

*NAC Working Group on
Reforms in Governance, Institutional Capacities and
Effective Implementation of Flagship Programmes*

**Recommendations for
Human Resource Strategies and Policies**

For Enhancing Institutional Capacity to Deliver in Flagship Programmes

1. A key impediment in delivery of outcomes in flagship programmes has been lack of key human resource capacities at the cutting-edge level of implementation.
2. There is a huge quantity and quality gap in front line workers available to serve the poor and the excluded. Many agriculture extension workers tend to be outdated in their knowledge and lack practical skills to help farmers solve their problems or worse they don't visit the villages. Scientists in many Krishi Vigyan Kendras (KVKs) are unable to effectively apply their minds to the issue of low crop productivity. Many nurses lack the skills to even use blood pressure measuring instrument. Teachers sub contract or outsource their work in many instances and absenteeism remains a serious malaise. Learning levels among children, as evidenced in the ASER reports, remain poor also because teachers are inadequately trained at their B.Ed. colleges.
3. PRIs routinely don't have the capacity for micro planning or execution.
4. Block level staff such as veterinary surgeons don't visit villages. Or, there are simply too few to meet the demand.
5. The posts in backward or tribal districts remain vacant. Teachers deployed want transfers to their home districts. District hospitals endlessly wait for gynaecologists, radiologists, and general physicians to come and join.
6. Senior staff occupying leadership positions at block and district levels bring predominantly a "control" orientation to their roles. Analyzing grass-roots experience to excerpt the key elements to tweak or change, if necessary, programme procedures and processes is something that remains sorely missing.
7. Young professional talent is required to come up with creative solutions. There are very few young professionals in any of the leadership positions in any department.

8. District Collector is overloaded with a myriad roles, some administrative and protocol related, others ex-officio, leaving him with little time to pay attention to programme quality. The district administration is severely talent strapped, particularly to implement new ideas to solve problems in implementation, and to play management roles effectively while number of programmes and projects continues to rise.
9. Government recognises the issue of talent shortage. Prime Minister Rural Development Fellows (PMRDF) is proof that the leadership is making a serious attempt to fill the talent gap.
10. If an institution doesn't adapt and change its norms and practices, when faced with challenges, its performance is likely to fall short. With special reference to HR and OD issues, this would mean institution's ability, *inter alia*, (i) to anticipate, plan and meet staffing needs; (ii) to change norms of recruiting and selecting staff; (iii) to train them in appropriate skills; and (iv) to maintain their motivation and to retain them, etc. so as to improve organizational performance as per its mandate.
11. Based on the best practices in several large scale government programs, this NAC Working Group makes recommendations to strengthen public systems and improve delivery of flagship programmes.
12. If the recommendations were implemented, the results would be: (i) Motivated and capable leadership at the block and district level; (ii) Staff with 'right attitude' and 'right motivation' selected to serve the excluded; (iii) Local talent valued and nurtured; and (iv) Management and technical graduates motivated to join the flagship programmes, in order to contribute to inclusive growth of their country, in much larger numbers than what happens now.

The recommendations focus on the following areas:

- (i) **Quality of Frontline Workers and Unfilled Vacancies;**
- (ii) **Recruiting and Selecting Professionals from Open Market;**
- (iii) **Rapidly Widening Supply Demand Gap in Rural Management Professionals;**
- (iv) **Selection to take Attitude and Behaviour into Account;**
- (v) **Responsive HR Policy for Professional Contract Staff;**
- (vi) **Performance Management Systems for Contract Staff**

