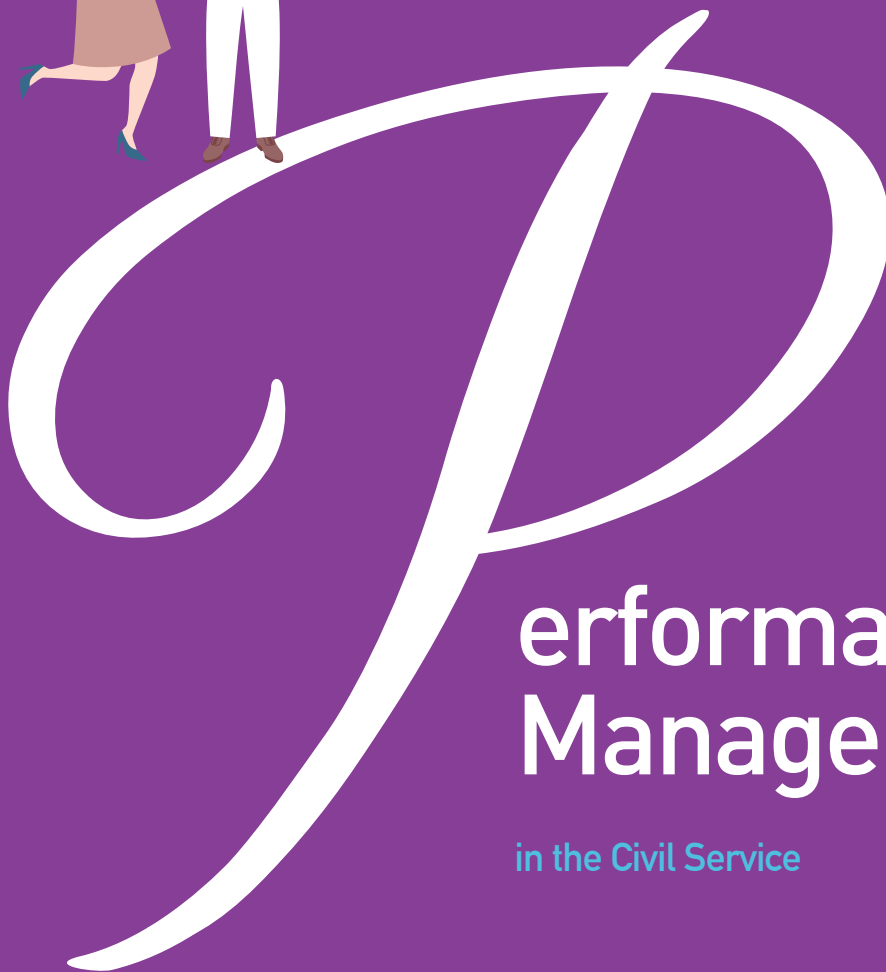


The Power that Unites the Republic of Korea



Performance Management

in the Civil Service



Ministry of Personnel Management



The Power that Unites the Republic of Korea

From recruiting public servants to training, performance management, human resource management, competency assessment and civil service ethics, integrated innovation in public personnel management based on respect for people helps realize the fairest and most transparent civil service.

Capable talent and an efficient system will lead the future of a united Republic of Korea.





A Fair, Objective, Reasonable and
Flexible Performance Management Culture
that Fosters Collaboration

Performance Management

PART 1

Development of
Performance
Management
in the Civil Service

PART 2

Key Features of
Performance
Management
in the Civil Service

PART 3

Major
Achievements

ABOUT Performance Management

What is performance management in the civil service?



Performance management refers to the process through which an organization evaluates the competency and performance of its members and uses the evaluation results to improve its policies, allocate resources and determine compensation for the enhancement of organizational efficiency.

The Four Stages of Performance Management



The performance management process consists of performance planning, execution, evaluation, and feedback conducted through communication between the evaluator and the subject of evaluation.

How would you describe the process of performance management?



What are the implications of performance management?



Performance management promotes growth at the personal and organizational level – it enhances individual competencies and organizational performance, facilitates communication within the organization, and motivates people.

What is the overall structure of the performance management system?



Two Types of Performance Evaluation



The work performance rating, a key element of performance evaluation, is classifiable into “evaluation of performance agreements, etc. (for Grade 4 or above)” and “evaluation of work performance (for Grade 5 or below)”.

What are the criteria for evaluating performance agreements, etc.?



Evaluation of performance agreements, etc. is conducted once a year based on a civil servant's individual accomplishment of performance goals, divisional performance, qualifications, capabilities, etc.

Biannual Evaluation of Work Performance



Evaluation of work performance is conducted twice a year based on a civil servant's work performance, competence, and work attitude/divisional performance (optional).

What are the criteria for evaluating work performance?



How are the performance evaluation results used?



Performance-based Annual Salary for Civil Servants of Grade 5 or Above



Evaluation results are used for various personnel management purposes, including promotion, training and education, assignment, special promotion, and payment of performance-based compensation.

Evaluation results affect the payment of performance-based annual salary (for Grade 5 or above) and that of performance-based bonus (for Grade 6 or below).



How do the performance evaluation results affect compensation?



PART
1

HISTORY

Development of Performance Management
in the Civil Service



Overview of the Performance Management System

Definition of Performance Management

Performance management in the civil service refers to a process in which an organization sets its mission, vision, mid to long-term objectives, annual goals and performance indicators and manages performance and outcomes from the perspective of efficiency and effectiveness. An organization establishes strategic plans to accomplish its mission and carries out tasks through an efficient use of limited resources. Once the tasks are completed, it evaluates organizational competencies and performance accurately and uses the results of such evaluation to improve policies, allocate resources and determine compensation. Throughout this process, the organization aims to enhance overall efficiency.

Importance of Performance Management

The purpose of performance management is to enhance individual competencies and organizational performance. Performance management can bring positive results such as the promotion of active communication within an organization and development of talent. The process of performance management is made up of performance planning, interim review of the progress, communication between the evaluator and the person being evaluated, and final evaluation.

Performance management is a critical process enabling the growth of both individuals and organizations. By setting individual performance plans and goals, members of an organization realize how their work contributes to achieving the organization's mission. Regular monitoring and coaching by the evaluators help them improve competence. Also, final evaluation and feedback motivate them to reach for higher performance.

Legal Grounds

- ✔ **Evaluation:** Regulations on the Performance Evaluation, Etc. of Public Officials (Presidential Decree), Guidelines on the Performance Evaluation, Etc. of Public Officials (Rule)
- ✔ **Performance-based annual salary and bonus:** Public Officials Remuneration Regulations (Presidential Decree), Regulations on Allowances, Etc. for Public Officials (Presidential Decree), Guidelines on Remuneration, Etc. of Public Officials (Rule)

Performance Evaluation System

Evaluation of Work Performance



✔ Purpose

- Evaluate civil servants' work performance and job competencies regularly in a systematic manner
- Use evaluation results as a basis for promotion, payment of performance-based compensation, assignment, etc. and improve the efficiency of the overall organization

✔ Legal Grounds

- Article 51, Article 40, and Article 40, Paragraph 2, Subparagraph 4 of the State Public Officials Act
- Regulations on the Performance Evaluation, Etc. of Public Officials
- Guidelines on the Performance Evaluation, Etc. of Public Officials (MPM Rule)

✔ Subject of Evaluation

- Civil servants of Grade 5 or below in general service (including those in research and technical advisory service)
 - * Grade 1 or below for civil servants in postal service

✔ Timing of Evaluation

- Every June 30 and December 31
 - * A single annual evaluation is allowed if necessary (i.e. no evaluation on June 30)

Career Rating

Purpose

- Classify the career experience of a civil servant (including career experience from the private sector) into Types A, B, C, D, and non-civil service career based on the recentness and similarity to his or her current job class
- Calculate career rating points using a specific ratio for each career classification and use the result as a basis for promotion

Legal Grounds

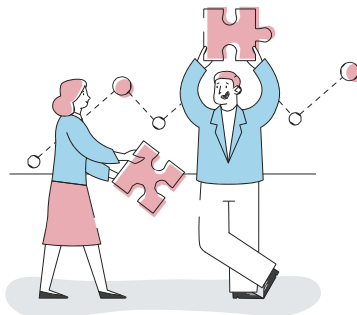
- Article 40 and Article 40, Paragraph 2, Subparagraph 4 of the State Public Officials Act
- Article 31 of the Decree on the Appointment of Public Officials
- Article 14 of the Regulations of the Appointment, etc. of Public Officials Engaged in Research and Technical Advisory Service
- Article 26 - 32 of the Regulations on the Performance Evaluation, Etc. of Public Officials
- Guidelines on the Performance Evaluation, Etc. of Public Officials (Rule)

Subject of Evaluation

- Civil servants of Grade 5 or below in general service, research service, and technical advisory service
- * Grade 2 or below for civil servants in postal service

Timing of Evaluation

- Regular rating: every June 30 and December 31 (biannual)
- Occasional rating: whenever changes are made to the list of candidates for promotion



Performance Evaluation System

Evaluation of Performance Agreements, Etc.

