

Musings on IAS: Flawed systems of Incentives and Penalties

Character is destiny- Heraclitus

1. Preamble:

1.1 It has been 72 years since the modern version of the IAS debuted in 1950, conceived as a permanent bureaucracy to implement policies, collect taxes, maintain law and order, and ensure development. Today, there are about 5,000 officers in total. The theme for today's discussion is regarding the alleged flawed system of Incentives and penalties afflicting the IAS. The reason is the two pieces of Dr. Duvvuri Subba Rao (1) his article ("IAS is a system that promotes mediocrity and risk aversion") on IAS (March 25, 2022) and (2) the subsequent interview masterfully conducted by Mr. Karan Thapar with his characteristic consummate skill for The Wire on 2nd Apr 2022 ('The IAS Has Failed India and Must Change'). Predictably, it received many comments and critiques. It is not my intention to extol the virtues of the IAS (there are many) nor its ills (that too are in abundance). Since the issues are complex, many opinions have got entrenched, unanimity is unlikely. Therefore, this is merely an attempt to put the relevant issues raised by Dr. Subba Rao in a border perspective. He has, inter alia specified the "biggest problem of the IAS".

1.2 **The biggest problem and consequences:** According to Dr. Duvvuri Subba Rao, the biggest problem is **the culture within which the IAS operates**. (Interview Time Stamp 08:51) *"a deeply flawed system of incentives and penalties...Almost everybody gets promoted. It's a time bound, automatic promotion in IAS, almost everybody gets outstanding rating and performance evaluation. There's been a great inflation. There is no reward for exceptionally good performance. There is no penalty for exceptionally bad performance, so good people get atrophied, fall by the wayside, bad people get worse. So that's what I said. The biggest malady is that the system is such that it does not encourage talent and it does not penalize laziness, cynicism corruption, as much as it should with the result that that's the biggest problem. The, the deeply flawed system of incentives and penalties that botched the IAS."* As a result, *"There is no encouragement of talent and no penalisation of laziness and corruption. Young recruits come in with sharp minds and full of enthusiasm...but soon they become cogs in the wheels of complacency and acquiescence, turn lazy and cynical, and worse, lose their moral compass."*

2. The Culture of IAS:

2.1 **The Culture:** I shall take up the "biggest problem" as mentioned by Dr. Subba Rao viz. the *"culture within which the IAS operates"*. The IAS cadre across India has certain underlying values that was supposed to bind the country together, a kind of *raison d'être* of the creation of IAS by the framers of the Constitution, particularly Sardar Vallabhbhai Patel. However, the culture within which it operates is not uniform across the country. Cadre

allotment of an IAS officer is a transparent process. Each IAS officer is allotted to different State Cadres and as far as I can remember, half of the cadre allotments would be from "outside" the home State of the candidate. This is to ensure that there is a mix of candidates from their home State and at least half from outside for better national integration. The Department of Personnel and Training sends communication to all the Chief Secretaries about the allocation of cadres to the candidates allotted to the Indian Administrative Service (IAS) on the basis of the relevant Civil Services Examination (CSE).

2.2 Once allotted to a particular cadre, the State Government imparts necessary training to the officer (including the language training), he is posted as a "*supernumerary*" under Collector or District Magistrate. He is also posted as Tehsildar or SDM for short period under DM's supervision. Hence, the formative years of the officer generally over 9 years or so are spent in that cadre. Many times, the officer is drafted to the State Secretariat or deputed to a local body or State parastatal. Only at a relatively senior level, the officer can go on deputation to the Centre (and in rare cases, mostly on humanitarian grounds, for a short period, even to other States). The officer is therefore intermingling with different cultures.

2.3 It will therefore be incorrect to say that the culture within which the IAS operates is a kind of monolithic structure. As one of my senior colleagues points out, "each cadre has its own pug mark". This observation was only with respect to different traditions, customs and ethos or culture that gets rubbed onto the officer. The observations of Dr Naresh Chandra Saxena (IAS 1964 UP Cadre), former Director, Lal Bahadur Shastri National Academy of Administration for eight long years, Mussoorie, and ex-Member of the National Advisory Council are relevant in this regard but only in a different context. He has given his opinion on the corruption of bureaucrats in different States, and States where they are not¹. He also makes an interesting statement that "'I do not have the data to prove my point. There is no study. I was in academy for eight years; I keep meeting officers. This is my personal feeling. I may be wrong².... But if officers see their bosses are honest, they want to be honest,". He goes on to make another very perspicacious observation about why there is more corruption in a particular region named by him, he opines that "*If there is more money coming in from GOI like some particular Region³, there would be more corruption.*" By the same logic, since money is fungible and has no intrinsic colour of its own, more money (whether from GoI or within the State, notably from the Sales Tax), a State has got, that State should be more