I. Quality of Frontline Workers and Unfilled Vacancies

13. **Quality of frontline workers** has become a big issue. This is symptomatic of certain laxity in recruitment policies and rules.
- Low Pay, Low Quality syndrome. In some States, Gurujis (primary school teachers) were brought on board at Rs. 500 a month.¹ Only one third of the Gurujis (13,000 out of 35,000) could pass the recently held 8th standard examination, and majority among 13000 got merely a third division. Imagine the fate of the students who are being taught at these primary schools!
 - Universe of Human Resource Supply is Bleak. **Only one percent** of the candidates cleared the eligibility cut off in Teacher Eligibility Test (TET), conducted this year. The candidates were those who had either earned a B.Ed. (Bachelor of Education) or D.Ed. (Diploma in Education).
 - Rent seeking in recruitment is an issue in public perception.
14. On the other hand, there is an issue of **unfilled vacancies and unrealized need for human resources**.
- Unfilled vacancies. In the ICDS programme in some States there are a large number of vacancies that haven't been filled for many years.
 - Unrealised need. Agriculture and animal husbandry departments haven't developed outreach strategies despite large majority of rural population depending on these for their survival.
- 15. Deployment Policies aren't effective in recruiting and retaining staff in backward districts.** Backward areas suffer due to lack of capable staff. Facilities or infrastructure is being created in health, education and other sectors with much investment but lies in disuse. Asymmetry between districts with high educational standards and better infrastructure and those with low literacy and poor infrastructure is often one of the main reasons behind candidates or staff opting to be placed in "forward" districts and requesting transfers to home districts.

What has worked?

16. Nurturing local talent is a good solution to meet the human resource requirements at the field level, examples of which are Community Resource Persons (CRPs) in Self Help Group (SHG) programme of Andhra Pradesh (see text box 1), ASHA workers in National Rural Health Mission (based on the Mitandin model of Chhattisgarh), and Panchayat Development Officers (PDOs) in Gram Panchayats (implemented to the fullest extent in Karnataka).

¹Panchayat Sachiv was another, at the same monthly remuneration.

17. The CPs/ CRPs have 'stake' in the development of their community and village. The capacity and solidarity with the community make them strong to attract demand for services. Having an institutional structure helps.
18. It is a good strategy for regular and repeated mobilization of local resources once external guidance and support to the project ceases to flow.
19. An Information Technology portal can match demand and supply of staff (say, of gynaecologists, as it is being done in Karnataka).

Recommendations

- Promote local youth as community resource persons in a variety of skills, including social mobilisation as well as in technical skills such as agriculture extension, para veterinary care and likewise in other disciplines.

Text Box1. Developing Professionals from the Community

Society for Elimination of Rural Poverty (SRRP), the institutional vehicle set up by the government of Andhra Pradesh, has built a force of **80,000** community resource professionals (CRPs) mainly to meet the gap in human resources to mobilize community and to form institutions of the poor such as SHGs and Federations. These CRPs are from within the SHGs that have been able to demonstrate a best practice in their area of work.

SERP has a well-defined process for selection and training of the CRPs and for functioning of the CRP teams. CRPs are specialized to provide various services like capacity building of members on SHG functioning, bank linkages, marketing, sustainable agriculture, health & nutrition, gender issues, etc.

They have a defined sequence of activities, which they complete by staying in the target village for a period of approximately two weeks. They document the status before their intervention, and also recommend follow up action for the community. The CRPs are paid entirely by the community institutions promoted by the project.

Tamil Nadu and Sri Lanka have replicated this idea. Please see annexure 1.

- Career growth of local human resources. With regard to local talent, their career growth too needs to be ensured, as we ask much of them and yet their contribution is ignored. For example, ASHAs could become ANMs.
- A human resource information system (HRIS) can keep track of staff deployment in backward as well as other districts and this information could be placed in a public domain. Excessive deployment in "forward" districts could be checked while backward districts may get to see more staff.

- Recruitment may also be done by advertising for backward areas and not for the State as a whole . If necessary ,local cadres could be created at block ,district or regional level for departments providing core services
- Governments have to give much stronger monetary and non-monetary incentives such as housing, education opportunities for children in order to ensure that competent staff moves to backward districts.