Purpose

- Evaluate personal and divisional performance as well as job qualifications and capabilities of civil servants of Grade 4 or above (including the Senior Civil Service)
- Determine one or more evaluation items; the evaluator and the subject of evaluation set performance goals and indicators
- Evaluate the progress of performance goals during the period of evaluation using the indicators or other evaluation criteria suitable for specific evaluation items and use the evaluation results for personnel management

Subject of Evaluation

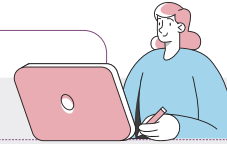
- Civil servants of Grade 4 or above in general service (including those in research and technical advisory service)
- Those who are deemed eligible for evaluation of performance agreements, etc. may also be subject to evaluation even in the case of Grade 5 or below

Legal Grounds

- Article 51, Article 40 and Article 40, Paragraph 2, Subparagraph 4 of the State Public Officials Act
- Article 20 of the Regulations on the Personnel Management of the Senior Civil Service
- Regulations on the Performance Evaluation, Etc. of Public Officials
- Guidelines on the Performance Evaluation, Etc. of Public Officials (Rule)

Timing of Evaluation

- At the beginning of each year based on the previous year's performance (by late January – early February)



Chronological Development of the Performance Management System

The Regulations on Personnel Management Affairs enacted in 1948 provided that appointment, dismissal and recommendation of a civil servant shall be based on his or her qualifications, capabilities, exam results, and work performance and a written opinion shall be provided for such decisions. However, performance management was not sufficiently effective as it was conducted inconsistently across ministries and agencies and detailed performance rating methods did not exist at the time.

Development of the Work Performance Rating System (1961 – 2005)

In October 1961, the first system for work performance ratings was put in place with the enactment of the Regulations on Work Performance Rating. Rating work performance, which had been inconsistently handled across ministries and agencies, became systematic and organized, and this laid the foundation for a performance rating system for enhanced efficiency in the civil service.

● The Career Rating System

Together with the work performance rating system, the government introduced a career rating system to use work experience in the civil service as a basis for decisions on promotion. The career rating system recognizes career experience relevant to the class to be promoted and reflects such experience in personnel management, under the assumption that job skills, such as proficiency and professional skills, improve with experience.

The career rating system was officially introduced with the enactment of the Regulations on Career Rating in November 1961. Afterwards, the Enforcement Decree on Career Rating, announced in January 1964, provided details on the implementation of the Regulations on Career Rating. In 1964, the government enacted the Rules on the Preparation of the List of Candidates for Promotion to provide the timing and methods for preparing a list of candidates for promotion.

Chronological Development of the Performance Management System

● Regulations on Performance Rating for Public Officials' Promotion

In April 1973, the government consolidated the legislation in connection with performance rating, i.e. the Regulations on Career Rating, the Enforcement Decree on Career Rating, and the Rules on the Preparation of the List of Candidates for Promotion, into a single law called the Regulations on Performance Rating for Public Officials' Promotion. Under the new career rating system, more weight was given to career experience in classes close to which a specific person is to be promoted and to experience from recent periods. This trend remains in today's performance rating system.

● Rules on Performance Rating for Public Officials

In July 1981, the government consolidated the Regulations on Performance Rating for Public Officials' Promotion and the Regulations on Work Performance Rating into the Rules on Performance Rating for Public Officials. The government reorganized the overall performance rating system for personnel management including promotion and made a series of revisions to the system afterwards.

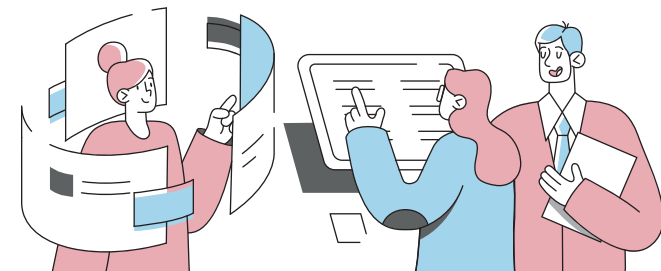
In 2004, as the central civil service management agencies were unified into the Civil Service Commission (CSC), the Rules on Performance Rating for Public Officials previously operated by the Ministry of Government Administration and Home Affairs were repealed. Instead, the CSC, assuming the new role of managing the performance rating system, enacted the Presidential Decree on Performance Rating for Public Officials and consolidated the legislation in connection with performance rating scattered across many rules and regulations including the Decree on the Appointment of Public Officials.



○ Regulations on the Performance Evaluation, Etc. of Public Officials

In December 2005, the government revised the Presidential Decree on Performance Rating for Public Officials to newly enact the Regulations on the Performance Evaluation, Etc. of Public Officials. Under the new Regulations, the work performance rating system was revised to include a two-pronged approach to ensure performance enhancement and capacity development in the civil service: 1) evaluation of performance agreements, etc. for civil servants of Grade 4 or above, and 2) evaluation of work performance for civil servants of Grade 5 or below.

Also, the government reorganized the performance rating system considerably by providing more autonomy for government organizations to design and operate their own work performance evaluation and career rating systems. The new Regulations also provided guidelines on the preparation of performance agreements, regular monitoring, performance interviews and results announcement to strengthen the performance evaluation process.





Chronological Development of the Performance Management System

Introduction and Operation of the Performance Evaluation System (2006 – Present)

The performance evaluation system in the civil service took its current form with the enactment of the Regulations on the Performance Evaluation, Etc. of Public Officials in 2006. Beginning from 2006, civil servants of Grade 4 or above are subject to an annual performance evaluation as of December 31. One of the following three areas, i.e. personal performance (the level of accomplishment of performance goals), divisional or organizational performance, and qualifications and capabilities, are assessed for evaluation.

● Evaluation of Work Performance

Civil servants of Grade 5 or below are subject to a biannual work performance evaluation. Before 2005, work performance, capabilities, and work attitude were the three mandatory evaluation items. From 2006 onwards, only work performance and capabilities remain mandatory, with work attitude and divisional performance being optional items. Also, the ratio between various evaluation items can be determined flexibly.

● Expanded Roles of the Work Performance Evaluation Committee

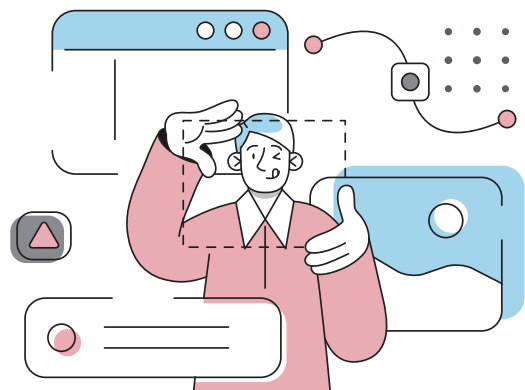
Before 2005, the Work Performance Evaluation Committee played a limited role of adjusting the results of evaluations. From 2006 onwards, the Committee's roles were expanded to include handling evaluation objection requests in order to accommodate more opinions in the process of performance evaluation.

● Revision of Evaluation Grading and Grade Quotas

Before 2005, civil servants were evaluated based on a four-grade scheme and each grade had a fixed quota, i.e. A (20%), B (40%), C (30%), and D (10%). In 2006, the scheme was revised to have three or more grades, with the highest grade given up to 20%, and the lowest around 10%. The government provided leeway for the heads of ministries to determine and modify the number of evaluation grades and quota for each grade.

