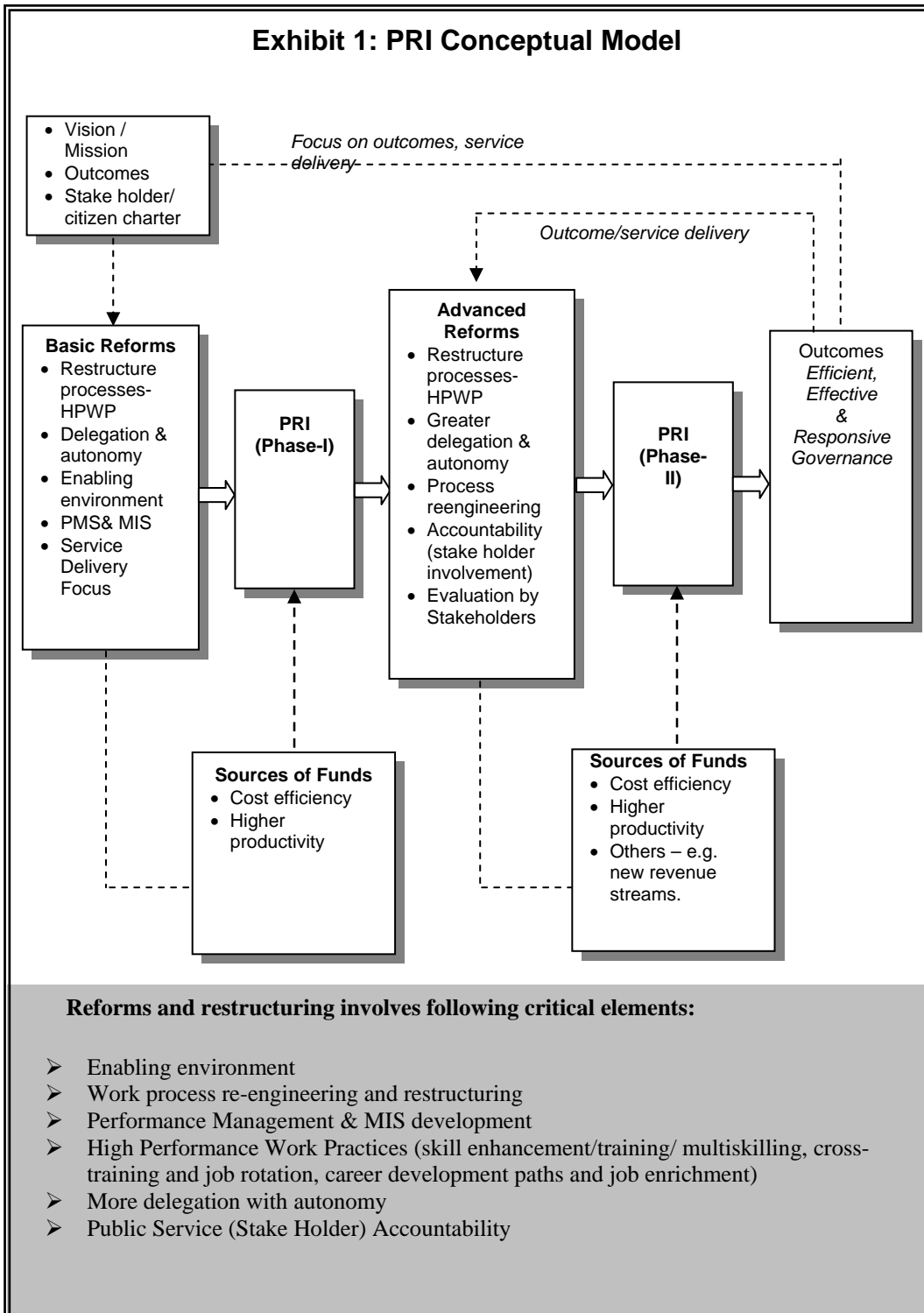
Scope and Coverage of PRI

The PRI model and approach presented in this report covers all ministries, departments, attached and subordinate offices, directorates, field formations, work units and autonomous bodies under Government of India and all categories of employees working in the organizations mentioned above. When the PRI scheme is introduced by GOI, existing PLB schemes, non - productivity linked Ad-hoc bonus and honorarium payments will end.