II. Recruiting and Selecting Professionals from Open Market and Promotion on Merit Basis to Enhance Management Capacity at Block and District levels in Flagship Programmes

20. ***Supervisory or management capacity has not been enhanced*** even as programmes have expanded and mandates of the Ministries have become more ambitious. We give three examples. One, Sarva Shiksha Abhiyan (SSA) in Rajasthan successfully provided 68,000 primary and upper primary schools with basic infrastructure but finds that the block and district level supervisory capacities aren't adequate to meet the needs of large number of schools and is struggling to meet the RTE's mandate such as activity based learning (ABL). Two, regions such as Bundelkhand and Intensive Area Programme (IAP) districts pose a bigger challenge requiring the district administration to be innovative and responsive to the local issues such as parents' migration, children being first generation learners, apart from the issue of rights and entitlement and issue of alienation from mainstream. Three, it is estimated that National Rural Livelihood Mission (Ajeevika) alone requires 70,000 professionals to be part of its dedicated sensitive support structure, so as to reach out to rural areas and promote community based institutions, SHGs and federations, in 6000 blocks.
21. Many states ***have not established a proper process for promotion***. There is a large pool of people due for promotion but "selection" of specific persons is done on an ad hoc manner, which then gives rise to all sorts of malpractices. In Uttar Pradesh, there are 2000 people who could become Chief Medical and Health Officers (CMHOs).

What has worked?

22. Outsourcing of recruitment and selection of state, district and field team leaders to an independent Human Resource (HR) Agency has been a good solution. Often institutions such as “Societies” promoted to implement a state level project conclude that there aren’t enough people within their own parent department or in other departments to source human resources from. Tamil Nadu Puzhu Vadvu Project selected an HR agency in a national competitive bidding process. Two caveats are in order. One, independence of an HR agency is a function of the institutional leadership’s intent to professionalise its functioning, promote meritocracy, and build an institution that gets known for its results. Two, issues arise when new recruitment takes place even as there are existing employees in the organisation. As they exert enormous

Text Box 2. Outsourcing Recruitment

In 2004, the Tamil Nadu government leadership came to the conclusion that the rural development department didn’t have adequate staff within it to meet the HR requirements of its Puzhu Vadvu Project. It selected an HR agency through a national competitive bidding process, and outsourced the task of recruitment for its district and field level positions, about 1200. This agency successfully filled all the vacancies from open market in all the 15 districts where the project was implemented and has continued to refill positions since the year 2005 till date.

Similarly, Bihar Rural Livelihoods Project (BRLP) outsourced its recruitment to an HR agency. State leadership from Chief Secretary downwards ensured that best salaries were paid and the HR agency attracted professionals belonging to Bihar but serving elsewhere to the project. BRLP’s state level team is considered to be one of the strongest among all similar poverty alleviation projects in the country and has helped the state project director. All team members are on contract.

HR agencies tasked with recruitment have to manage scale, maintain transparency, and use technology to declare results at the earliest, to avoid coming under pressure or influence. Just to give an idea of scale, close to 4000 candidates applied for 120 district level positions in 15 districts of Tamil Nadu. Regional recruitment and selection camps were held to shortlist 400 candidates for further tests. In Bihar on the other hand, over 22,000 candidates applied for about 300 field level positions (at a ratio of 74 to 1).

Knowledge, Skills, Attitude and Values (KSAV) framework was used to design and develop tests and tools for different positions by the HR agencies. For example, candidates for district and state management positions were tested on their analytical ability and on their perspective.

pressure on the leadership to retain them, it must take an unambiguous stand and assign a certain weightage for their ‘familiarity of the environment’ or their ‘relevant experience.’ It is also clear that the selected HR agency needs to have clear accountability towards the government department deploying them with very well-defined deliverables. This must in no way be construed as the privatisation of the recruitment process. The idea should always be to build internal capacities so that the

function can in a reasonable period of time be taken over by the department concerned