● Increased Autonomy to Manage Performance Evaluation

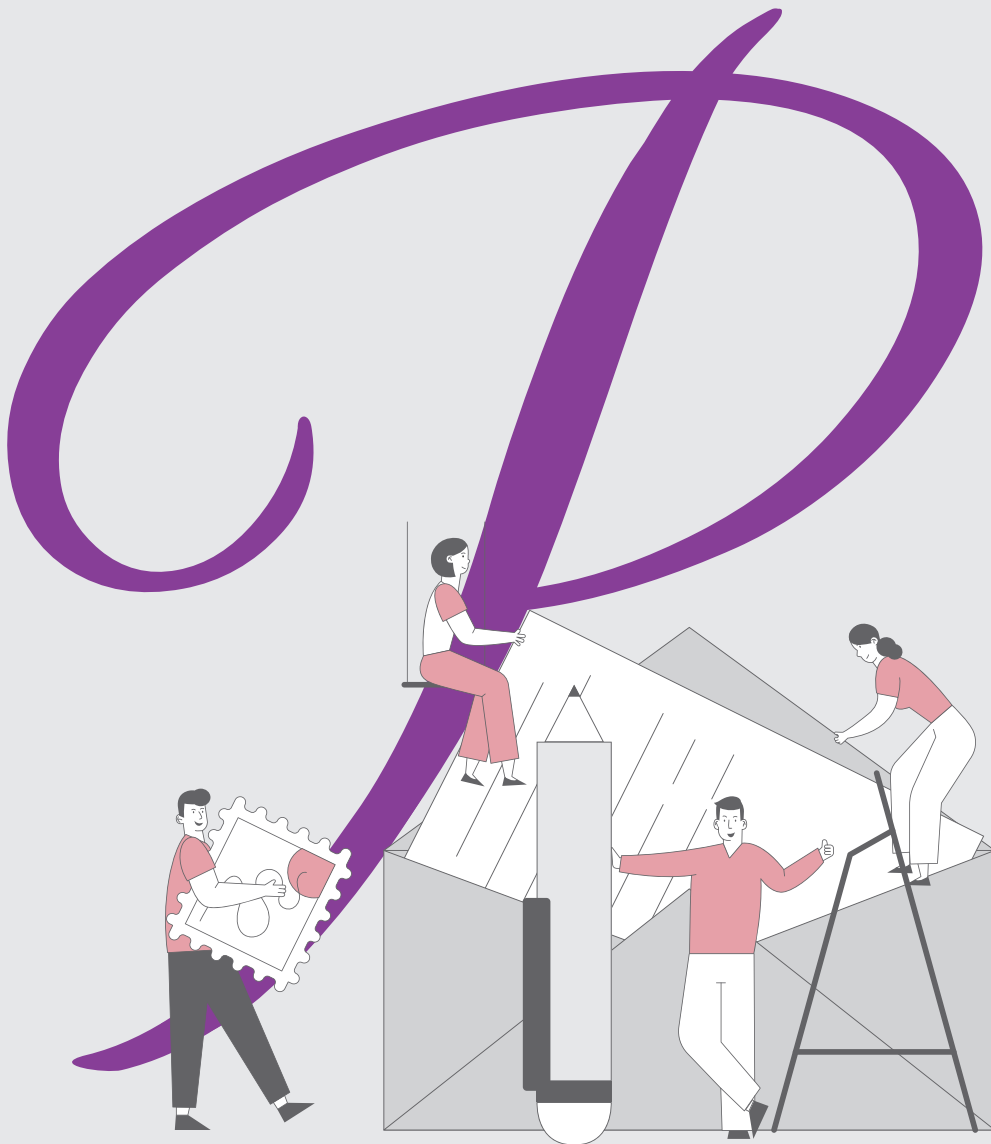
Prior to 2006, all evaluation methods and criteria were uniformly determined by relevant regulations. From 2006 onwards, the heads of ministries were empowered to determine and operate their own performance evaluation systems in consideration of each ministry's circumstances, provided that they follow basic evaluation guidelines. In addition, a new performance management cycle consisting of performance planning, regular monitoring, performance interviews, evaluation, announcement of results, objection requests, etc. was introduced to improve the transparency of evaluation and strengthen feedback.



PART
2

KEY FEATURES

Key Features of Performance Management
in the Civil Service

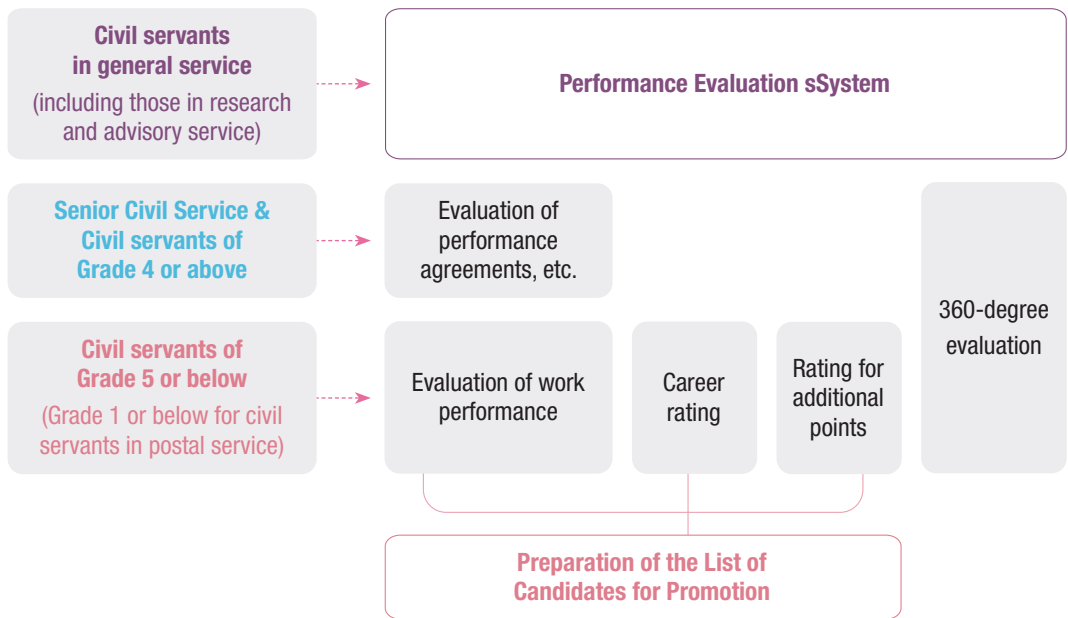


Performance Evaluation in the Civil Service

Performance Evaluation System

The work performance rating, a key element of performance evaluation, is classified into “evaluation of performance agreements, etc.” and “evaluation of work performance” depending on the class position of the subject of evaluation.

Performance Evaluation System under the Regulations on the Performance Evaluation, Etc. of Public Officials





Performance Evaluation in the Civil Service

Work Performance Rating

The work performance rating system is classified into evaluation of performance agreements, etc. (for civil servants of Grade 4 or above) and evaluation of work performance (for civil servants of Grade 5 or below) depending on the class position of the subject of evaluation. The rating is made based on the subject's personal and divisional performance, capabilities, etc.

Work Performance Rating System under Relevant Regulations and Guidelines

Evaluation of performance agreements, etc. for Grade 4 or above

Evaluation of personal performance (the level of accomplishment of performance goals) +
evaluation of divisional performance (diverse operational outcomes) +
evaluation of job competencies (qualifications or capabilities in connection with job performance)

Evaluation of work performance for Grade 5 or below

Evaluation of job performance + evaluation of job competencies +
evaluation of work attitude (optional) +
evaluation of divisional performance (optional)