Conceptual PRI Model

We propose a two-stage conceptual model for introducing PRI in government. We are of the view that the model can be generalized across the government i.e. ministries, departments, attached/subordinate offices, branches, autonomous bodies etc. A schematic representation of the conceptual model is given in Exhibit 1:

Exhibit 1: PRI Conceptual Model



Reforms and restructuring involves following critical elements:

- Enabling environment
- Work process re-engineering and restructuring
- Performance Management & MIS development
- High Performance Work Practices (skill enhancement/training/ multiskilling, cross-training and job rotation, career development paths and job enrichment)
- More delegation with autonomy
- Public Service (Stake Holder) Accountability

Requirement for Customized and Phased Implementation of PRI

Within the broad framework described by the conceptual model, each implementing organization should customize the PRI system to suit its context. The conceptual model will be a general guideline for introduction of PRI in the government. PRI will also involve substantial change management efforts, including focus towards service to public and internal improvements. Hence winning commitment of employees through dialogue and communication, and building employee capacity for performance will be required.

Phased road map for introduction of PRI.

In our opinion a phased approach to introduction of PRI will be best suited for GOI, as depicted in Exhibit I. Our studies showed that a large section of employees believe that at the idea level PRI will address their concern about absence of tangible connect between employee performance and rewards.

While our studies established that PRI can be introduced in GOI, we concluded that high degree of customization will be required. Sufficient groundwork needs to be done to ready the organizations for PRI. It is also necessary that the overall PRI objectives described earlier be kept in focus while introducing it; else PRI may also be seen as another mechanism to earn more without change in employee performance as well as impacting outcomes and the quality of governance. Hence we recommend that PRI should be introduced in multiple phases. Individual reports also suggest the same approach.

We have recommended PRI introduction in broad two phases (Exhibit I). Each phase is focused and they are determined by (a) employee/organizational readiness (b) outcome focused reform commitments linked to PRI introduction and (c) mode of financing the PRI. Considering the complexity of the exercise, multiple stages have been incorporated within phases I.

Phase I - Stage I: Organizational Readiness and Pilot

The first stage we recommend that each ministry/department inclined to accept PRI starts the initiative by setting stage for PRI through organizational readiness exercise. This stage will be initial part of Phase I of the conceptual model (Exhibit I), where broad framework will be set.

- The first step here will be to clarify (re-clarify if required) or evolve organizations vision and mission as well as stakeholder commitments/citizens' charter. The latter is absolutely necessary to keep the focus of employees on accountability to public/stakeholders.
- It is necessary that internal and external constituencies are consulted and communicated with for the purpose, so as to gain acceptance. This exercise will also give an idea whether employees and the organization are ready for PRI and the type of PRI (individual/group).

- This is also the time for organizational leadership to explore avenues to build the PRI pool through internal accruals like cost efficiency, higher productivity and also using resources available from stopping of Ad-hoc bonus and honorarium.
- Acceptance, both by organization and its employees of all the principles behind PRI as given in this report is a necessary condition. Hence communication about the scheme and the importance of reforms that need to be carried out alongside as well as addressing employee apprehensions will be significant at this stage.
- Institutional mechanisms to manage PRI should be set at this stage.

We recognize that ministries/departments opting for PRI will have to go through a learning curve and adapt itself to the changed mode of functioning, before PRI is introduced across the organisation. Hence, to facilitate the employee as well as organizational acceptance of PRI, it may first be introduced in selected department(s)/units on pilot basis. The pilot will be an experimental platform to usher in the basic reforms as described in Exhibit I. Later the reforms and systems can be replicated and PRI introduced across the organization, leading to Phase II of the program coupled with advanced reforms.

- As part of the pilot PRI, organizations should establish a comprehensive system for defining, measuring and benchmarking performance (PMS+MIS). Clarity about work deliverables (Job descriptions), accountability (job targets/ work norms/goals) and reporting relationships should be arrived at.
- We would emphasize that, success of the PRI scheme will much be dependent (not solely) on the choice of performance criterion including indicators, benchmarks and tools to measure.
- At this stage, the performance criteria used for PRI should also emphasize outcomes from the perspective of users of the public service rather than limited only to the usual measures of inputs, workloads and outputs.
- In addition at senior levels, where employee supervision is involved it is necessary that employee satisfaction is also measured.
- Strategies to build the PRI pool and other details about performance levels and payment levels should be further refined at this stage.