23. One of the reasons of this success is that there exists a pool of experienced management professionals. In Tamil Nadu, Bihar, Gujarat, and elsewhere such professionals have joined rural development projects. Over last three decades, a very large number of graduates from rural management and social work schools such as IRMA, TISS, XISS, and IIFM had chosen to work in the social sector (particularly rural development). Graduates of technical schools in agriculture, agriculture engineering or animal husbandry have also joined social sector, although to a lesser extent.
24. Civil Society Organizations as HRD Nurseries. Most of these experienced professionals have come from respected Civil Society Organizations (CSOs). Professionals learnt as they engaged directly with the community and worked on issues of poverty and exclusion, and on programmes promoting livelihoods, education and preventive health care. CSOs in India have been the key in shaping development sector workforce and exciting young minds to the idea of being “change agents” to contribute to creation of a more equal society. The experience of directly working with rural poor to enhance their income or to empower them in myriad ways teaches these professionals in their young years valuable lessons such as how to add a few thousands to their annual income and what measures to take to cover their risks and their vulnerability.
25. Salary at par with market. Several state governments including Andhra Pradesh, Tamil Nadu, Bihar, Madhya Pradesh, Odisha and Gujarat created autonomous societies or organisations under the chairmanship of the chief minister or chief secretary or a very senior officer. In most cases, they sorted out the financial power delegation issue and went on to (a) create salary packages and human resource policies that attracted talent from open market, and (b) offer deputation allowances and other terms that incentivised government staff to come on deputation. With support from governance structures such as Executive Committees, they were able to take timely decision to revise salaries in tune with market trends, and prevent attrition.

Recommendations

- Empowerment of Community Resource Persons: One of the primary role of the professionals, whether from the open market or the government, is to build capacities in the communities they serve so that over a period of time they could transition out of the old roles and community leaders and local youth could take over, and shift to roles that the latter still find difficult to play.
- Treat Professional Salaries as Programme Investment. Given that the role of skilled and well trained professionals cannot be wished away for a foreseeable future, there is a need to justify their high salaries, to the finance ministry in the centre and to the finance departments in the states that otherwise treat salaries as administrative expenditure. There are many strong arguments to link professional contribution to quality of outcomes in flagship programmes. If 10,000 crore rupees could be mobilised from banks as credit to SHGs in NRLM, for example, and 150 crore rupees

were spent on human resources, the finance department might see merit in including this as an item in programme expenditure rather than treat it as an administrative expenditure. The new IWMP Guidelines have this provision. NRLM has proposed this to the Eleventh Finance Commission.

- It would be useful to have a mix of government officers and professionals recruited from open market, to get the best of both worlds. The skills and experience of government officers of maintaining a system, their approach of being cost sensitive, etc. could mix well with programme skills and outcome orientation among professional staff recruited from open market.
- Recruit district and block level managers from open market on the basis of demonstrated leadership skills, attitude and motivation.
- Empanelment based on Leadership Track Record for Selecting District Managers rather than Seniority based Promotion. Selection for district leadership positions should be done through a process that is competitive and transparent, and criteria should be a demonstrated interest in public service and leadership abilities. For selecting department or programme leaders at the district level, we could empanel the people based on leadership track record. Selection panel could be headed by the development commissioner or chief secretary. Deputy Directors of Agriculture and Animal Husbandry or District Education Officers or CMHOs could be selected in such a way. KSAV framework (knowledge, Skill, Attitude and Values framework - see text box 3 below) could be used for selection.
- Train block and district level government staff in various departments at reputed CSOs. As many CSOs have proved to be nurseries for producing competent experienced professional staff for various missions, it would be very useful to enrol such CSOs as training institutions with adequate, even attractive financial compensation for training government staff.
- Attracting Professionals to Backward Areas: Differential salaries should be the norm. Salary for the contractual specialists or professionals could be much higher and may reflect the reality of market, of existential necessities (maintaining two households if a person serves in a remote districts but family has to be in another place for various reasons). The differential in salaries or compensation between “mainstream” and “backward” districts could be even 100 per cent. Missions allow for such flexibility in salaries for contractual staff. Differential salaries should be the norm.

III. Rapidly Widening Supply Demand Gap in Rural Management Professionals

26. Pool of Experienced Professionals is Fast Drying Up. Notwithstanding successful examples cited above, the pool of experienced management professionals is drying up fast and is woefully inadequate anyway to keep pace with the growing demand for quality human resource in flagship programmes. It is becoming increasingly difficult to

find professionals in sufficient numbers and of desirable relevant experience in the designated field of specialisation and empathy for the poor and vulnerable. Candidates also come from less acclaimed rural management/management or social work colleges. ***What are the reasons?***