¹ <https://indianexpress.com/article/cities/chandigarh/bureaucrats-in-punjab-northeast-are-most-corrupt-former-director-of-mussoorie-academy-6188611/>

² The names of the States mentioned by Dr. Saxena are redacted as that is only his impressions

³ Actual name redacted.

corrupt. By that logic Maharashtra should be way up in the corruption index but mercifully Dr. Saxena seems to have spared it, along with UP. At any rate one cannot just "*stamp*" a particular State or Region as corrupt or otherwise. There is no pug mark of corruption.

2.4 The short point is that there is no uniform culture within which the IAS operates. In order to remove the label of an elitist service for only for the English speaking, and to make it more representative and reflective of the Nation's diverse ethos and culture, now the IAS, along with other civil services have provisions of answers in regional languages making it more inclusive and draws within its fold, a fairly wide spectrum of cross section across India. Since 2010, a slew of changes has been introduced in the civil service examination — from the number of optional papers to the introduction of the Civil Services Aptitude Test (CSAT) paper; an increase in the number of general studies papers; or the elimination of foreign languages from the language paper. These changes, several experts have said, have fundamentally altered the composition of the country's top bureaucracy. The then Secretary Department of Personnel and Training Satyanand Mishra said the changes introduced by the UPSC have ensured that the bureaucracy is more representative than ever before. "If you say that there are a lot of graduates from IITs coming in, we should see the social composition of the IITs. Several people who crack the exam are those from rural backgrounds," Mishra said. "Especially after the Mandal Commission report was implemented, the bureaucracy has only turned more representative."⁴ Even the lowest rung in the societal ladder can aspire to join IAS (without language barrier), become a District Magistrate, rise up the ladder and so on. Recent case of Ansar Shaikh a son of an auto driver becoming the youngest IAS officer (2016) in the first attempt is equally inspiring⁵. This is a development to be genuinely proud of.

2.5 The IAS culture is, therefore, shaped by the diverse background of the officers, the individual State Governments, deputation to the Centre, return to the State, again deputation to the Centre and so on. Hence the environment in which the IAS operates during the career is a shifting kaleidoscope of intermingling environments that continuously inform the IAS officer in question.

3. Promotions through mere "*efflux of time*" and "*Outstanding*" Gradings

3.1 **Deeply flawed system of incentives and penalties:** I shall now come to the system of incentives and penalties that Dr. Subba Rao considers as "deeply flawed". He asks, "So, what

⁴ <https://theprint.in/india/governance/upsc-changed-many-exam-rules-in-10-yrs-now-mps-want-to-know-how-they-impacted-civil-service/638283/?amp>

⁵ <https://www.tv9marathi.com/national/become-the-son-of-an-auto-driver-read-the-inspiring-story-of-ansar-sheikh-the-youngest-ias-officer-in-india-au130-701202.html>

is the problem with incentives and penalties?" He has indicated the causes thereof viz. "Almost everybody gets promoted... almost everybody gets outstanding grading in performance". He has also lamented the that " *"(IAS) still attracts some of the best talent in the country, and young recruits come in with sharp minds and full of enthusiasm. But soon, they become cogs in the wheels of complacency and acquiescence, turn lazy and cynical, and worse, lose their moral compass."*

3.2 Unfortunately, he does not seem to have made an analysis of what was different in his (and mine) generation that has now so radically changed. His view of meritocracy (that a flawless system of incentive would lead to) that he mentions in his interview (Time Stamp 26:03) is that *"let's let me explain to you what I believe by in a meritocracy, the competent, all the competent and nobody, but the competent rises to the top. And everybody else falls by the baseline"*. However, I did not find any curative implementable measures that could be acted upon to achieve this except the issue of "lateral entry" that has already been put in place since 2008 first at the level of Joint Secretaries (10) and now in 2021 expanded to include Directors (in all about 30) as well. He does not seem to have done so except self-deprecating that *"So, my generation and subsequent cohorts must take responsibility for all the looseness, all the corruption, all the cynicism, all the lack of performance that has crept into the service"*. Generalising of a particular generation (his) also along with subsequent generations is also unwarranted. I, as one from his generation would be loath to do so.