Phase I - Stage II: Cascading

Learning from the pilot (minimum required will be one cycle of a years' duration) should be captured and with necessary modifications, PRI can be introduced across the organization. With experience from pilot exercise, the PMS and MIS system can be further fine-tuned and system to capture public/stakeholder service delivery can be put in place. This stage of Phase I should additionally support strengthening of the basic reform initiatives like creating enabling environment by creating a high performance work place (HPWP), communication and training for competency building, changes in work processes to bring public/stakeholder service delivery focus and greater delegation of powers.

At the Phase I stage (both pilot PRI and later cascaded across), the rate of performance linked incentives should be at levels that are appreciable (10% -20% of annual basic pay) depending on the organizational capability to pay. Though pre-specifying the number/percentage of employees eligible for PRI is commonly followed, (through forced choice/bell curve method) we recommend that respective ministries/departments etc may be given the freedom to choose the coverage.

Phase II: Ushering Advanced Reforms through PRI

Once the PRI system has been spread across the organization and basic reforms in place, we recommend that organizations move to the next phase of PRI that will eventually bring it closer to the final outcomes (Efficient, effective and Responsive Governance). This stage will include organizations focusing on deeper reform process as described in Exhibit I. The key focus of Phase-II, will be that the scope of the PRI scheme should be expanded to undertake more ambitious reforms. (Basic systems like job definitions, PMS and MIS should be stabilized by then).

- Reforms should involve a more comprehensive restructuring of operations and process reengineering for greater productivity and improvements in service delivery. This stage will include shift towards HPWP in a more substantive fashion and the internal organization structure and work processes should be re-engineered to meet high levels of public service. At supervisory levels, leadership and satisfaction of team members will be included as performance indicators for PRI
- At this stage, providing superior public/stakeholder service should become the focus for organizations. To achieve this, mechanisms for performance rating by end users (public service accountability, discussed later) and achievement of responsive governance goals has to be emphasized.
- As part of advanced reforms, it would also be advisable to introduce more result-oriented approaches such as performance agreements with senior managers; and introducing lateral entry for senior positions, so as to make government service more challenging and competitive.
- With more efficient internal operations, organizations should be able to realize substantial cost savings and realize gains of higher productivity to fund the PRI pool. They can also explore options for additional revenue generation by providing value added services to users and other innovative arrangements.
- Correspondingly the rate of incentives should be increased substantially in the Phase-II, including multiple slabs for PRI payout based on performance. Eventually the remuneration of high performers should become comparable to the private sector. .

Key Reform Themes

Introducing PRI in government without supporting reforms areas like work environment, managing performance, decision frameworks, processes and people management may be counter productive. We evaluated two options i.e. introducing reforms first followed by

PRI or using PRI itself as a tool to usher in reforms, and we choose the latter. PRI introduction in GOI will be phased but simultaneously coupled with reforms. The ultimate deliverables of PRI (specifically employee motivation through measurement and recognition of performance leading to efficient/effective and responsive governance) has to be kept in mind in the course of the reform exercise. From the individual studies and implementation experiences of PRI, we have identified six critical reform themes.

Enabling work environment

Performance Management

Delegation

Process Reengineering

Creating High Performance Work Practices

Public Service (citizen/stakeholder) Accountability

Operationalizing PRI

While the conceptual model explains the general philosophy supporting PRI in GOI, we conclude that at operational stage there is requirement for contextualization of the model based on the following activities:

- a) Laying the framework for PRI, in terms of organization and people readiness.
- b) Output/Outcome definition (KRA/SPI) and Performance Measurement and data tracking (PMS/MIS)
- c) Decision rules for classifying performance at individual and group levels.
- d) Linking with financial rewards, thereby increasing employee motivation.