- a. Flagship Programmes Haven't Excited Young Technical and Management Graduates. Young professionals don't seem excited about what the government or the CSOs offer. They either join banks, retail sector companies, or the CSR wings of the private sector companies. A rapid web based survey reveals there are about 500 colleges that offer graduate or postgraduate level courses in rural management, social work, and social sciences. Even at the average batch size of 60, annually there would be some 30,000 young men and women that enter job market².
- b. Lack of Policy for Financial Incentives for Higher Education Institutes to meet Human Resource Requirements of Flagship Programmes in Rural Areas. Few publicly funded educational institutions (IITs and IIMs included) in reality work towards producing graduates that would meet the human resource requirements of the flagship programmes. Even the new IITs and IIMs don't seem inclined. It will be good to examine why IRMA, XISS, Ranchi and other institutes have failed to deliver? Financial incentives to educational institutions and faculty are either completely absent or are far from adequate to engage with problems of rural India. It is a well-established fact that solving the problems of rural poor people in rainfed and tribal areas does not seem to be much of a research or teaching priority, for a majority of faculty members in technical or management institutes.

What has worked?

27. Young professional (YP) programme of Jeevika in Bihar or Prime Minister Rural Development Fellows (PMRDF) programme, are excellent attempts to attract young talent for bridging the HR deficit, even if it is too early to pass judgment.
28. Partnership among Practitioners and Educational Institutions. To meet NRLM's requirement for management educational institutions such as XLRI, XIM Bhubaneswar, TISS, and MDI, Gurgaon, have tied up with state rural livelihoods missions. Some CSOs are also starting to offer joint courses along with universities such as Ambedkar University with PRADAN and SP Jain Institute with BAIF. SRIJAN in collaboration with Ministry of Rural Development is writing up the leadership and management experience in poverty alleviation projects in four states over the last decade to offer lessons to the new CEOs of SRLMs (State Rural Livelihoods Missions).

Recommendations

²A break up of 500 colleges is the following: 70 institutes offering rural (professional) management courses, 65 institutes offering rural development courses, 77 universities offering courses in agriculture, agriculture engineering and allied disciplines, and more than 300 colleges offering graduate and post graduate degrees in social work.

- Develop a Young Professionals Programme. While attracting young talent, we suggest that the following precepts are adhered to: One, young people must be given “exposure” of what it’s like there working with the community. An event or experience could be transforming. Two, young people must be given “space.” They would like “autonomy.” Three, they would like to do challenging work. Four, they would need to have a supportive environment; they would like to be mentored. Five, there is a need for constant capacity building. And, six, there is a need to ensure their career growth.
- Develop and introduce diploma and degree courses of one to two year duration. Work with Ministry of Human Resource Development (MHRD) so as to introduce degree and diploma courses that are more relevant to the flagship programmes, so as to make students more “employable.” We can design the pedagogy that places much greater emphasis on field work and practical assignments away from the classroom teaching. The other possibility it is taken up with National Skill Development Corporation (NSDC).
- Work with technical and management schools to introduce curricula in line with flagship programmes’ mandate, incentivising faculty members to teach these courses and to research into the efficacy of these programmes and frameworks for solving problems of rural poor, including those in IAP districts and regions such as Bundelkhand. Ministry of Human Resource Development (MHRD) could do this in collaboration with other line ministries in charge of agriculture, animal husbandry, education, health, women and child development.
 - To support this, a national survey of curricula and syllabi offered at management institutes and social work schools, of existing faculty development programmes, and of the profiles of their research and consultancy interests.

- Engage in a Long Term Human Resource Planning Process for Every Ministry and Department. Union government and state governments have to proactively engage with the issue of dearth of management talent available to improve capacity at the state, district and sub-district levels. Perhaps they ought to develop long term (10 to 15 years) human resource plans, in collaboration with vice chancellors and directors of state level universities and colleges on the one hand, and practitioners on the other, including reputed civil society organizations. Every department implementing a flagship programme at the state needs to get into a long range planning exercise. Special attention needs to be paid to the capacity building requirements and career prospects of the existing staff, large numbers of whom face a serious crisis of motivation and confidence and yearn for improved capacities.

