THE IMPLEMENTATION OF PERFORMANCE MANAGEMENT IN RUSSIA
(THE CASE OF THE MINISTRY OF ECONOMIC DEVELOPMENT)

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Abstract
The article describes the technology of performance management as a special type of management, which is based on comparison between the achieved and planned indicators. The authors prove the necessity to implement this method into the practice of government agencies and their officials’ activities managing. In Russia, this method is used in stuff management, i.e. at enterprises, but not in government. There is no practice of public obligations of agencies’ heads for their annual work. The term “performance management” is not used in Russian science, it is replaced by "management by results," which has absolutely other meaning. It seems that the Russian state leaders see a low level of quality management in the country. There were calls for improved planning and separate measures have been proposed at least in the presidential decrees. The authors of the article reveal some improvements, but consider them absolutely inadequate. For the argumentation of this conclusion, the accounts of the Ministry of Economic Development - the profile structure in the Government responsible for carrying out economic and administrative reforms - considered. The result of our calculations: the report does not comply with the principles of the PM, of the planned indicators the report contained only 11%.

Keywords: Performance Management, the comparison between planned and reporting indicators.

JEL code: H72, H75, H110.

Introduction
Performance management (PM) is the technologies of social management, which implements the principles of administrative reform. Embodying the principles of the mandatory accountability of individuals and legal entities, including agencies and heads of public services, it is widespread in the world. More over it became the routine practice for most countries by the end of the twentieth century. Currently in many of them, the principles of PM are considered to be too rigid, therefore – and this is more than reasonable – they began to restrict its scope. The last statement is hardly dangerous for our country, where the obligation of accountability is only beginning to be applied.

PM is the important control technology: it is used as an element of stuff management, when comparing the effectiveness of programs, as well as state officials: agencies (ministries), territories (states, republics, lands, etc.) and the government as a whole. Many countries (USA, Canada, China and others) apply it as part of the contract system with high-level leaders. Texts of labor contracts with senior managers are open: they are placed on the sites of the organizations and stored on the archive portal. They are compiled according to a regulated form, in strict accordance with the principles of Performance Management. Annual reports are mandatory and public.
In Russian science, the term Performance Management is known, but it is used for "external use", i.e. when translating into foreign languages. In general, during the past 20 years, interest to plan topic for researchers has almost disappeared. It is impossible not to reproach colleagues and themselves: the quality of economic management is getting worse, but and studies are becoming fewer. Nevertheless, the need to introduce the principles of the PM is indicated in some studies (Gusarova&Ovchinnikov, 2014). At the same time, in texts for Russian readers, scientists use the euphemistic Russian analogue – "results management". The authors of the article are convinced in of the inadmissibility of such a substitution. The applied term does not reflect - moreover, it distorts - the essence and principles of the PM: firstly, it is a comparison of the plan and the result and secondly, the publicity of the report.

It is considered that at the forefront of this planning method were the researchers, Armstrong&Baron (1998) who expressed the need to isolate the patterns obtained from the analysis of the enterprises (their personalities and production teams) into a special section, having formed a new direction of analysis. The same intention, but from the point of the theory of human capital, was expressed by Dessler G. (2013). The value and current problems are described by generalized reports and publications (Curristine; Neilson, 2013; Performance Management system, 2008). The article of J. F. Henry (2003) contains a bibliography on the subject of PM, consisting of more than 70 works, as well as their review. An interesting critical approach of the use of PM at the ministerial level, using the experience of Canada, is described in the article by Clark & Swain (2006) who consider certain types of plans-promises as utopia, and their implementation by officials as surreal practices. This approach, proposed on the basis of their own experience received while working the ministry, would be interesting to compare with the Russian one. Cokins's monograph (2007), which could make specific recommendations when transforming Russian ministries on the principles of the PM, was repeatedly translated.