PRI Payout: Approach

As indicated in the definition given above, PRI for GOI is conceptualized as payment based on performance over and above the existing compensation package. Hence the model will be $1 + X$, where "X" will be the PRI component, awarded based on evaluated performance. Performance for the purpose of PRI will be determined using a combination of PMS scores/group performance (where relevant) and organizational performance and computed as percentage of annual basic salary. To emphasize the importance of public/stakeholder accountability, we also recommend that suitable weight be assigned for achievements related to public service accountability. Depending on contextual requirements, additional performance dimensions can be added by the organizations. The general consensus arrived at by the IIMA study group is to effect the PRI payment in the form of an "Annual Bonus", given one time. Where-ever group PRI payment or combination has been suggested payout should be affected annually (or in suitable timeframe depending on the organization). Our view is that organizations should have the freedom to set the payment rates considering its peculiarities and PRI pool available. Progressively the quantum of PRI payment can be increased depending on the nature of work and the organizations ability to create the PRI pool. In general, we recommend that PRI (for individuals as well as groups) should be computed considering the following factors:

1. Individual Performance Level or Group Performance Level.
2. Work unit & Ministry/Department performance.
3. Public Service (Stakeholder) Accountability Score (e.g. Sevottam rating).

Respective ministries will have the freedom to add more parameters for measurement, but the above three should be mandatory. Relative weights for each parameter can be different for different categories of employees (Group A/B/C etc.).

Budget Neutrality of PRI

The overall financial logic of the PRI model proposed by IIMA is based on budget neutrality. It implies that the fund for paying out PRI should be generated by the respective ministries/departments from within. No additional budgetary allocation will be provided for the purpose of PRI. The proposed model assumes that delegation and greater autonomy will induce the supervising officers at all levels to restructure and reengineer their work processes to generate substantial savings, cost efficiency and higher productivity. Expenditure currently incurred in terms of ad-hoc bonus and honorarium payments should also be available to ministries/departments to be included in PRI kitty. Needless to say, in those departments that directly generate revenues from their operations, the reform initiatives and employee motivation will lead to productivity improvements and translate into tangible savings which can be used to fund PRI. At the stage of advance reform, respective organizations may consider introducing new revenue streams, through innovation and providing value added services. Government may allow ministries to allocate part of such additional revenue to the PRI fund.