3.3 Dr Subba Rao has made two observations that are not necessarily causal. Does almost everybody gets promoted because almost everybody gets outstanding grading in performance? Does this conundrum apply *only* to the IAS? I do believe that promotions to other civil services are also time bound up to a certain level. I have some experience of both cadre management and cadre review (of Group A services as well as the Indian Foreign Service for consideration of the committee chaired by the Cabinet Secretary). A good cadre management system *requires* that an officer to be assured of at least three promotions in his career provided he or she has obtained a certain level of grading (not necessarily "outstanding"). When the promotional channels were clogged for a long time for lack of vacancies in the higher echelons, upon consideration of the cadre management review, additional posts in higher echelons have been created. One of the commonest examples is the so called "in situ" (at the same place) promotions. For example, a Financial Adviser in the rank of Joint Secretary, is often promoted as Additional Secretary, in situ).

3.4 **IAS Promotion Guidelines**⁶ 28th March 2000 (or in the PDF form⁷), "Indian

⁶ <https://dopt.gov.in/acts/ias-promotion-guide-lines-0>

⁷ https://dopt.gov.in/sites/default/files/IASPromotionGuideLines_1.pdf

Administrative Service – promotion to various grades – guidelines regarding" gives the details, inter alia, functioning of Departmental Promotion Committees (DPCs) and for promotion of members of the Indian Administrative Service to the Senior Scale and Super time Scale. These were partially modified on 15th October, 2015⁸. The guidelines are detailed and comprehensive. Promotion of IAS officers are made accordingly (within the State Government, promotions to the grade of Joint Secretaries and above in the Central Government is separately discussed). Nevertheless, it is nobody's case that the promotion policy in the IAS is perfect with no scope of improvement. It would have been instructive had he examined the promotion policies of other services of which he has experience and suggested some measures for consideration of the Government of India for possible implementation, unless he has already done so. However, it will need to be kept in view that promotion policies suitable for a specialised or technical services or a specialised institution may not be able to be straightway ported to the IAS.

3.5 Purely as an example and for no other reason, I understand (and I can be corrected on this account) that in the Reserve Bank of India, *there is not one promotion policy for DRs, but at every level there are policy guidelines. For example, at present Grade B DR becomes Grade C (AGM) after 7 years provided, they have good service record. So, 90–95% Grade B DRs become Grade C automatically (emphasis added) after 7 years. However, from Grade C to Grade D (AGM to DGM) there is a **written exam followed by an interview***⁹. In its Annual Report 2001¹⁰ (July 1, 2000, to June 30, 2001), Date: Aug 28, 2001, Para 14.16, Chapter XIV - Human Resource Development and Organisational Matters it is mentioned that "With effect from 2001, officers in Grade 'B' being considered for promotion to Grade 'C' are required to appear for an interview to be conducted by the Reserve Bank Services Board, for determining their suitability for promotion. A comprehensive review of the existing Performance Appraisal system for officers is in progress, with inputs from an outside expert and a cross-section of officers from offices at various centres".

3.6 RBI Annual Report ending June 2003¹¹ (2002-2003) Date: Aug 27, 2003, Para 14.15 mentions the "Modification in Officers' Promotion Policy" and Para 14.16 speaks about "Modification in Performance Appraisal System". It is mentioned, inter alia, that " Under the modified performance appraisal system, the officers from Grade A to Grade E are to be

⁸ <https://7thpaycommissionnews.in/promotion-for-ias-officers-promotion-guidelines-reviewed-by-dopt/>

⁹ Chandraprakash Joshi, former Grade B (DR) Officer at Reserve Bank of India (2004-2011) Answered Jul 31, 2020, (5) [What is the current promotion Policy in Reserve Bank of India for DRs? - Quora](#)

¹⁰ <https://www.rbi.org.in/scripts/AnnualReportPublications.aspx?Id=179> , You can also read past reports by accessing the archives in the right panel.

¹¹ <https://www.rbi.org.in/scripts/AnnualReportPublications.aspx?Id=348#hum>

assessed on 10 different competencies which have been identified keeping in view their job profile, level of responsibility and the position they hold. Performance / competencies are to be appraised on a five-point scale with each competency having a weight of four. With a view to achieving objectivity and uniformity, a vocabulary was provided to facilitate distinguishing different levels of identified competencies on a five-point rating scale".

3.7 Would such a system of a written test and interview be applicable to IAS keeping in view the nature of its functions? What are such benchmarks and procedures in the advanced and progressive organisations? Can we borrow from them and adapt? These are issues that require detailed deliberations.