Modern foreign researchers refuse to use PM. With this conclusion, are more than agree the workers (managers) of Russian enterprises, for example St. Petersburg State University, where were these principles implemented. Indeed, too stringent requirements for the fulfillment of the annual obligations undertaken by employees, lead to their restraining their plans to develop their own or managed business activity. However, this statement is true, first of all, for executors or leaders of the lowest level. In Russia, not yet the culture of performing discipline and even not the objective results of labor activity, but loyalty (personal ties and relationships) to the authorities play a more significant role in shaping a successful position. The introduction of PM as a way of fixing real results against the promised ones is more than actual. This is especially true for the spheres of executive power, i.e. at the level of ministries, as well as regional offices in general, so the introduction at this stage is more than justified.

The need to introduce the principles of the PM is indicated in some Russian works (Clark&Swain, 2006; Cokins, 2007; Gusarova&Ovchinnikov, 2014), while the absence of a single designation of the phenomenon is indicative. Most researchers use the term "results management", which in no way reflects the essence of the PM, the distinctive features of which are, first, the comparison of the plan and the result, and secondly, the publicity of the report. Both are not regulated in the framework of the "results management". In general, the number of works aimed at improving governance in Russia is extremely inadequate.

It seems that the Russian top management sees a low level of quality of state governance in the country. At least in the decrees of the President (Decree No. 825; Decree "On the evaluation...") and in a number of government documents (Federal Law No. 172-FZ; Federal Law No. 172-FZ; Legislative requirements) the calls for improved planning and reporting have been voiced, separate measures have been proposed.
With respect to PM, they can be grouped in three directions. The first are reports on the work done and the results achieved by agencies. In Russia they are identified by abbreviation - DRONDS and they have received enough distribution. They are distinguished by the obligatory forms of the presentation with emphasis on the results of the plan, primarily on volume indicators.

The second direction is management by results, where the view of efficiency and publicity is actualized. Beginning in 2010, almost all ministries (except for two: Construction and Housing, as well as the Affairs of the North Caucasus) have sites where they submit their plans in general and in the directions. They must report on the results of the work (in general, for the year and quarterly). Requirements for informational openness of the subjects of public administration have been developed (Legislative requirements). They are used for compiling open ratings (Decree "On the evaluation...").

The third direction is actually PM, which is introduced into the stuff management. These practic is identified as "labor functions". Having absorbed the basic principles of the PM, not all of them are applied in the Russia: the reports did not become public (1), according to the assessment of their performance they can dismiss an employee, but rarely raise them. Nevertheless, the results of performance are publicly available. Leaders on basic reporting indicators (for example, by the number of articles in Scopus) are identified and recognized.

Authors of the article tried to assess the quality of planning from the position of PM in the Ministry of economic development (MED), taking into account its position as the leader of administrative reforms and its high position in rating of openness. For the basis of comparison we have taken the following documents: " The Plan of activities of the MED for 2016-2020" (The Proclamation, 1987), "On the performance of MED RF activity for 2016 and aims for 2017" (On the performance...), as well as official statistical reports about country's activity (Consolidated annual report, 2015; Monitoring, 2016).

It should be directly notice that "The Plan of activities of the MED for 2016-2020" was written in qualitatively different form if compare with planning documents, which were made previously, i.e. at the end of the XX – the beginning of the XXI century. This document (relatively small in volume – 76 p.) identifies the main functions and goals of the Ministry, according to which activity for year is being distributed. It shows and that is also significant, the names of the employees responsible for drafting the relevant sections. It reflects two kinds of scheduled events: the achievements in quantitative indicators (including characteristics of the socio-economic development of the country as a whole) and a list of tasks that embody concrete activities and deadlines for their implementation. There are targets contained in the MED plan in tables 1-4: the first column shows the name of indicators, the second – their quantitative characteristics and in then - achieved results. Those indicators whose performance data was not detected are listed after the text of the table.

One part of performance indicators characterizes MED’ intrinsic activities, another one - expresses the socio-economic data for the country as a whole. Taking in consideration the fact that not the whole list of data, expressing the level of country’ development, is presented in MED plan, it seems that it exists the consolidation of responsibility areas between Ministries.