IV. Selection to take Attitude and Behaviour into Account

29. Development sector needs people with certain “attitude and aptitude” to perform a job which is people centric. It should however be subject to a minimum cognitive ability nonetheless, in light of recruitment failures like Gurujis.
30. Selection methodology is often inspired by what is adopted by the public service commissions or premier educational institutes in India or internationally. Despite evidence to the contrary, a majority of cases, the selection testing tilts towards grading candidates on their cognitive ability. Human behaviour in groups, organizations or interaction with the community is often less emphasized or not given any weightage.
31. Selection tests are often not contextualised, are prepared in English (then translated),

Text Box 3. Selection Tests for Attitude and Motivation

Staff competencies can be mapped around four axes, namely, knowledge, skills, attitude and values, or KSAV for short. Tests can be designed to assess candidates on knowledge (e.g., Conceptual clarity on poverty in local context, development principles, strategies), skills (e.g., Listening, Group facilitation, problem solving, community organization), attitude (e.g., belief in the skills and understanding of the poor, low stereotyping, tolerance to ambiguity, risk taking), and values (e.g., honesty, integrity)..

For a district manager position in Tamil Nadu, for example, five tests are designed to assess a candidates’ suitability: (i) depth of knowledge; (ii) depth and relevance of experience; (iii) individual temperament; (iv) attitude to work with other people; and (v) pro-poor orientation (as a proxy for motivation).

To conduct interviews a methodology was developed where knowledge related questions were given lower priority, rather it was building a hypothesis around candidates’ past experiences.

or don’t fully take into account the specificities of urban and rural candidates, forward and backward castes, tribal and non-tribal people, and women and men.

What has worked?

32. HR agencies referred to above, designed and employed tests to assess leadership and management attitude and skills among candidates. This included deploying professional teams close to the community. HR agencies had built on expertise and experience available in National Dairy Development Board (NDDB), army and industry and with certain CSOs. Selection methods used these tests to assess achievement and extension motivation among the candidates (measurements were made, recorded and ranked). As a result, the state teams in Bihar and district teams in Tamil Nadu are considered among the strongest in the country in livelihoods projects, while field teams of Madhya Pradesh are among the best. This model was extended to recruiting district teams for National Rural Health Mission in Uttar Pradesh and Chhattisgarh.
33. In Bihar, the eligibility criterion pertaining to a minimum educational qualification was lowered to ensure greater representation of women in the community worker cadre. In Madhya Pradesh, tribal candidates were given grace marks as they found it difficult to speak confidently in group discussions. In Gujarat, the general awareness test for field positions included questions pertaining to the state context.
34. While most of the job announcements are now done on website, aspirant youth in rural areas still read newspapers to explore new job opportunities. HR agencies and state governments developed a media plan to select right newspapers. Rural youth had the option of submitting hard copy applications by post while others could file an online application.
35. State governments, in most cases, applied reservation policy to ensure equal opportunity to all sections of society.
36. A caveat is in order. As we emphasize the role and contribution of “motivation” and “attitude” in enhancing performance, (a) the tests to assess these among candidates are often seen to have a subjective dimension and thus cannot easily stand scrutiny, (say, of courts), if questioned, and (b) the tests are normally put to ‘developmental’ use, in other words, to help a person understand himself or herself better leaving it to him or her how to improve, not to make a judgement of someone’s attitude or behaviour. Having said that, following methods have been widely used to observe and assess a person’s behaviour.
 - a. Group discussions have been widely used, including in the admissions to management colleges, to understand and assess a person’s ability to work in a group.
 - b. Similarly, observing a person in simulated conditions has been tried successfully. Jeevika in Bihar places a community coordinator candidate in a village for a period of 45 days.
 - c. In both these cases, observers were trained ahead of the exercises.

Recommendations

- Selection methods should be so chosen as to assign adequate weightage to attitude and behaviour.
- Even as tests for assessing motivation and attitude remain somewhat subjective, training of panelists in observation of group behaviour, etc. can help improve accuracy and objectivity, and thus must be done.
- The method of selection should be dependent on the job requirements
- Selection methods should be so designed as to ensure equal opportunity to women and men in rural areas, to dalits and adivasis, adequately taking into account asymmetry in their understanding, awareness, and prior exposure.