Use of Evaluation Results

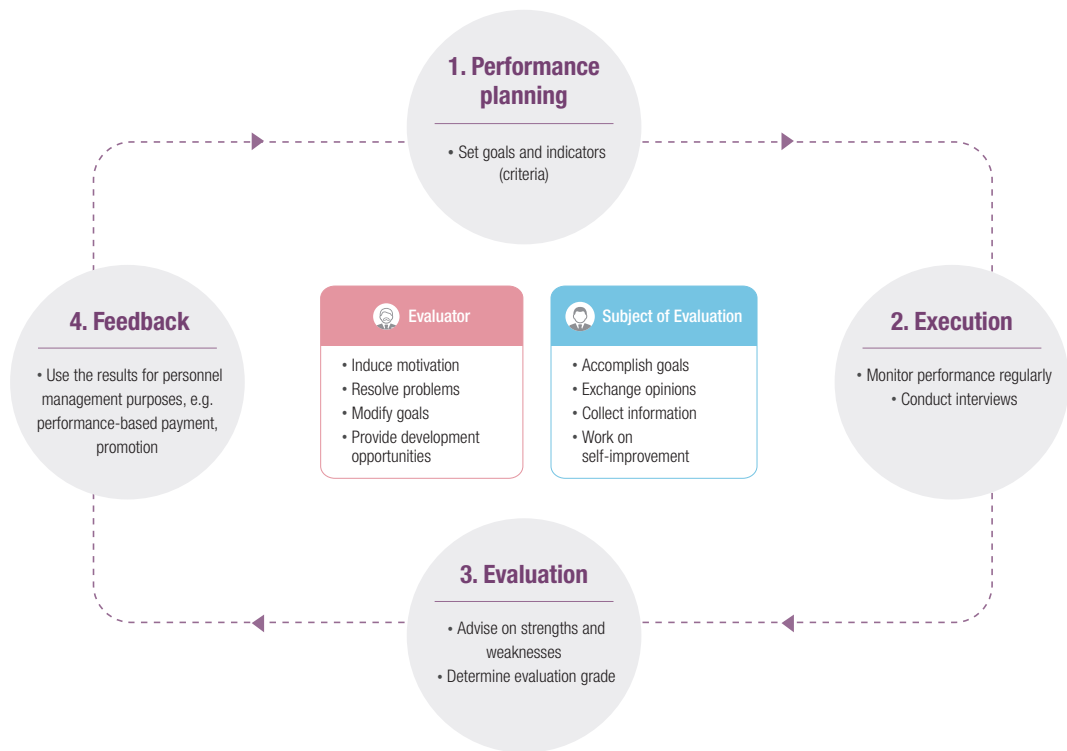
✔ Article 22 of the Regulations on the Performance Evaluation, Etc. of Public Officials

The results of the evaluation of performance agreements, etc. and of evaluation of work performance are used for various personnel management purposes such as promotion, education and training, assignment, special promotion, payment of performance-based compensation, etc.

Performance Management Process

The performance management process largely consists of four stages – performance planning, execution, evaluation, and feedback. The evaluator and the subject of evaluation communicate with each other throughout the entire process.

Basic Process of Performance Management

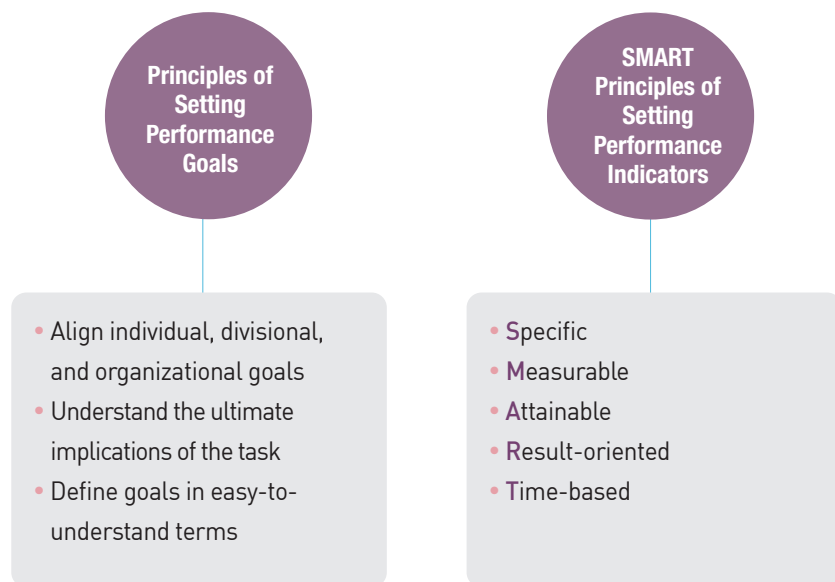


Performance Management Process

Performance Planning

At the performance planning stage, the evaluator and the subject of evaluation draw up performance plans and agree on the subject's performance goals and indicators for evaluation at the beginning of every year.

Principles of Setting Performance Goals and Indicators



Execution – Regular Monitoring

At the execution and monitoring stage, the evaluator checks and records the progress of accomplishment of performance plans regularly. If any weaknesses come to the evaluator's attention, he or she may advise potential solutions to the subject of evaluation. The monitoring records are used later as a basis for objective and fair evaluation. It is the evaluator's duty to monitor and record the subject's progress regularly, as monitoring gives the subject an opportunity to manage his or her work progress and make up for the weaknesses.

Execution – Performance Interviews

A performance interview is essential for objective and fair evaluation. In order to prevent the evaluator's bias from affecting evaluation results, all ministries and agencies make performance interviews mandatory. During performance interviews, the evaluator and the subject of evaluation discuss performance goals, execution process, and evaluation results and understand each other's positions. This process makes both sides more likely to accept the results of evaluation. It is recommended that performance evaluations are conducted three times, first for performance planning, second for interim review, and one last time before final evaluation.

Performance Management Process

Evaluation and Feedback

At the evaluation and feedback stages, the subject's performance is evaluated for final results and the results are used for various personnel management purposes including promotion and compensation. The Senior Civil Service (SCS) and civil servants of Grade 4 or above are evaluated based on their fulfillment of performance agreements, etc., and the results affect their future performance-based annual salary. Specifically, in the case of the SCS, evaluation results are used for qualification screening. Civil servants of Grade 5 or below are evaluated based on their work performance, and the results affect promotion and performance-based compensation.

Qualification Screening

An employer may perform qualification screening for a high-ranking civil servant who is unable to perform his or her duty appropriately, and depending on the screening results, the employer may dismiss the person ex officio. Qualification screening, which aims to promote competence within the SCS and the efficiency of the SCS operation, applies to the members of the SCS who are in general service or in foreign affairs service, currently employed, on a leave of absence or seconded.

Legal Grounds

Article 70-2 of the State Public Officials Act (Examination of Qualifications), Article 26-3 of the Foreign Service Officials Act (Screening for the Senior Civil Service) and Chapter 5 of the Regulations on the Personnel Management of the Senior Civil Service (Examination of Eligibility)

Subjects

- 1) Those who received the lowest grade in work performance ratings for more than two years
- 2) Those who have not been appointed to any position for more than one year without justifiable reasons
- 3) Those who received the lowest grade in work performance ratings for more than one year and have not been appointed to any position for more than six months without justifiable reasons

Performance Evaluation by Class

Evaluation of Performance Agreements, Etc. for Grade 4 or Above

Overview of Evaluation

The evaluator and the subject of evaluation discuss and agree on the subject's performance goals, indicators and other evaluation details. The evaluator assesses the subject's accomplishment of performance goals during the evaluation period using the indicators or other criteria suitable for specific evaluation items. The evaluation results are used for personnel management purposes.

Determination of Evaluation Items and Performance Goals

✓ Evaluation items

- Select one or more evaluation items from the subject's personal performance, divisional performance, or other job qualification and capabilities, considering the subject's position in the division, job classification, and job characteristics

✓ Subject and category

- Depends on the subject's class

✓ Performance goals

- Identify tasks required by the Performance Management Plan under the Framework Act on Government Performance Evaluation and set performance indicators for internal and external evaluation

Performance Evaluation by Class

● Key Evaluation Items

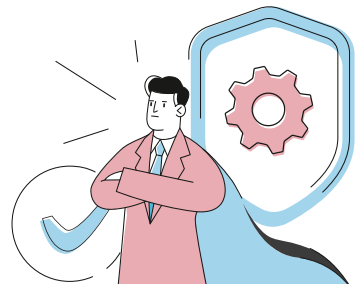
Civil servants of Grade 4 or above including the SCS enter into performance agreements on an annual basis. Evaluation of performance agreements is conducted at the beginning of the following year. The subject's fulfillment of performance goals, divisional performance, job qualifications and capabilities are key evaluation items, and ministries and agencies have the option to add or remove evaluation items.