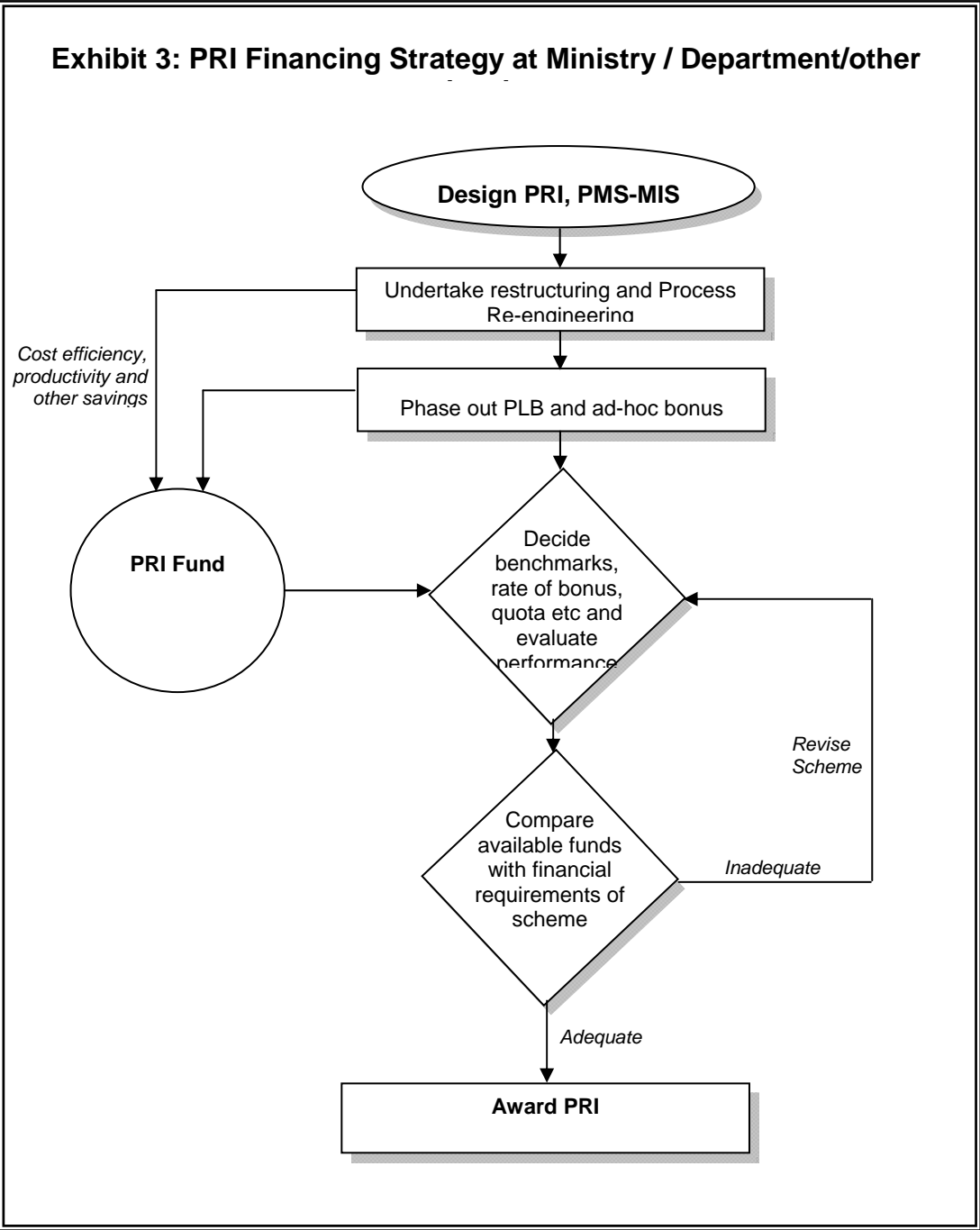
Financing Strategy for PRI

The proposed financing strategy is budget neutral and is conditional on changing work processes for greater efficiency and restructuring for greater effectiveness in public service delivery. It assumes that the performance improvements would result in substantial monetary savings which can be used to fund the PRI schemes of various ministries and departments.

- Bulk of the kitty for financing PRI would have to be generated internally through cost and efficiency improvements and productivity/output increases resulting from improved work processes and extensive use of information and communication technologies. These savings/ earnings would be possible only through greater delegation of responsibilities and authority, de-layering and simplification of office procedures, and accountability mechanisms at various levels in the organization.
- Ministries/departments/offices should be encouraged to innovate and value add their service delivery and explore new revenue streams with part of the revenue earned added to the PRI pool.
- It is proposed that each ministry or department where PRI is introduced should have the freedom to design their own PRI schemes, within the broad framework. The different models we have developed can be used for guidance approaches. This implies that they should develop their own systems for measuring performance,

decide whether performance should be assessed at individual or group level, and determine the form and rate of PRI awards within their own budget constraints.

Exhibit 3 shows PRI financing strategy for a government ministry / department.



Synopsis of IIM-A studies

The five clusters of Ministries/Departments were identified to ensure that differences across various ministries and departments would be adequately captured. There is significant variation in the PRI models that the different studies have recommended. The synthesis report presents a more generalized PRI model for the government. The following is a brief summary of the five studies.

Exhibit 4: Summary of IIM-A studies

	Study-I	Study -II	Study -III	Study -IV	Study -V
Ministries / Departments Covered	Ministry of Health & Family welfare Ministry of Urban Development	Ministry of Company Affairs Department of Revenue	Department of Science & Technology Department of Posts	Ministry of Defense Ministry of Home Affairs	Ministry of Railways
Form of PRI	Annual bonus, merit-increment at top	Annual bonus	Annual bonus	Combination of monthly and annual bonus	Annual bonus
Eligibility:					
Group A	PRI	PRI	PRI	PRI	PRI
Group B	PRI	PRI	PRI	PRI	PRI
Group C	PRI	PRI	PRI	PRI	PRI
Group D	PRI	PRI	PRI	PRI	
Coverage (% of employee strength)	Up to 20%	15-30%	Not specified	1/3 rd of employee strength	Not specified
Rate of PRI (Phase I)	(of gross pay) ^a	(of basic pay)	(of basic pay) ^b	(of basic+DP) ^d	(of gross pay) ^e
Group A	10-20%	15% - 20%	1. 10% 2. 15-20%	20%	Formula based
Group B	10-20%	15% - 20%	1. 10% 2. 15%	20%	Formula based
Group C	10-20%	15%- 20%	1. 10% 2. 10%	20%	do
Group D	Fixed Payment	Fixed payment	1. 10% 2. 10%	20%	do

a. Gross pay includes – basic pay plus dearness pay plus dearness allowances

b. The rates shown pertain to the Department of Science & Technology and Department of Posts respectively. In both cases only the recommended rate for stage-1 is shown.

c. A different scheme based on distribution of net savings is recommended for ordnance factories

d. Gross pay includes – basic pay plus dearness pay plus dearness allowances and other allowances. The formula distributes net surplus generated by the organization in a particular year

e. Distributes net surplus generated by the organization in a particular year.