Noteworthy discrepancy between task plans and reports of MED activities for the year 2106. So, in the report "Main results of MED in 2016" (Main results, 2016) are formulated the following areas of responsibility: the investment policy and development of public-private partnerships (1), the creation of a favorable business environment and reducing administrative barriers (2), the development of competition and improving antimonopoly regulation (3) , the development of RIA (regulatory impact analyses) mechanisms (4), the improvement of corporate and other types of legislation (6), the management of state property (7), state services (8), support of investment
projects (9), special economic zones (10), foreign economic activity (11), the creating of non-oil exports’ support system (12), the innovations, including the creation of advanced industries and workplaces (13). It is in contrast to the five tasks formulated in the plan and fixed by us in four tables. It is obvious that there has been a change in management guidelines, which, given the shortness of the term, can not be justified. The differences are in the selection of resulting indicators on areas too. So, in the report for the year 2016 indicated the following results: successes in improving the ranking of the Russian Federation in the international system, the formation of "road maps" in new areas, such as corporate business and the other. It does not meet the plan indicators.

For convenience the indicators of MED plan were grouped according to 5 tasks: economic policy in general (see tab. 1.), business development (tab. 2.), promotion of exports (tab. 3.), part of the social data that was not included in the previous tables, are grouped and simply described in the text. In a separate table (tab.4) shows the plans for the implementation of programme, for which the MED is responsible. As not all indicators were given in two MED reports (On the performance…; Main results, 2016), in some cases to obtain the result we made calculations. The sources of quantitative estimates and their calculation are given in column 5 (comments).

Table 1. The results of the implementation of MED plan according to section «Economic policy of the country» in 2016

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Plan</th>
<th>Fact</th>
<th>% of completion</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The gross regional product per capita (thousand rubles)</td>
<td>128,5</td>
<td>58,5</td>
<td>45,5</td>
<td>85880,6:146,8 calculations according to the Consolidated report (19)</td>
</tr>
<tr>
<td>2. The index of industrial production up to last year (%)</td>
<td>96,6</td>
<td>103,2</td>
<td>106,8</td>
<td>(19, c.7)</td>
</tr>
<tr>
<td>3. The share of exports of machinery and equipment in total exports (%)</td>
<td>14,5</td>
<td>7,9</td>
<td>54,5</td>
<td>(25, c.85)</td>
</tr>
<tr>
<td>4. The index of growth of non-oil export up to 2015 year (%)</td>
<td>6</td>
<td>5,4</td>
<td>90,0</td>
<td>(25, c.830)</td>
</tr>
<tr>
<td>5. The increase in number of objects of schools (units)</td>
<td>8</td>
<td>5</td>
<td>62,5</td>
<td>(25, c.47)</td>
</tr>
<tr>
<td>6. The unemployment rate (%)</td>
<td>5,9</td>
<td>5,5</td>
<td>Upgrade</td>
<td>(19, c.6)</td>
</tr>
<tr>
<td>7. The mortality rate (number of deaths per 1000 inhabitants) (%)</td>
<td>14,9</td>
<td>12,9</td>
<td>Upgrade</td>
<td>(25, c. 72)</td>
</tr>
</tbody>
</table>

Taking in consideration the lack of indicators, and therefore quantitative parameters in their reports, the table does not include such directions of planning as:
- the growth in the number of exporter organizations up to 2011 (42%),
- putting into action of new water systems (7,97 km),
- the growth of port infrastructure (5 units),
- the share of organizations engaged in innovation ,(10,2%)
- life expectancy (71,3 years),
- the growth in the number of exporter organizations up to 2011 (42%).