● Absolute Evaluation vs. Relative Evaluation

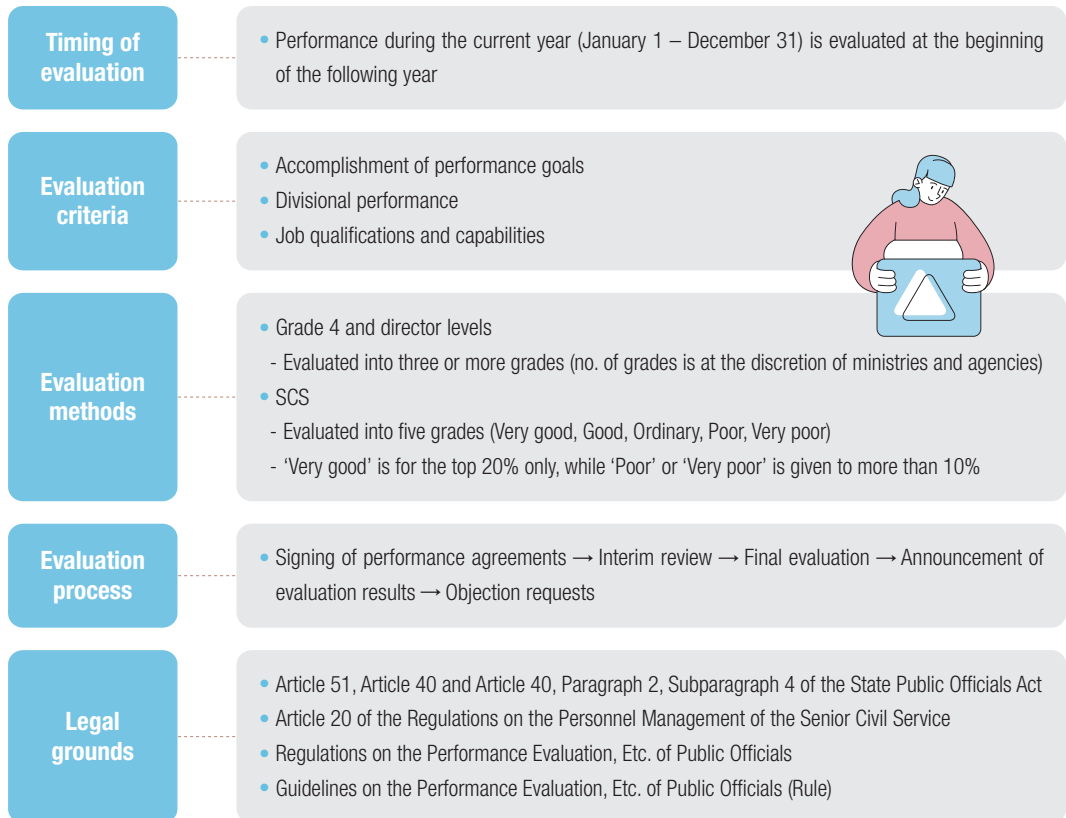
Ministries and agencies can handle performance evaluation of director level civil servants at their own discretion, provided the results of evaluation are divided into three or more grades (absolute grading is accepted). On the other hand, relative grading applies to evaluation of the SCS to ensure more accurate evaluation, and the evaluation results must be classified into five grades. In other words, the highest grade is only for the top 20%, while more than 10% is given either the lowest or the second lowest grades. The evaluation results of the SCS directly affect their grading for performance-based compensation.

● Additional Factors for Consideration

For director level civil servants or below, additional factors other than evaluation results may be taken into consideration in determining the grade for performance-based compensation. On the other hand, for the SCS, evaluation is conducted to directly determine performance-based annual salary in order to ensure greater work performance accountability among the members of the SCS.



Basic Process of Performance Management for Grade 4 or Above



● Use of Evaluation Results

The heads of ministries and agencies use the results of evaluation of performance agreements, etc. for various personnel management purposes, including promotion, education and training, assignment, special promotion and payment of performance-based compensation. For example, evaluation results are used when determining the payment of performance-based compensation, promotion screening, talent recommendation, screening of candidates for open competitive positions and public recruitment positions, etc.

Performance Evaluation by Class

Evaluation of Work Performance for Grade 5 or Below

○ Overview of Evaluation

Evaluation of work performance is conducted for civil servants of Grade 5 or below in general service (Grade 1 or below in the case of civil servants in postal service), research service, and advisory service. The subjects are assessed for their work performance and capabilities, and the evaluation results are used for personnel management purposes. Work attitude and divisional performance can also be considered for evaluation at ministries and agencies' discretion.

Items for Work Performance Evaluation

✔ Work performance

Work performance is evaluated based on performance plans established at the beginning of the year, tasks performed during the evaluation period, etc.

✔ Job competencies

Planning skills, communication skills, drive, and cooperative capabilities are considered when evaluating job competencies.

✔ Work attitude / divisional performance

In case work attitude and divisional performance are selected as additional evaluation items, criteria can be flexibly determined.

※ To keep a balance between different evaluation items, one item cannot exceed 70% of total evaluation results. Work attitude and divisional performance can account for up to 10% and 30% of total results, respectively.

● Evaluation in Three Stages

Evaluation is performed in three stages. In the first stage, the evaluator conducts an evaluation for each member of the division. In the second stage, the manager of the bureau (i.e. a higher unit of the division) conducts evaluation for the bureau members based on the division evaluator's assessment, grades them in relative terms and submit the results to the Work Performance Evaluation Committee. In the third stage, the Work Performance Evaluation Committee evaluates all subjects in relative terms by grades submitted by the evaluation units and determines their final grades and ranking.

Once evaluation is completed, the results are announced to the subjects to ensure evaluation is conducted in a transparent and objective manner. In cases where the subject raises an objection to the results, he or she may make an objection request. If the objection is considered valid, evaluation results may be modified.



Performance Evaluation by Class

Organization and Roles of the Work Performance Evaluation Committee

✓ Roles

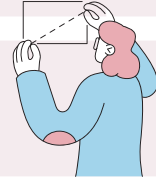
- Calculate the grades of work performance evaluation based on the results submitted by the evaluation unit
- Handle modification, objection, or other similar requests

✓ Establishment

- Established within each organization which independently prepares a list of candidates for promotion

✓ Organization

- Consist of five or more members who are seniors or supervisors of the subject of the evaluation, designated by those who have the right to appoint or recommend appointment



● Evaluation Factors

The heads of relevant ministries can determine the evaluation factors for each evaluation item in consideration of the characteristics of the subject's class, division or service field. This is to ensure that the evaluation is conducted in an objective manner by considering the relevance of the subject's duty performed within the evaluation.

● Evaluation Unit

Evaluation is conducted for each evaluation unit categorized by class. However, the heads of relevant ministries may modify the evaluation units in consideration of the similarities of the subjects' job, the number of persons in each class, etc.

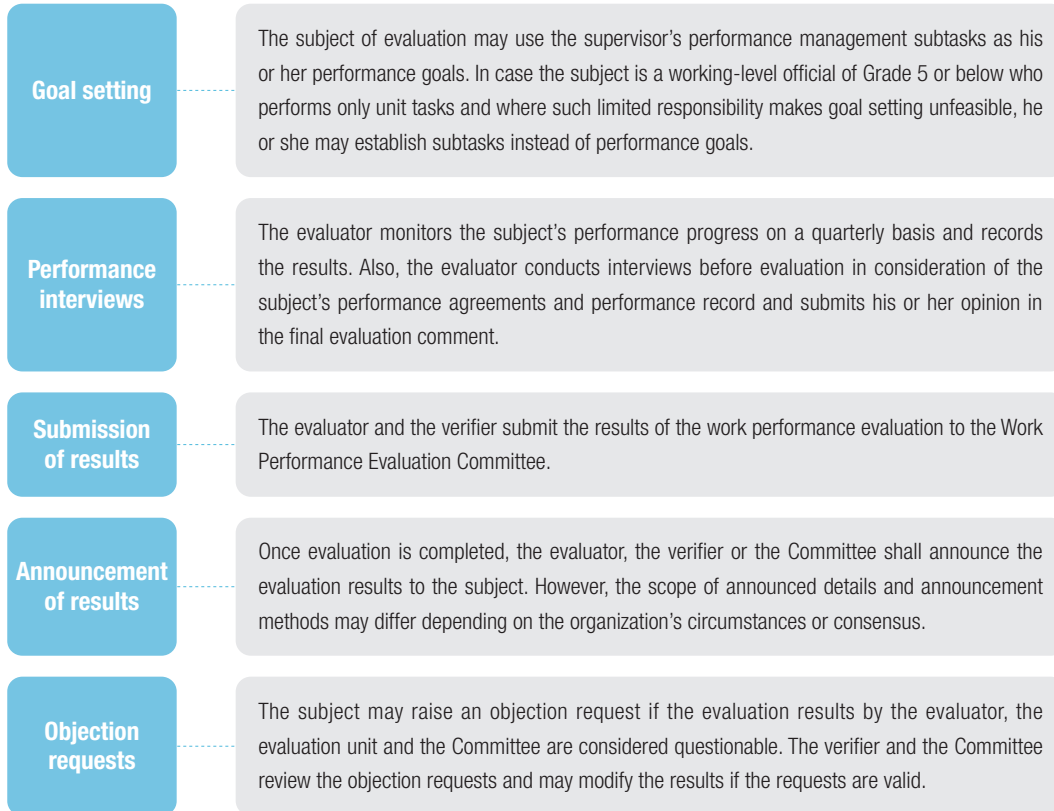
● Evaluation Grades

Evaluation results are divided in three or more grades. The highest grade goes to the top 20% and the lowest grade to the bottom 10% of all subjects evaluated. However, ministries and agencies can adjust these ratios at their discretion.