(Source: Extracts from Chapter III, 'Synthesis Report of studies on Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government', IIM Ahmedabad,)

Introduction of High Performance Work Practices through Performance Related Incentive Schemes (PRIS)

1. The intrinsic satisfaction of work and creativity is as significant a motivator as higher pay. Studies on the implementation of performance related pay by the OECD, for instance have found that monetary incentives alone are unlikely to motivate a substantial majority of staff, irrespective of the design. Holistic job design with High Performance Work Practices (HPWP), multi-skilled work, new ways of organizing work, rewarding performance and greater employee participation in the decision making process are central to employee motivation. HPWP have the potential for developing the personality of the worker and productivity of the organization. . Further, a 'career entrenchment effect' occurs when an employee spends too much time in the same position weakening work motivation. Employees who have greater variety in their day to day work are more satisfied with higher work motivation levels. The shift from simple tasks to multidimensional work and employee empowerment leads to transformational changes. These practices are based on the realization that employees are the most important asset and have to be treated equitably. HPWP consist of a bundle of practices whose integration is critical for holistic workplace employment and raising employee effectiveness. The exact mix is dependent on the nature of work processes and culture in an organization. Inclusive and participatory management, on which HPWP are based, increase job satisfaction and raise productivity.

2. The International Labour Organisation (ILO) has recommended change in four main areas through sets of bundles of practices by which both management and workers stand to gain. These are:

- a) **Job design and employee involvement** - utilization of the intellectual and practical experience of employees with engagement in the decision making process;
- b) **Communication and information sharing** - dissemination of knowledge within the organization and commitment to the values and objectives of the organisation;
- c) **Support for learning skills** - through coaching-mentoring, feedback on performance and further training;
- d) **Rewarding and acknowledging performance through performance related monetary incentives and recognition.**

Productivity studies have shown that an integrated strategy combining several organization specific levers works best with changes in the ongoing process - work design and teamwork to increase employee involvement. (Source: Ashton, D. and Sung, J. (2002), ILO - Supporting workplace learning for High Performance Working, (2002), www.ilo.org). Adoption of HPWP requires an appreciation of change and constant adaptation with no final solutions.

3. HPWP practices include the following:

- cross training and job rotation
- multi- skilling and the development of employee skills
- self directed production and service teams, problem solving teams and quality circles
- job enrichment
- job enlargement
- mentoring
- systems of communication
- performance rewards
- peer review and 360° feedback
- growth in employee discretion and autonomy
- multiple career paths and career coaching with personal development plans
- flexible working
- flexible job descriptions
- knowledge management and sharing of learning resources

4. The IIM (Ahmedabad) in their Report have recommended HPWP as one of the six critical reform themes. Shift in government performance cannot be achieved without making changes in the way government employees are managed. Traditionally, government systems are oriented towards control with strong emphasis on procedures, approvals and concentration of power and the same applies to employee management also. The above approach may not be appropriate to achieve the objectives of modern governments. Experiences of organizations like United States Social Security Administration indicate that high performance work practices can be used to bring out the full potential of their employees. The level of HPWP adoption as measured by the number of practices adopted is linked to organizational performance.

5. The tool of PRIS will enable introduction of change in the organization of work through HPWP. This is also necessary given the potential for work process re-engineering and convergence made possible by information and communication technology (ICT). It entails a paradigm shift away from the way government works currently towards flatter organizations. The introduction of high performance work practices (HPWP) through PRIS will lead to greater effectiveness, productivity and cost efficiency at each level with greater employee participation.