As mentioned, all characteristics presented in tables 1 to 4 (and there were 46) is taken from the text of the MED plan. The tables clearly show low level of correlation between plans and reports. So, out of the 46 planned items actually in the report refers only to 5, i.e. 11%. Some of the data on the planned indicators were kept out either in a pivot (Excel) table (Consolidated annual report, 2015) or in the report "Main indicators of socio-economic development of the country for the year 2016" (Monitoring, 2016). All in all in many respects (at 27, which is more than half) data were not documented in named above documents.
Table 2. The results of the implementation of the MED' plan for the improvement of public administration

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Plan</th>
<th>Fact</th>
<th>% of completion</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The number of participants in interregional forums (people),</td>
<td>1600</td>
<td>4000</td>
<td>250,0</td>
<td>25, с.35</td>
</tr>
<tr>
<td>2. Citizen satisfaction with quality of state services (%)</td>
<td>80</td>
<td>82,9</td>
<td>103,6</td>
<td>(19), section “state services”</td>
</tr>
<tr>
<td>3. The increase in the number of services, satisfaction with the quality of which is assessed by population (items)</td>
<td>24</td>
<td>86</td>
<td>358,3</td>
<td>(19) section “state services”</td>
</tr>
</tbody>
</table>

Due to the lack of data, the table does not include such planning directions as:
- The increase in the number of public services that have regulations (28 numbers),
- The number of agreed plans "Strategic planning" (with the regions) (5 items),
- A number of bills aimed at improving the investment process (5 items),
- The share of capital investments, not secured by regulatory assets (9,3%),
- The number of prepared reports (2).

Considering the "Plan of MED’ activities for 2016-2020 years" from the point of view of its correlation with the principles of PM, it is necessary to include the following. Undoubtedly, this is a plan designed to identify areas of work that needs to be done. The Ministry had a clear idea of what legislative and regulatory activities must be conducted, as reflected in the plan. It is also noteworthy that it indicates the names of the individuals responsible for specific sectors, as well as the timing of expected performance. The Ministry staff is aware of responsibility for economic policy and development of the economy (its some directions), which is reflected in the attempt to present some indicators of RF socio-economic development as a field of its responsibility.

Table 3. The results of the implementation of MED’ plan to support exports, the investment climate and entrepreneurship

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Plan</th>
<th>Fact</th>
<th>% of completion</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The volume of investments in fixed capital per capita population (thousand RUB)</td>
<td>25,2</td>
<td>6,2</td>
<td>24,60</td>
<td>the calculations on the report (25): 9116,1: 146,8</td>
</tr>
<tr>
<td>2. The ratio of investment in fixed capital to gross regional product (%)</td>
<td>19,6</td>
<td>10,6</td>
<td>54,08</td>
<td>the calculations on the report (25): 9116,1: 85880,6</td>
</tr>
<tr>
<td>3. The formation of a favorable investment climate – the position in reuting of the Doing Business</td>
<td>40</td>
<td>40</td>
<td>100</td>
<td>17, с.22</td>
</tr>
<tr>
<td>4. The number of business entities per 1000 persons</td>
<td>41</td>
<td>40,8</td>
<td>99,51</td>
<td>(19), section &quot;small and average business&quot;: 6 mln:147</td>
</tr>
<tr>
<td>5. The number of Russian residents from other regions (pers.)</td>
<td>5599,6</td>
<td>3497</td>
<td>62,45</td>
<td>17, с.58-60</td>
</tr>
<tr>
<td>6. The number of small businesses that have received state support at the initial stage (items)</td>
<td>500</td>
<td>321</td>
<td>64,20</td>
<td>17, с. 9</td>
</tr>
<tr>
<td>7. The number of passports given to foreign trade projects, items</td>
<td>250</td>
<td>296</td>
<td>118,40%</td>
<td>(17 , c. 64 and 66)</td>
</tr>
<tr>
<td>8. The number of newly identified and eliminated barriers in international trade activities (%)</td>
<td>28/23</td>
<td>56/24</td>
<td>200 / 104,3</td>
<td>(17, c.95) (17, c.25)</td>
</tr>
</tbody>
</table>
Due to the lack of data, the table does not include such planning directions as:
- The proportion of the number of industrial workers in total employment (26.1%)
- Coverage of small and medium business by state support (4.5%),
- The number of open trading houses abroad (10),
- The growth in the number of domestic exporters (142),
- The number of projects implemented jointly with the Russian export centre (30 REC),
- The number of businesses who have benefited from the support of the state (8200 items),
- The term of registration and cadastral valuation property (10 days),
- The duration of registration and cadastral valuation of property in the personal parish (13 min.),
- The duration of registration and cadastral valuation of the property at the appointment (4 days).