V. Responsive HR Policy for Professional Contract Staff to Enhance Retention and Long Term Career Growth

37. State governments have begun recruiting large number of contractual staff in several flagship programmes, wanting to avoid long term financial obligations associated with permanent employment. For example, MGNREGA in Bihar alone has more than 10,000 such people including engineers (1000) and programme officers at the block level (500). Terms of employment and service conditions are not always favourable, and certainly not comparable to those who are permanently employed with the government. Often there is no annual salary increment, low leave entitlement, and no training to build their skills further.
38. Need for having a responsive HR policy becomes acute when senior staff managing state and district project management units is hired on contract for one to three years. Further, if their need to have a say in decision making process and to grow professionally are not responded to, it could have serious implications for large programmes. Delayed reaction to their demands for favourable conditions would affect their morale and output. This is also true for staff working at the last mile of the delivery chain.
39. Certain state governments such as Rajasthan have begun outsourcing the entire human resources, where the contract staff isn't any more on the rolls of the government department or autonomous registered society, but rather with the service provider agency. This outsourcing model is creating a huge insecurity among contract staff.

What has worked?

40. In several states and other neighboring countries, HR policies have been designed to respond to the demands of the contractual staff. Examples are cited below.
 - a. *Bihar Rural Livelihoods Project's HR Policy* has been dynamic and responsive. Salary increase has been approved by its governing body four times in the last five years. Demand of the staff such as having a mobile phone, better TA/DA norms, etc have been accepted with alacrity. When faced with the issue of losing its senior staff to other SRLMs and NRLM, its executive committee approved higher salaries to recruit Young Professionals from premier institutes (more than 80), thus attracting fresh talent and infusing enthusiasm into the organization.
 - b. *Long term growth for contract professionals in Andhra Pradesh*. SERP's HR policy has evolved to meet the organisational goal. Its broad elements include (a) tenure security up to 58 years linked to performance based annual increment; (b) Career advancement; (c) Remuneration for various levels fixed so as to attract and retain best talent; (d) Allowances such as Fixed Travel Allowance, Employee Provident Fund (EPF), gratuity, medical/accident insurance; and (e) Welfare measures like Maternity leave with pay, and disability allowance.
 - c. *Professionalising recruitment in Bangladesh*. Bangladesh community empowerment and livelihoods program called Social Investment Programme Project (SIPP) adopted a new HR policy to streamline and make objective the whole recruitment and selection processes. It invited professionally competent HR agencies to take up recruitment rather than do it in house. SIPP

also developed a HR Manual to make transparent rules for leave, travel reimbursement, etc., and for addressing issues such as sexual harassment at work place.

Recommendations

- State governments have to evolve human resource policy for contractual staff keeping in mind the goals of the organisation as well as to recruit and retain the best talent from the market and ensuring long term growth of contract professionals.
- Specific elements of the long term HR policy may vary depending upon the context, but the following may be considered: (i) tenure security over long term; (ii) career advancement; (iii) remuneration based on market trends; (iv) adequate allowances to meet travel costs and to meet future liabilities; (v) gender policy and other welfare measures.

VI. Performance Management Systems for Contract Staff

41. As the number of professional staff on contract increases and in fact becomes almost ubiquitous, the state leadership of flagship programmes has to become adept at managing their performance.

What has worked?

42. Performance management systems in Tamil Nadu and Sri Lanka are as yet the most important reforms since they provide the basis for objectivity in assessing contractual staff's performance and giving them promotion. If done well it would have the most salutary effect on staff retention. This was tried by Tamil Nadu (see text box 4) and Sri Lanka. Sri Lanka also used performance management system to align individual efforts with organizational goals and targets. Please see annexure 1 for further details. These should also be seen, one, as rewarding people for performance, and two as aligning people's efforts to organizational goals.