Public Service (citizen/stakeholder) Accountability and the Sevottam Model

Introduction:

1. The institutional structures of top down management and isolated managerial efforts have proved inadequate for satisfying performance i.e. delivery of results and outcomes. There is over-reliance on 'command' models of administrative effort for service delivery. Citizens and service users are stakeholders and participants not just 'customers'. This role needs to be institutionalized in the administrative structures linked to the specific organizational service delivery. This participation of stakeholders in the process design and their institutional integration into the decision and delivery framework can be based on a 'cooperative model' of consultation and co-production. Institutional norms and practices become habits and routines and have to be consciously analyzed, confronted and substituted with alternate institutionalized practices. This perspective of purpose is important also for determining the type of Performance Related Incentive Scheme (PRIS) developed and adopted. The importance of a systems shift from top down monitoring to stakeholder-citizen participation and co-production with transparency and checks is critical for better public service delivery.

A. Recommendations of the IIM Ahmedabad: Public Service Accountability as a Performance Criterion and the Sevottam Model

2. The Synthesis Report of studies on Formulating the Concept, Principles, and Parameters for Performance-Related Incentives (PRI) in Government states that "in a democratic society, citizens are considered the owners of the state and the government is ultimately accountable to them i.e. citizens' expectations regarding government services have to be fulfilled. This approach does not however imply taking a short term approach, where larger public interests are sacrificed for short term gains or only loud voices of powerful are heard. Apart from citizens, for government there will be other stakeholders also in the form of politicians (elected representatives), different government departments (output of some parts of government will be consumed by government itself) and suppliers of services to government. All the above groups fall within the accountability map of government. To be responsive to the stakeholders, employees have to be responsible to requirements of public and other stakeholders and hence they need to be flexible, sensitive and dynamic. Since the environment is changing and heterogeneous, it is necessary that suitable systems are developed to

understand the environment and capture the stakeholder expectations and perceptions. Hence performance indicators based on public/stakeholder opinion becomes a necessity tool. The three criteria for measuring responsiveness are speed (including waiting time), accuracy with which the service provider responds to a request for action or information and service quality. In addition there are public service values expected of a government and internal organizational factors (like efficiency and effectiveness) to be fulfilled. Measuring responsiveness is difficult, but multi-dimensional approaches have been developed. By including public service accountability as a performance criterion it is expected that the attitudes and behavior of government employees to public will change.

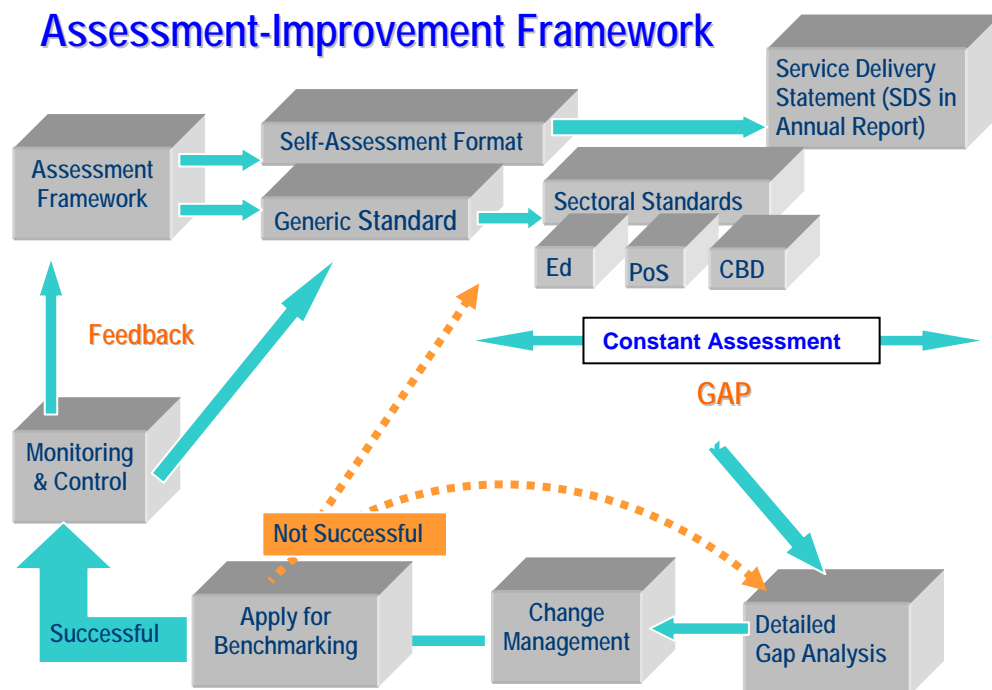
3. The citizen centric governance commitment of Government of India has led to development of a model for public service delivery (Sevottam). The model has been developed through extensive consultations with multiple stake holders and it has led to development of Indian Standard IS: 15700: 2005. By doing that, India has become the first country to have a published standard for Public Service Delivery. We are of the view that, for PRI purpose, the Sevottam model can be integrated into the model and thus employees of ministries/departments fulfilling certain level of public accountability be rewarded through PRI. Since collective effort of all employees is required for high quality service delivery, Sevottam score should be a group measure. The unit of analysis can be the larger organization and/or basic performance units determined by service delivery requirements. As PRI system progresses in maturity, minimum performance under Sevottam may be kept as a qualifier for PRI. Here employees of entire organization (or part) achieving other results, but failing in Sevottam may not receive PRI. We would like to emphasize that by no means we imply non-achievement of other performance goals, while achieving Sevottam. In our opinion, by measuring and rewarding high quality public service delivery, it can be made a natural priority for teams.”

