METHODICAL RECOMMENDATIONS ON THE DEVELOPMENT AND IMPLEMENTATION OF KEY PERFORMANCE INDICATORS BASED ON STRATEGIC GUIDELINES FOR THE DEVELOPMENT OF PUBLIC POLICIES

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Abstract: *the article is devoted to methodical recommendations on the development and implementation of key performance indicators system in a specific federal government body, taking into account regional features and implementation risks. The system of key performance indicators is not widely used in the Russian Federation, but work is under way in this direction. During the iimplementation of the of key indicators system, it is necessary to clearly follow the reaction of regions or subordinate structures to the downgrades, follow the implementation plan and conduct analysis at each stage. The article shows real mechanisms of material and non-material incentives for subjects to achieve the best values of indicators based on performance evaluation in order to maintain the interest and self-improvement of the proposed system.*
Keywords: *key indicators system, work efficiency, efficiency increase, civil servants, public service, federal executive authorities, regional executive authorities, motivation, implementation risks.*

МЕТОДИЧЕСКИЕ РЕКОМЕНДАЦИИ ПО РАЗРАБОТКЕ И ВНЕДРЕНИЮ КЛЮЧЕВЫХ ПОКАЗАТЕЛЕЙ ЭФФЕКТИВНОСТИ НА ОСНОВЕ СТРАТЕГИЧЕСКИХ ОРИЕНТИРОВ РАЗВИТИЯ НАПРАВЛЕНИЙ ГОСУДАРСТВЕННОЙ ПОЛИТИКИ

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Аннотация: *статья посвящена методическим рекомендациям по разработке и внедрению системы ключевых показателей в конкретном федеральном органе государственной власти с учетом региональных особенностей и внедренческих рисков. Система ключевых показателей эффективности не имеет широкого применения в Российской Федерации, но работа в данном направлении ведется. При внедрении системы ключевых показателей необходимо четко прослеживать реакцию регионов или подчиненных структур на спускаемые показатели, следовать намеченному плану внедрения и проводить анализ на каждом этапе. В статье приведены реально действующие механизмы материального и нематериального поощрения субъектов при достижении наилучших значений показателей по итогам оценки эффективности деятельности в целях поддержания интереса и самосовершенствования предлагаемой системы.*
Ключевые слова: *система ключевых показателей, эффективность работы, повышение эффективности, государственные служащие, государственная служба, федеральные органы исполнительной власти, региональные органы исполнительной власти, мотивация, внедренческие риски.*

Introduction

In a modern society with the development of active citizenship, openness of data is becoming a new trend in improving the mechanisms of public administration. Transparency, objectivity and accessibility of information contribute to the adjustment of management processes and discipline in government bodies of the Russian Federation [7]. The implementation of the key indicator system is an effective tool, but why this tool is not implemented everywhere, and many innovative attempts are not getting the proper success? Is it necessary to implement systemic approaches everywhere, and are there any universal solutions? The answers to these questions will be considered in this article.

1. Development of the system

This section is devoted to the development stage of key performance indicators (KPI) system. In order to ensure their successful subsequent implementation, taking into account the following recommendations:

1. It is necessary to take into account the strategic guidelines for the development of the conditional direction of state policy. Such guidelines, as a rule, are contained in the Main Directions for the Development of State Policy in a Certain Area or in the Development Strategy, if such is developed.

2. It is recommended to take into account the opinion of the regions or subordinate authorities through the coordination of the KPI being developed.

3. When assessing regional executive bodies, it is necessary to take into account the specifics of the regions, expressed in natural and climatic features, historical, political and religious characteristics, peculiarities of geographic location, population density, resource availability, etc.

In addition to the indicated objective characteristics, it is proposed to take into account the starting positions and the dynamics of the development of the regions.

In this regard, it is necessary to take into account all the indicated characteristics of the regions expressed in dividing them into blocks and to implement a subsequent code, based on the obtained grouping of certain numerical values of private indicators in the integral indicator of the development of regions.

As the numerical characteristics of regions it is recommended to select not more than 28 comparable indicators (according to Federal State Statistic Service, rating agencies, etc.), interpreted as partial generalized indicators taking into account their weight values, and grouped into 4 blocks indicated in Table 1.