It seems that the absence of the designated indicators can be explained by two reasons. The first is the slow work of the Committee on statistics, which have not yet provided the necessary information. Thus, it is not clear why were not taken the polls, which constantly monitors changing in public opinion on the quality of state services. The second reason relates to information on business development in Russia. It seems that they were not given due to negative trends arising from economic crisis and political sanctions which were not overcome.

The most critical situation is found in connection with the reports on social indicators. None of the four planned indicators are presented in the report:
- A number of citizens who returned to Crimea from other regions (1150 persons),
- The share of budgetary funds transferred to socially-oriented NPO (3%),
- The number of jobs created in single-industry towns through assistance from the budget (250 pers),
- The volume of attracted investments in the company towns (500 million RUB).

The same situation is found when assessing the social indicators. In reporting the scorecard was changed. Instead of named ones appeared the following data: the number of participants (companies) in the free economic zone "Crimea" (was given number – 1039), the volume of government loans (54.2 billion rubles). According to data pertaining to single-industry towns in reporting were named: the number of territories of advanced socio-economic development (TOSER) (11 zones ) and account of residents (14 units).

It’s impossible to assess the performance of MED programme plans. As has been mentioned, the transition to the methodology PM had begun with them in western countries. In Russia, all these programs have websites, but reports about their activity in 2016 could not be found on them. The best to our mining is the presentation of the program “Socio-economic development of Crimea”. There is a table about half of the indicators, the data are collected (annual and quarterly cut), but the overall data, evaluating the degree of fulfillment of plans for the years as indicated in the MED plan is absent.
Table 4. Indicators reflecting the implementation of the strategy of the national
development, as well as programme involving by the Ministry

<table>
<thead>
<tr>
<th>Indicators implementing</th>
<th>Plan</th>
<th>Fact</th>
<th>% of completion</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. strategic development of national plan (%)</td>
<td>100</td>
<td></td>
<td></td>
<td>Portal exists</td>
</tr>
<tr>
<td>2. the program &quot;Economic development and innovative economy&quot;</td>
<td>100</td>
<td></td>
<td></td>
<td>Portal exists</td>
</tr>
<tr>
<td>3. the program &quot;The development of economic activities abroad (in the framework of the &quot;Support of access to foreign markets and export support&quot;)&quot;</td>
<td>100</td>
<td></td>
<td></td>
<td>Portal and road map of events exist</td>
</tr>
<tr>
<td>4. the program &quot;Socio-economic development of the Republic of Crimea and Sevastopol until 2020» - (thousand rub) (from budget)</td>
<td>148000865</td>
<td>102537415</td>
<td>69,3</td>
<td>See Website with table on planning data and achieved results</td>
</tr>
</tbody>
</table>

Evaluating the table 4, not to mention the unrealistic attitude of the experts who planned MED activities. Given the complexity of the economic situation, both within the country and outside, to assume that you can perform all programs on 100%, as is recorded in the plan, was hardly a viable solution. The experience in implementing the "Concept of long-term socio-economic development until 2020", as well as other planning documents, has shown the traditional failures in the implementation of targets.

Let’s consider available information on the implementation of 4 named programs. The information provided on the website of the "Strategic development plan" (http://government.ru/programs/225/events/) does not contain a report on the results. It consists of descriptions of activities undertaken, both in annual and monthly format. As revealed by scientists from Analytical center under the President of the Russian Federation in their report "Assessment of the implementation of the strategy of innovative development of the RF until 2020" (Strategy of innovative development), out of 45 planned indicators was made at 52%, not met for 38%, about 9% no data is given, and the calculations at the 1% were not needed at all due to the lack of innovation values (Strategy of innovative development). In any case, the analytics of Center assessed the degree of implementation of the strategic plan for the first three years only on a half.