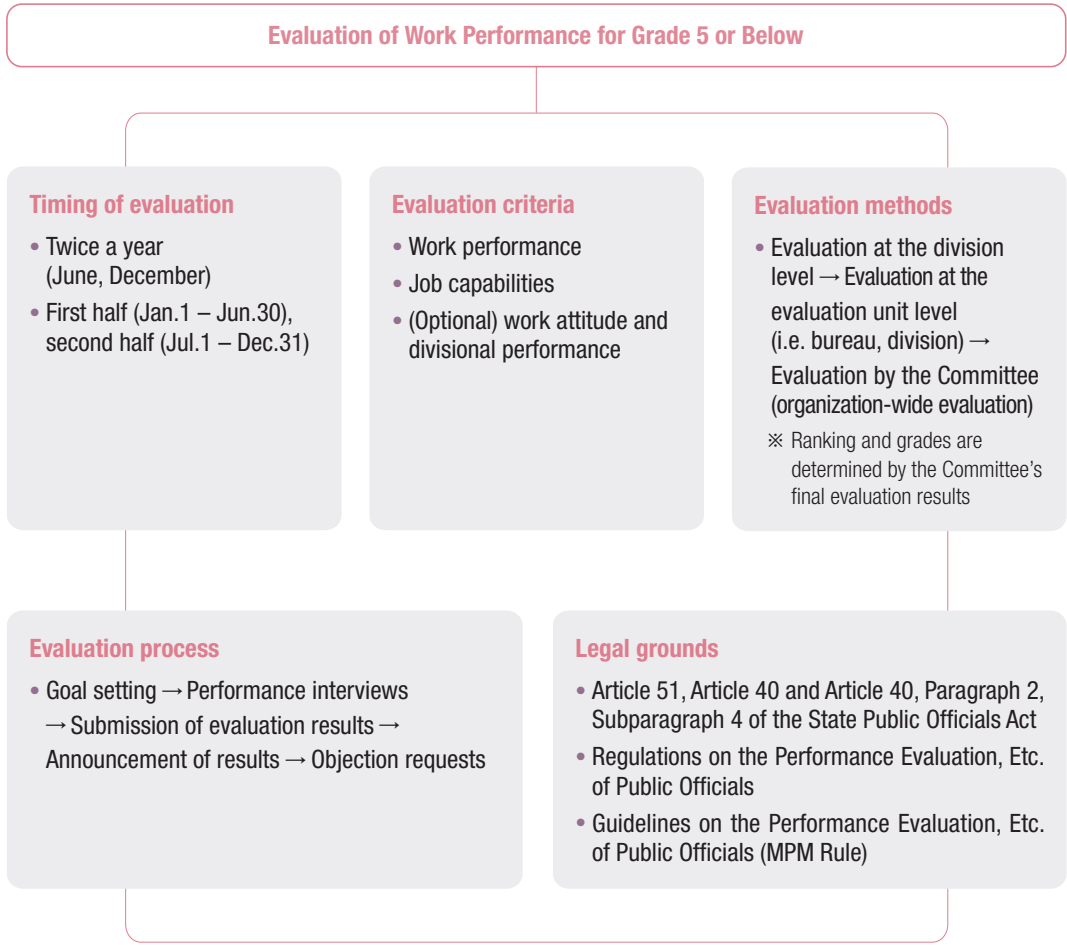
Performance Evaluation by Class

● Evaluation Process



● Use of Evaluation Results

The heads of ministries review the strictness and fairness of the evaluation results and use the results for the subject's work performance rating, promotion, appointment and assignment. The results of work performance evaluation are used for various personnel management purposes, including promotion, education and training, assignment, special promotion and payment of performance-based compensation.





Career Rating · Rating for Additional Points · List of Candidates for Promotion

Evaluation Subjects and Methods

Career Rating

- Twice a year (June 30, December 31)
- Subjects: civil servants of Grade 5 or below who meet the minimum number of years required for promotion as of the career rating date
- Evaluation methods: the subject's experience in the civil service, the private sector, etc. during the designated period is converted to rating points based on similarity with the subject's current class position
 - ※ 100% for positions of the same class, 60% for positions below the current class, 60 - 100% for Ph.Ds., certificates, similar career experience, etc.

Rating for Additional Points

- Additional points are awarded to those included in the list of candidates for promotion (for Grade 5 or below)
- The heads of the relevant ministries provide additional points up to a maximum of five points using the criteria and rating items they have determined
 - ※ Licenses in connection with the job, experience at special locations or in special positions, outstanding performance, etc.

Preparation of the List of Candidates for Promotion

- Twice a year (January 31, July 31), or the last day of the month following the month in which regular rating is conducted
- Subjects: civil servants of Grade 5 or below who meet the requirements for promotion
- Rating methods: work performance evaluation results (80 - 95%) + career rating results (5 - 20%) + additional points
- Period subject to rating: Grade 5 (3 years +), Grades 6 - 7 (2 years +), Grade 8 or below (1 year +)
- Use of the candidate list: candidates are screened for promotion in the order from the top candidate on the list

Use of the List of Candidates for Promotion

The final grades determined by the Work Performance Evaluation Committee are reflected on the list of Grade 5 or below candidates for promotion. The final grades are calculated by adding up the work performance evaluation score (perfect score is 70) and the career rating score (perfect score is 30). The work performance evaluation score can be reflected up to 80 - 95%, and the career rating score to 5 - 20%. Up to five additional points may be awarded based on certain criteria such as experience at special posts or possession of licenses. A list of candidates for promotion is prepared based on the final grades calculated, and the Promotion Review Committee reviews and selects successful candidates. Hence, the results of the work performance evaluation directly affect the prospect of promotion.

360-degree Evaluation

Purpose of 360-degree Evaluation

The purpose of 360-degree evaluation is to complement the results of evaluation, which are inevitably influenced by the supervisor, by considering a wide range of opinions from the subject's peers, subordinates, and civil service users and to use such information for capacity development. For this reason, 360-degree evaluation requires the subject's peers and subordinates to participate and evaluate the subject's performance, attitude, leadership, etc. The results of 360-degree evaluation are used for key personnel management purposes including capacity development, education and training, promotion, job transfer, payment of performance-based compensation, etc.

Evaluation Guidelines

The Ministry of Personnel Management (MPM) provides the guidelines on 360-degree evaluation to help ministries and agencies prepare and operate the evaluation on their own. The heads of the ministries and agencies determine the details of evaluation, including whether 360-degree evaluation is to be conducted, evaluation methods and process, and use of evaluation results.

Legal Grounds

- Article 28 of the Regulations on the Performance Evaluation, Etc. of Public Officials
- Guidelines on the Performance Evaluation, Etc. of Public Officials (MPM Rule)



Performance Management Card System

Purpose of Performance Management Card

The "Performance Management Card" system is part of the civil servants' individual personnel records. The purpose of the performance management card is to monitor and record diverse performance data of an individual on an annual basis and use it to build a personnel management system that focuses on performance and competencies.

Subjects and the Use of Performance Management Card

The performance management card system was introduced in July 2005. On a performance management card, key fulfillment of individual performance agreements, supervisors' opinions, final evaluation results and other details are recorded. Such information is used to determine the subject's promotion, assess applicants for vacant positions, or recommend talent to government posts.

Civil servants in general service (including contract-based civil servants) and those in special government service are subject to performance management card evaluation. Performance management cards are only managed electronically, not manually.