Table 1. Integral index of regional development

Block name	**List of indicators**
Territorial attractiveness	➢ density of public railway lines; ➢ density of public roads with hard surface; ➢ population density; ➢ sown areas of all crops; ➢ total timber stock; ➢ potential of mineral resources; ➢ average annual air temperature; ➢ level of the pollution emission into the atmosphere
Investment and innovation attractiveness	➢ investment in fixed assets per capita; ➢ value of fixed assets per capita; ➢ The share of innovative goods, works, services in the total volume of shipped goods, works performed, services; ➢ The share of the employed population with higher education; degree of investment risk; ➢ number of personal computers per 100 employees.
Real economy and budget system	➢ gross regional product per capita; ➢ The volume of shipped goods of own production, performed works and services by own means by types of economic activity "Mining", "Processing industries", "Production and distribution of electricity, gas and water" per capita; ➢ production of agricultural products per capita; ➢ the amount of work performed by type of economic activity "Construction" per capita; ➢ the balanced financial result (profit minus the loss) of the activities of organizations per one registered organization; ➢ consolidated budgets revenues of Russian Federation subjects per capita.
Labor market and the population's living standards	➢ the income of the population per capita; ➢ ratio of the average monthly wage to the cost of a fixed set of goods and services; ➢ level of registered unemployment; ➢ number of crimes per 100,000 people; ➢ life expectancy of the population

The consolidated index for the development of the region is calculated on the basis of the arithmetic mean of the four integral indicators, each of which, in turn, is defined as the arithmetic mean of the normalized partial indices.

In addition, when developing KPIs, the following requirements must be taken into account: the balance of quantitative and qualitative indicators, their consistency and mutual coordination.

The developed KPIs can be expressed in: absolute values (units, pieces); relative values (shares, percentages, deviations); value values (money, labor costs); time values (terms, time costs, duration); logical values (yes / no, 1/0); scales (excellent, good, satisfactory, unsatisfactory, 1 to 9).

The scheme for the development and implementation of KPI for an individual federal executive authority consists of the following stages.

1. Creation of a working group (project office) to develop KPIs and coordinate their implementation.

2. Organization of work on the development of KPI by decomposition of the main directions of state policy in a certain sphere; sending an information letter to the regions describing the decomposed directions to be evaluated.

3. Organization of a seminar-meeting with regions in order to conduct training in the rules for the development of KPIs, the implementation's specific. Generalization of the proposals received from the regional executive authorities.

4. Structuring by the members of the working group of all proposals received from the units of federal executive authorities responsible for the decomposed directions of the implementation of state policy and regions under uniform patterns for each direction.

5. Sending to the regions of a structured version of KPI for making proposals.

6. Processing received proposals from regional executive authorities, coordination with structural subdivisions of the federal executive authority.

7. Sending to the constituent entities of the Russian Federation a formed request containing an annotation for entering data on the achievement of KPI.

8. Processing of received data from regions. Building a test rating, based on the results of the assessment of the achievement of quality indicators.

9. Organization of a training meeting with regions in order to summarize the results of the test rating. The analysis of the best and worst practices of achieving KPI.

10. Visiting of the members of the working group and heads of structural subdivisions of the federal executive authorities to the regions in order to carry out consultations and work out the shortcomings of the system.

11. Formation and sending to the regions of the second request in order to update the information and fill the quantitative indicators.

12. Processing the results obtained and constructing a final rating containing a basic rating and a dynamic rating (a rating that includes a difference in performance gain relative and the initial rating (starting position).

2. Implementation schedule

The proposed schedule for the implementation of all the described stages is designed for three years.

During this time, it is necessary to implement a set of measures aimed at the implementation of this project. Thus, the development of KPIs (responsible for the conduct of federal executive authorities (in the schedule - the FEA) and regional executive authorities (in the schedule - REA), the introduction of KPI (FEA, REA), as well as information, training (FEA, REA) can be carried out throughout the all project implementation period. Work on the motivational component of the project (FEA) should be carried out in 9 steps out of 12, provided by the schedule.

The development of indicators, according to the strategic documents (FEA) should be completed in the first six months of the project (the first 2 steps).