Recommendations

- Consultations with ministries suggest that performance management system should be installed for the contractual staff. In a district hospital, for example, it is possible to set up an objective basis for assessing the performance of a gynaecologist, say, by recording the number of MTPs, C sections, normal deliveries and so on. Since the number is directly proportional to popularity of a particular medical professional among the community, this number is a good performance measure. If this number

Text Box 4. Performance Management System in Tamil Nadu

Tamil Nadu's Performance Management System

During the initial years of its term, Tamil Nadu's Pudhu Vazhvu Project faced a predicament when it came to managing its human resources. Among them were high attrition rates and an absence of a systematic way to evaluate an employee's performance. The project thus instituted a Performance Management System that assessed the extent of target achievement and ability to work with the community. It is a fourfold system which includes a confidential report written by a senior, assessment of field performance, assessment of functional area performance, and finally extra credit for special initiatives. The four tools are used under various permutations for different posts (viz: cluster teams, thematic heads and district managers). Field performances are assessed at the cluster level by inspection of the work done. An inspection team goes to two randomly selected villages and based on a set of parameters, evaluates the quality of work done. The grades given by this inspection team factor into the appraisals of all employees aggregating as one goes up the organization's hierarchy. On a similar premise, functional area performances are evaluated against pre decided criteria. District managers are incentivised for any special initiatives they may have taken. Based on the cumulative marks that each employee earns, staff members are ranked among their peers. This ranked data is fitted to a normal curve and upper and lower cut offs are then decided by the executive committee. Finally, the employee is given a monetary reward according to the bracket he qualifies for based on his rank. The first bracket is entitled to a 20% pay hike, the second bracket get a 15% increment, the third, gets no increment and are put on notice, whereas consistently poor performers are relieved off their duties. However, the most commendable aspect about TNPVP's performance appraisal system is that the community is directly consulted during the process which truly puts it in the driver's seat.

falls below a certain minimum it shows that the person is either not capable or is negligent. Performance linked pay is also a must.

- Work with state missions and their leadership in various flagship programmes to set up performance management system that is aligned with results and objectives of the organization, and the one that objectively assesses performance, promotes peer assessment and team work.
- Deliverables can be laid down in a contract agreement linked to increase in remuneration related to performance.

VII. Conclusion

- A huge gap between demand for and supply of supervisory and management capacities acts as a major constraint in quality delivery of *flagship* programmes. The paper argues that union and state governments have to (a) value and nurture local talent such as community resource persons; (b) actively recruit experienced professionals from open market and young professionals directly from educational institutes to augment its management and supervisory capacity at district and block levels while promoting staff from within on the basis of leadership track record; (c) provide financial incentives to technical and management institutions to supply human resources to flagship programmes; (d) evolve a progressive human resource policy of professionals on contract ensuring long term career growth so as to retain them.
- The paper also emphasises changes in the way the staff are recruited and selected
- Substantive financial incentives need to be given to attract professional talent to backward districts, even at times compensating for the costs of maintaining two households.
- Organisational performance is likely to improve further if systems of performance management are set up for contract staff at least. System and processes could be put in place to identify key performance areas according to goals of a programme. Assessment of a leader should include assessment by peers and junior colleagues in addition to the assessment by the seniors.
- These changes in human resource and organisational development strategies, we believe, can create high performance systems, especially in terms of delivery of flagship programmes at the last mile.

Annexure 1

Performance Management Systems (PMS) in Sri Lanka

Sri Lanka's Gemidirya Project put in place the Performance Improvement and Personal Development Appraisal (PIPDA) after it struggled with low morale and performance orientation among its staff.

The PIPDA system was a two pronged strategy that conducted a performance appraisal as well as a core competency analysis. Performance was appraised on both: an individual's performance and his team's performance. Key Performance Indicators were set in consultation with staff at the beginning of the year, based on which they were appraised. A set of nine core competencies (such as leadership, communication skills etc.) were identified, assessment for which was based on a 360° peer feedback.

The appraisal was conducted on a five point scale which was translated into points, finally aggregated to grades for each employee. The performance analysis was used for rewarding and designating salary increments whereas the competency analysis helped in developing a customised capacity building plan for the employee.

The positive undertone of Gemidirya's PIPDA system succeeded in motivating employees and bringing about a cultural shift in the organization to an extent that the project won many awards.