To characterize the general trend of development of the program "Economic development and innovative economy" we present data obtained by scientists Chernyaeva I., Vyshegorodski I., Gurunan T., Kalmykov N. (Chernyaeva et al., 2016). They cite the following data for execution of the programme: the degree of achievement of target indicators – 94,1%, the degree of implementation milestones – 85,4% (out of 41 events were not met 6), the level of cash execution of Federal budget expenditure – 98,12%.

The portal of the subprogramme "Support of access to foreign markets and export support" (http://government.ru/roadmaps/113/events/) contains measures adopted to encourage exports and government documents, taken on a subject. The description of the activities listed on the portal word for word duplicates the activities of government in the programme "Economic development and innovative economy".

The fourth program - "Social-economic development of the Republic of Crimea and Sevastopol until 2020" is valid from 2014. Information on the program is presented on two sites. On the first (http://crimea.ria.ru/trend/fcp/) one lists the activities that are being implemented. On it, among other information, contains the certificate stating that the audit chamber checked the fulfillment of this program and found it ineffective, pointing to the lag in the construction of the 180 objects and not the full development of the allocated funds. The second site
(http://fcp.economy.gov.ru/cgi-bin/cis/fcp.cgi/Fcp/ViewFcp/View/2017/429) contains a table with the socio-economic indicators (in the planning and reporting section), including funding for 2016 and monthly income by 2017. Despite the criticism of the accounting chamber, this site of the program (although the data table is filled in the best case on a quarter) is to best match the analytical challenges of monitoring progress towards achieving objectives.

While finding information on MED reports, directly or indirectly representing the data on the planned indicators, it became evident the absolute dominance of planning documents over the accounting. Not to mention that if in 2012, in accordance with the decree of the President of country, reports on Ministry’ implementation of programs and strategic development plan of the country were given, then for subsequent years the reports were extremely difficult to find.

So, summing up the arguments, we note that, judging by chaos in the reporting documents presented on the sites of different levels of state enterprises, the implementation of the PM’ principles in the Russian Federation is more than necessary. No less important is their inclusion in the system of management documents, which means, first of all, the transition to mandatory public annual contracts with heads of agencies and state enterprises. In the meantime, the principles have been implemented at the grass-roots level, where they are least appropriate. Many offices have embodied them in the preparation of a new document for the Russian personnel management-labor functions. It is impossible not to note the increase in the activity of workers, which was initiated by their implementation, although the negative sides of this new type of employment contracts were revealed.

The authors are convinced that further development of the theory, and just in the view of PM, rather than performance management, will reveal new opportunities for social control over the activities of enterprises and their leaders. For now the facts revealed by the example of one of the best (profile) Ministries show that the authorities are completely unready to improve the quality and effectiveness of management.

The current planning principles, orienting the performers to obtain better final results, generally correspond to the requirements of the initial stage of PM. Much worse is the case with the implementation of the principle of mandatory reporting. It is applied, but in a truncated form, i.e. not publicly and, as a rule, without meeting single fixed uniform requirements for presentation. The analysis carried out in the article showed a discrepancy between the planned and reported indicators, which makes it impossible to summarize the effectiveness of the planned activity of the Ministry of Economic Development. Comparison of the achieved and planned results on the found indicators does not allow us to identify a single pattern, since the results are contradictory: successes coincide with failures.

The authors have identified directions for subsequent analytical thinking:
1. a lack of researchers’ interest to the problems of control over planning and financing,
2. inadmissible, but by almost all scientists of the country shared substitution of concepts that distort the essence of social technology;
3. the reasons for shifting of priorities, causing changes in the set of reporting indicators for the period per year,
4. catastrophic failure in fulfilling plan for such indicators as: volume of the gross regional product per capita (24.6), the number of small enterprises that received state support at the initial stage (64.2), the volume of investments in fixed capital per capita population (25%).
5. the formation of arenas (scientific publications) for expert assessments of public control over the implementation of the program plan.
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