Coordination of the methodology with the structural subdivisions of the ROV and the coordination of the methodology with the structural subdivisions of the FEA should be carried out every second quarter during the entire duration of the project. The coordination of the indicators with the structural divisions of the REA and the FEA should be carried out five times at different stages of the project implementation in order to improve the accuracy of the received material.

The regional test rating will be held once at the initial stage of the project to determine the initial positions of the subjects of the Russian Federation.

The final rating of the Regions (Basic and Dynamic Ratings) (FEA) in the first two years is recommended to be carried out every second quarter and quarterly in the third year of project implementation.

It is expected that this time will be enough for the development of the methodology, its testing, the implementation of a pilot project, the elimination of difficulties, the development of motivational mechanisms, the formation of final ratings. At the end of the control period, the project should be implemented in full and start working offline.

The plan for the implementation of the system is shown in Table 2.

Table 2. Project implementation schedule

№ п/п	Мероприятие	1 год				2 год				3 год			
		I	II	III	IV	I	II	III	IV	I	II	III	IV
1	Development of KPIs												
1.1	Development of indicators according to the strategic documents												
1.2	Coordination of the methodology with the REA's structural subdivisions												
1.3	Coordination of the methodology												

	with the FEA's structural divisions												
2	KPI's Implementation												
2.1	Information providing, training												
2.2	Coordination of indicators with the structural subdivisions of the REA and FEA												
2.3	Regional test rating												
2.4	Final regional rating (basic and dynamic ratings)												
3	Motivation												

3. Motivation and implementation risks

In order to develop an effective motivational mechanism a combination of measures is proposed (both tangible and intangible).

Measures of a tangible nature are expressed in the targeted encouragement of "effective" regions; redistribution of financial resources between the regions that showed a low level of achievement of indicators in favor of regions that showed positive dynamics. Intangible - in guaranteed career displacement (both vertical and horizontal); self-realization (achievement of the set goals); involvement in large-scale changes; public recognition [6]

As a sanction for not achieving agreed values of KPIs, it is proposed to consider counter measures both tangible and intangible (for example, redistribution of subsidies for regions that have not reached the established KPI values).

As an additional motivating factor, we consider the rotation of the region within the group (echelon). That is, not only the top 10 and the worst 10 regions out of 85 are subject to mandatory tracking, but the best and worst within the groups (echelons). This solves the issue of lack of motivation in the regions located in the middle of the overall rating, since moving from 47th to 44th place and conversely does not fully focus attention on the expert's part (working group members), and moving from 5th to 2nd place within the group (echelon) will be more noticeable. Moreover, it is possible to predict the situation of the transition of the region from one group to another in connection with the overfulfillment of the values of the indicators.

An important stage in the development of the project is the stage of analysis of risks that may arise during its implementation. The risks of the project are, as a rule, understood as the expected deterioration of the overall performance indicators of the project, arising under the influence of uncertainty.

A sociometry technique known as "Crawford cards" [5] was used to identify risks. The essence of this technique includes the following. A group of experts is going to take 7-10 people. Each participant in the mini-study is dealt ten cards (ordinary paper for notes is quite suitable for this purpose). The moderator asks the question: "What is the most important risk in this project?" All respondents should write the most important risk in this project according to their opinion. At the same time there should be no exchange of views of participants. The moderator makes a short pause, after which the question is repeated. A participant can't repeat the same risk in a response.

After the question has been heard ten times, 70 to 100 answer cards will be available to the moderator. If the group is selected qualitatively (it includes people with different points of view), the possibility that the participants in the experiment will indicate the most significant risks for the project is very high. It remains to make a list of these risks and distribute it to participants for making changes and additions.

As a result of the work, a number of risks were identified, which can be grouped in several directions:

1. Organizational

- Insufficient theoretical quality of the project;
- Reduction or lack of funding;
- Going beyond the project implementation deadlines;
- Specific (regional and industry specifics);

2. Implementation-related

- Cumbersome structure of state bodies;
- Unwillingness to use the technique (lack of motivation);
- Refusal to provide information;
- Negligent attitude to the fulfillment of the request;
- Low professional level of staff.

3. External

- Shift of the political vector of the country's development;
- Changing the regulatory / legal environment of the state / industry;
- The impact of the project's results on reducing the importance of other projects;

• Force Majeure.