Legal Grounds

- Regulations on Personnel Records, Statistics and Personnel Management Affairs for Public Officials
- Rules on Personnel and Performance Records and Electronic Personnel Management for Public Officials



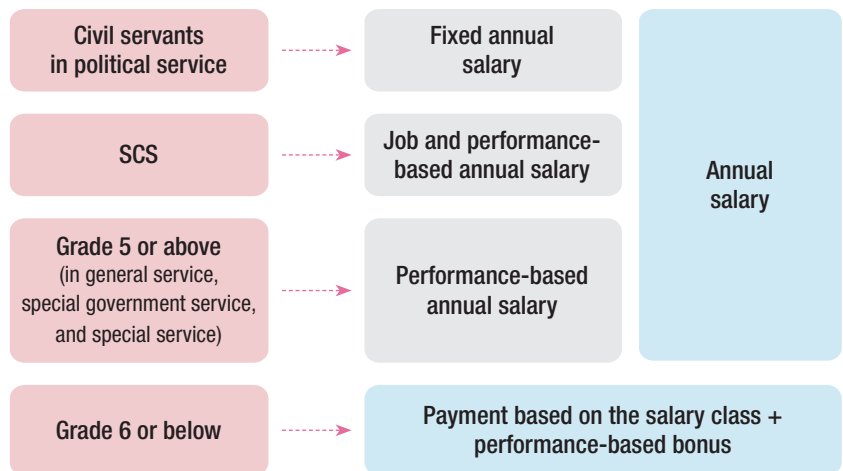
🎯 Compensation Based on Performance Evaluation

Compensation Scheme in the Civil Service

Civil servants in political service, the members of the SCS, and civil servants of Grade 5 or above are paid an annual salary. Previously, the annual salary scheme was applied to civil servants of Grade 4 or above only, but beginning from 2017, Grade 5 is included in the scheme.

Specifically, civil servants in political service are paid an annual salary, with the amount fixed according to each position. The members of the SCS receive a combination of job-based payment and performance-based annual salary. Civil servants of Grade 5 or above are paid a performance-based annual salary. Meanwhile, civil servants of Grade 6 or below are paid based on the salary class, a system that determines compensation based on the number of years in service, and also paid a lump-sum performance-based bonus.

Principles of Setting Performance Goals and Indicators



Compensation Based on Performance Evaluation

Monetary Compensation and Non-monetary Personnel Benefits

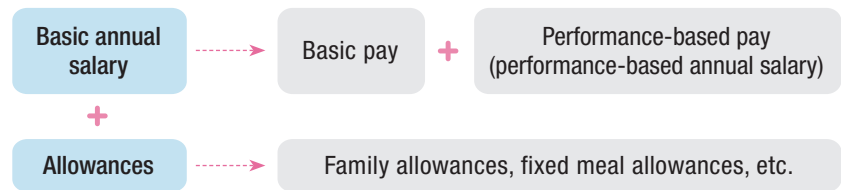
	SCS	Grades 3 and 4 at director level	Grades 4 and 5 in plural class position	Grade 6 or below
Monetary compensation	<p>Performance-based annual salary</p> <ul style="list-style-type: none"> Based on the results of evaluation of performance agreements, etc. S Grade (20% or less) A and B Grades (determined by ministries and agencies) C Grade (10% or more) 	<p>Performance-based annual salary</p> <ul style="list-style-type: none"> Use the results of evaluation of performance agreements, etc. as reference S Grade (20%) A Grade (30%) B Grade (40%) C Grade (10%) 	<p>Performance-based annual salary</p> <ul style="list-style-type: none"> Use the results of evaluation of work performance, etc. No. of grades (more than three) and the rate of payment are determined by ministries and agencies <ul style="list-style-type: none"> ※ No mandatory percentage requirement for the lowest grade 	<p>Performance-based bonus</p> <ul style="list-style-type: none"> Use the results of evaluation of work performance, etc. No. of grades (more than three) and the rate of payment are determined by ministries and agencies <ul style="list-style-type: none"> ※ No mandatory percentage requirement for the lowest grade
Non-monetary personnel benefits	<ul style="list-style-type: none"> Awards, job transfer to a desired post, opportunities for education and training, special promotion (for Grade 5 or below), etc. 			



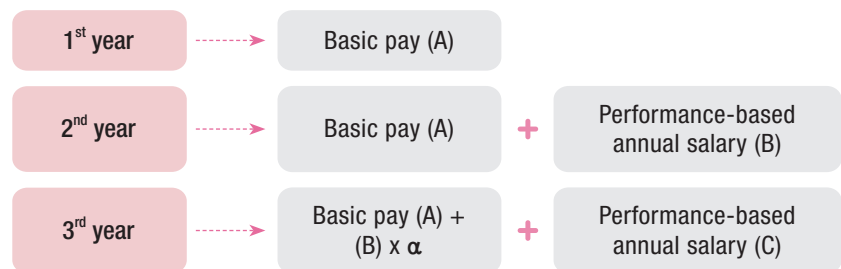
Performance-based Annual Salary (the SCS and Civil Servants of Grade 5 or Above but Below Director Level)

The job and performance-based annual salary scheme for the SCS consists of job-based payment and performance-based annual salary. The performance-based annual salary scheme for Grade 5 or above but below director level consists of a basic annual salary and a performance-based annual salary. The basic annual salary includes basic pay, while the performance-based annual salary is determined based on the individual's performance results. The performance-based annual salary is determined based on previous year's performance, and part of the amount rolls over to the following year's basic annual salary.

Compensation Scheme (Basic Annual Salary + Allowances)



Accumulation of Performance-based Annual Salary



🎯 Compensation Based on Performance Evaluation

Performance-based Bonus (Civil Servants of Grade 6 or Below)

Civil servants of Grade 6 or below are paid compensation based on the salary class along with a lump-sum performance-based bonus every year. The performance-based bonus is calculated as a base amount determined by class multiplied by the rate of payment determined by the performance grade.

● Standard Payment Criteria for Performance-based Bonus

S, A, B, and C grades are distributed to 20%, 40%, 30%, and 10% of total evaluation subjects, respectively, and the rate of payment ranges from 0% to 172.5%. These rates may be adjusted within certain limits at ministries and agencies' discretion.

Table for Payment Criteria of Performance-based Bonus (Example)

Evaluation grade	S	A	B	C
Grade quotas	20%	40%	30%	10%
Rates of payment by grade (%) (based on 'base amount')	172.5%	125%	85%	0%

Performance-based Bonus = Base Amount × Rate of Payment by Performance Grade

Case Example

If a Grade 6 official has received a rating of A for the previous year's performance:

- The official's current year performance-based bonus = KRW 3,711,400
(base amount as of 2021) X 125%



○ Payment of Performance-based Bonus

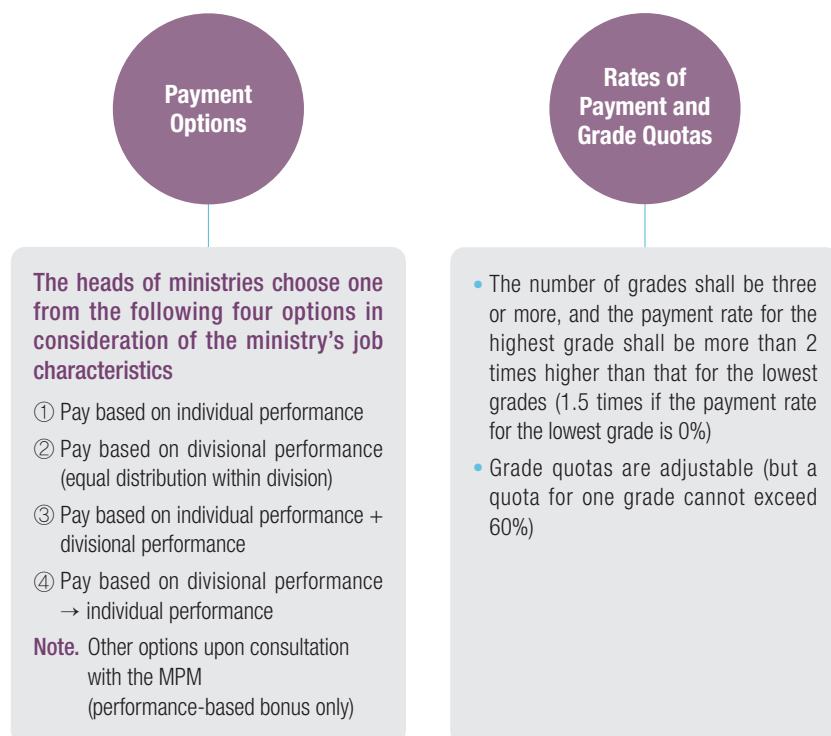
While a performance-based bonus may be paid based on individual performance, ministries and agencies may also choose to pay the bonus based on divisional performance at their discretion or upon consultation with the MPM.