B. Main Features of Sevottam

4. The Central Government’s *Sevottam* scheme was initiated as a mechanism to assess initiatives and best practices relating to service delivery. It is a model of service delivery standards based on experiments in e-governance. The model synthesizes ground realities in India with international best practices and has created an assessment system suitable for government organizations in India. The Bureau of Indian Standards (BIS) has developed generic standards for quality service delivery (**IS 15700:2005**) based on the assessment-improvement model developed by DARPG and TCS. The service provider will develop their own sectoral standards for improvement in service delivery. There are nine “QUALITY of compliance” criteria for which a requirement standard has been developed covering the three areas of (a) citizen charters, (b) grievance redressal and (c) service delivery capability. These criteria ascertain the extent to which the organization is applying service delivery improvement tools in a systematic manner and is able to learn from experience. The criteria are articulated in the form of questions that invite rating on a five-point scale

ranging from “ad hoc” to “systematic” action backed up by evidence attached with the application. An organization that scores well on these criteria deserves commendation for having understood the utility of service improvement tools and for putting this understanding to delivery excellence. Once the sectoral standards are achieved through a systemic process, the organizations can go in for certification. Periodic surveillance under the certification will ensure that the improvements made are institutionalized and a sustainable system for managing the quality of public service delivery is established.

5. Ten Ministries/Departments of Government of India, namely, Department of Post, Ministry of Communication; Kendriya Vidyalaya Sangthan (KVS), Ministry of Human Resource Development; Employees Provident Fund Organization, Ministry of Labour; Passport Division, Ministry of External Affairs; Ministry of Food Processing Industry; Income Tax, Customs and Excise, Department of Revenue; Ticketing and Freight Services, Ministry of Railways; Bureau of Indian Standards etc. have been identified for implementation of the Sevottam. The pilot schemes for streamlining delivery of these services with increased transparency of transactions, and increased citizen inputs into governance are at an advanced stage. The Sevottam Scheme is essentially based on the Service Gap Concept and can be effectively integrated with PRIS (see para 2.5.25).



Assessment Criteria in the Sevottam Model (Extracts from Service Delivery Excellence Model 'Sevottam' DARPG)

6. The criteria are set for the compliance requirements and for the improvement requirements for each of the assesseees. The assessment for compliance acts as screening mechanism to filter out organisations that do not meet the basic requirements for entry into the assessment process. The assessment criteria for improvement are divided into three modules with a total of nine criteria. The following table presents the structure of the assessment criteria. The elements for assessment are in the form of questions which enable the assessed to ascertain its status on each of the criteria. An assessee organization can opt to conduct only a self-assessment, or go in for an external assessment.

Critical Areas(3)	Criteria(9)	Elements for assessment(33)
Citizen Charter Excellence	Implementation	5
	Monitoring	3
	Review	3
Public Grievance Redress	Receipt	3
	Redress	3
	Prevention	5
Service Delivery Capability	Customers	5
	Employees	3
	Infrastructure	3

7. PRIS is envisaged as a tool to incentivise adoption of new service standards and best practices for effective and responsive service delivery – with constant self-assessment to bridge the service gaps.