The next stage of project development involves quantitative and qualitative risk analysis, as well as the development of a risk strategy to reduce the possibility of realization risk and minimize possible negative consequences. The results of the work are shown in Table 3.

Table 3. Risks of the project solution implementation

Type of risk	Bad influence	Protection method
Insufficient theoretical studying of the project	Impact on the implementation of the entire project as a whole. A huge number of problems in the implementation process. An incomparable difference in costs and results. As a consequence, the possibility of abandoning the project	Systematic and comprehensive study of the project. Implementation of a pilot project to identify weaknesses.
Reduction of the idea's carriers or lack of funding training.	Particular time will be spent on recruiting and replacement training in the case of a reduction in the staff already involved in the project implementation process.	To educate people who can quickly replace the retired personnel.
Going beyond deadline of the project implementation.	1. Increase the cost of the project, as it will take longer to work with the staff. 2. Reputation losses associated with the inability to timely implement the project	Implementation of hard time management.
Specific (regional and industry characteristics)	The negative impact of this risk is due to the geographical size of the country as well as the presence of narrow-branch features. Impossibility of evaluation, or correlation of any parameters.	Comprehensive theoretical study at the stage of project development and methods for evaluating the results.
Negligent attitude to the execution of the request	Poor performance of the task (not complete, not objective, not on time), which in the end will lead to a chain reaction in the implementation of the project.	Careful monitoring of the execution of instructions. Set reasonable deadlines.
The cumbersome structure of state authorities.	A large number of FEAs, each of which is engaged in current activities and is not interested in additional workload.	A clear indication of the execution with the exact terms of elaboration of the necessary material
Reluctance to use the methodology (lack of motivation)	Increase in the project implementation time	Detailed explanatory work with the staff for what and why it is necessary to carry out this work. If necessary, use measures of strict administrative influence, or methods of motivational incentives to increase interest
Refusal to provide information	Absence of requested information in the final ratings, which will not allow an objective assessment of the situation in the region and will reduce the number of regions evaluated.	Detailed explanatory work with the regions for what and why it is necessary to carry out this work. If necessary, use measures of strict administrative influence
Low staff professional level	Not understanding what is required from the performer. As a consequence, the transfer of knowingly irrelevant or erroneous information	Organize direct contact between the methodologist and the implementer to resolve emerging issues. Visual materials, feedback.
Displacement of the political vector of the country's development.	Refusal from the methodologies that came from a certain range of countries. Reorientation to other scientific schools and approaches Maximally use the experience of foreign countries	Maximally use the experience of foreign countries
Changes in the regulatory / legal environment of the state / industry	The changing regulatory / legal environment of the state / industry carries the potential threat of root changes in the industries, which will lead to a change in the criteria for assessing activities.	Project development with maximum consideration of all possible changes in the regulatory and legal environment of the state

The impact of the project's results on reducing the importance of other projects	Excessive "passion" for the project. In the implementation of this project, staff can consider it as a priority and the most important focus only on it which will entail a decrease in the quality of work in other areas of activity.	Regular explanatory work among employees to convey information about the importance of not only this project, but also current work, responsibility for the implementation of which nobody removed
Force majeure	The situation that has a cardinal effect on the situation in the region or industry (fire, flood, state of emergency of man-made nature, military actions, etc.)	Creation of temporary, human, financial, material and technical and other reserves for project implementation
The division of one direction of state policy between different authorities	The lack of a timely response to a request. Absence of one responsible official. The complexity of collecting information from different sources under one program.	Preliminary identification of those responsible for implementation and pointing requests

This table presents the most significant risks, describes their likely impact on the project, as well as those methods that can potentially eliminate this risk, or reduce its impact on the project.

Conclusion

The system of key performance indicators is an effective tool, but the effectiveness of its application will be great only if you consider the following factors:

1. Each subject and structure has its own characteristics.
2. In the process of implementation there are a number of risks that need to be calculated and taken into account.
3. The motivation system is an integral part of the system implementation process. Mechanisms to stimulate subordinate structures require an individual approach.
4. Implementation is possible only if there is a clearly defined plan, broken down by specific activities and stages.

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