For instance, it is possible that half of the bonus pool is distributed to divisions based on divisional performance, which is to be evenly divided among members of the division, and the other half to individuals based on individual performance. It is also possible to distribute the entire pool based on divisional performance and then for the division distribute the received amount evenly among its members.

○ Adjustment to the Rates of Payment and Grade Quotas

Ministries and agencies may choose not to follow the standard payment criteria and determine their own rates of payment and grade quotas, provided they meet the following conditions.

Independent Management of Performance-based Compensation



PART
3

ACHIEVEMENTS

Major Achievements



Major Achievements

The country's performance management system has shown remarkable development since the establishment of the MPM. In particular, the MPM has provided more autonomy for ministries and agencies in handling performance management according to their needs to facilitate smooth adoption of performance-based personnel management. Also, the MPM has successfully supported ministries and agencies' competency development.

Increased Autonomy in Performance Evaluation

In 2019, the MPM increased the autonomy of ministries and agencies in managing the payment of performance-based compensation. In 2020, it further enabled ministries and agencies to determine work performance rating methods at their discretion. The MPM has enhanced the performance management system by continuously listening to ministries and agencies to establish a flexible system that meets the needs and job characteristics of ministries and agencies.



2019 — • Increased autonomy in managing the payment of performance-based compensation

2020 — • Enabled discretionary work performance rating methods

Proactive Support for Ministries and Agencies' Competency Development Efforts

The MPM has carried out a wide range of activities to support the development of evaluator competency, including the development of e-learning courses for evaluators and managers, evaluator education for director-level officials at ministries and agencies, preparation and distribution of guidelines on performance interviews, etc. Also, beginning from 2017, the MPM has designed and implemented performance evaluations and performance-based compensation schemes meeting the needs of ministries and agencies based on customized consultations on performance management. Over the past four years, 11 ministries have established customized evaluation and pay schemes.

Major Achievements

Improvement of the Evaluation System to Enhance Compliance

The MPM has expanded the use of 360-degree evaluation across all personnel management areas. It also published the Operations Manual for 360-degree Evaluation of Civil Servants, which explains the process of 360-degree evaluation and various evaluation models by purpose, to promote the use of the 360-degree evaluation system. Other measures have also been taken to improve the performance evaluation system, including the introduction of a self-evaluation method aimed at enhancing compliance.

360-degree Evaluation and Self-evaluation

✔ Wide use of 360-degree evaluation

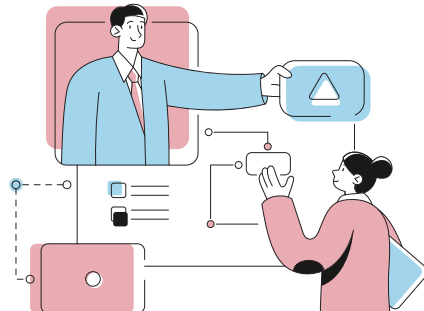
- Expanded the use of 360-degree evaluation across all personnel management areas

✔ Distribution of the Operations Manual for 360-degree Evaluation

- Explained the process of 360-degree evaluation
- Provided various evaluation models by purpose

✔ Improvement of the performance evaluation system

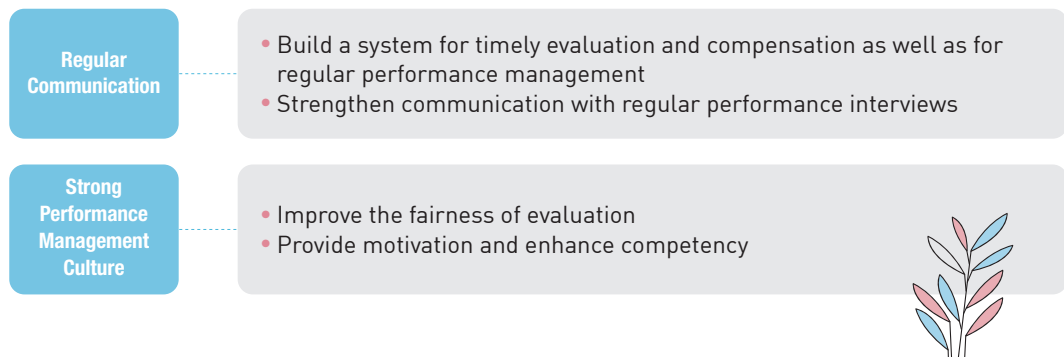
- Introduced self-evaluation methods, etc.



Future Plans and Directions

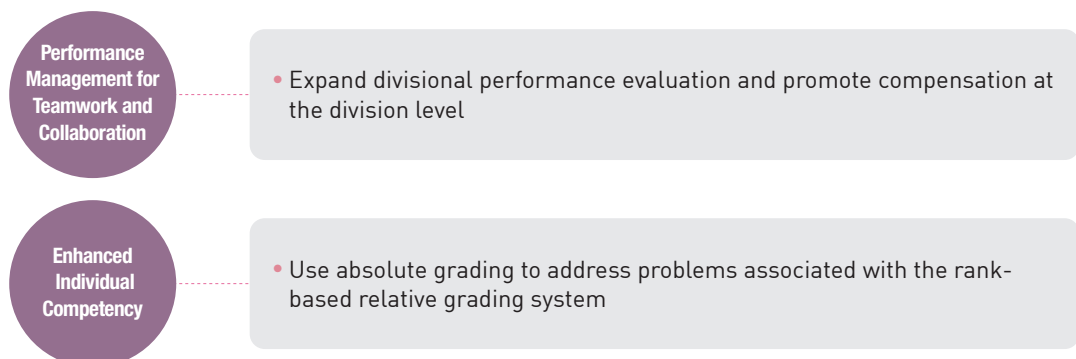
Feedback-oriented Performance Management Culture

The MPM plans to establish a system for timely evaluation and compensation as well as for continual performance management by reinforcing occasional evaluations and to strengthen communication through regular performance interviews. The MPM plans to improve the fairness of evaluation, provide motivation to civil servants and enhance their competency, which will eventually foster a strong performance management culture.



Performance Management for Enhanced Collaboration

In order to shift from individual-centered performance management that promotes competition to team-centered performance management that values collaboration, the MPM plans to scale up divisional performance evaluation and compensation at the division level. Also, the MPM aims to focus on promoting collaboration and enhancing individual competency by addressing the weaknesses in the existing system (e.g. using absolute grading to address the adverse effects of rank-based relative grading).





Final Remarks

It takes a balance of a multitude of factors for an organization to grow. Appropriate measurement of performance and compensation is one of such factors which play an important role in increasing the efficiency of the organization. This explains why performance management is essential in the civil service.

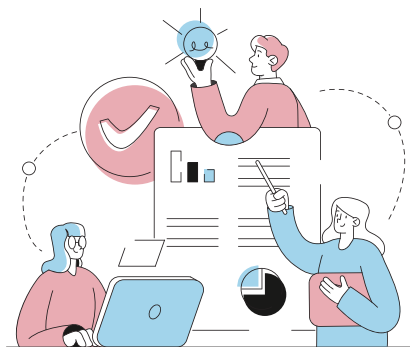
'Communication' is one of the keys to good performance management. The evaluator and the subject of evaluation engage in active communication with each other whilst setting performance plans and goals, accomplishing the goals, and monitoring the process. This promotes the development of a culture of communication across the entire organization.

Performance management also motivates individual civil servants. Throughout the process of goal setting, execution, evaluation and feedback, performance management creates a virtuous cycle where individuals are motivated to work towards better results and strive to develop personal competency. This lays the foundation for both individuals as well as the organization to achieve growth.

With ministries and agencies given increased autonomy in designing and operating their own performance management systems, the Korean government's performance management is increasingly operated in a flexible manner. In addition, recently, transparent evaluation based on communication as well as performance management and feedback that foster collaboration have emerged as important objectives, and the government is making continuous efforts to achieve them. It is expected that the government's endeavors to improve the system will have a positive impact on the management of government organizations.

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