3.8 Increase in higher posts is not always only to give promotions. Many times, it is on account of expanded scope of a particular PSU (where an IAS officer is often deputed). I have seen many such examples where the post of say a CEO or MD of a PSU was in the rank of what was then called "*senior time scale or selection grade*" but "*through efflux of time*" the operations expanded substantially, budgets increased and the post was then upgraded to that of "*Super Time Scale*", i.e., that of a Secretary to the State Government, commensurate with the increased responsibility. Secondly, the concept of "time bound" promotions are also in place in the private sector, where they are generally termed as "rolling" promotions. So, I do not think he meant a causal relationship as above but making two separate points. I shall take them separately.

3.9 **Time bound promotions:** He seems to highlight that 'time bound' promotions and wage increments result in lack of incentives (or penalties), mediocrity and risk aversion. Risk aversion is another subject and is linked to corruption and integrity and is a vast subject that merits another deeper discussion. Even if it is assumed purely for argument's sake that the service *now* rewards mediocrity (but this was not so in the past), it is important at least to ponder over the reasons thereof or what it was in the past that made IAS reward meritocracy and not now? What has changed? Can it be reversed and if so, how? This alone will give some answers. Dr. Subba Rao has also lamented "everyone gets promoted by efflux of time and there is no pressure on officers to perform and deliver results".

3.10 **Pressure to perform:** To start with, it is difficult to entirely agree with Dr. Subba Rao that there is no pressure on the officers to perform and deliver results. I have conducted monthly "review" meetings of my subordinates and similarly faced such meetings taken by my superiors, right up to Secretary to the State Government when the Commissioner or the Departments Secretary or the Chief Secretary or the Chief Minister (depending on the subject for review, e.g. meeting targets for agricultural seeds and fertilizer distribution, building huts for the landless, family planning drives in the district amongst a host of others)

would chair such meetings. Losing face in front of peers or being pulled up for lack of performance or failure to deliver results was a strong enough pressure and admonition (unless the office has also developed an unusually thick skin of a rhino). As the famous bureaucrat saying goes that should be relevant to the IAS (and in fact to most of the 24 Group A Civil Services recruited through the Civil Services Examination-CSE), "*one should administer with a twitch of the eyebrow and a furrow on the forehead*". Such facial manifestations of displeasure apart, in the article in the Times of India ("*IAS is a system that promotes mediocrity and risk aversion*", March 25, 2022) he has also stated that is pertinent to our discussion at hand even if somewhat semantically, "*(IAS) is a system where the smart, enthusiastic and capable are not assured of rising to the top.*" But if, as also asserted by him, "*almost everybody gets promoted*" then it follows that the smart enthusiastic and capable are also assured of rising to the top. So, there is a conundrum for which considered views and suggestions of Dr. Subba Rao would have been most useful.

3.11 Incentives: There have been many innovations in the matter or incentives to the Civil Service over the past few years. Government of India has instituted a scheme in 2006 namely, "The Prime Minister's Awards for Excellence in Public Administration" - to acknowledge, recognize and reward the extraordinary and innovative work done by Districts/ Organizations of the Central and State Governments. The Scheme was restructured in 2014 for recognizing the performance of District Collectors in Priority Programs, Innovations and Aspirational Districts. The Scheme was restructured again in 2020, to recognize the performance of District Collectors towards economic development of the district. The Scheme has been revamped with a new approach in 2021 with the objective to encourage Constructive Competition, Innovation, Replication and Institutionalisation of Best Practices. Under this approach emphasis would be on good governance, qualitative achievement and last mile connectivity, rather than only on achievement of quantitative targets¹². Notably, of a total of 738 districts, 715 districts registered for participation in the Prime Ministers Awards for Excellence in Public Administration 2021 which is 98%. For 2020, 678 Districts have chosen District Performance Indicators Program (DPIP)¹³. So, the districts have been alive to innovation and excellence with performance indicators to judge them. The total number of Awards under the Prime Minister's Awards for Excellence in Public Administration 2021 would be 18.

3.12 As far as I could glean from previous records on this scheme, under this scheme of awards all the officers individually or as a group or as an organization are eligible. The award

¹² [PMA_Scheme_2021.pdf \(pmawards.gov.in\)](https://pma.gov.in/pmaawards/2021/PMA_Scheme_2021.pdf)

¹³ <https://pib.gov.in/pressreleasepage.aspx?prid=1648465> Posted On: 25 AUG 2020 2:59PM by PIB Delhi

includes a medal, scroll and a cash amount of Rs 1 lakh. In the case of a group, the total award money is Rs.5 lakh subject to a maximum of Rs.1 lakh per person. For an organization, the cash amount is limited to Rs.5 lakh. These awards are given out on 21st April every year, the "National Civil Services Day". May be the scope of the innovation award scheme could be enhanced to a greater number of officers, not only IAS but of the district administration. After all the Collector or the CEO of the local body (Zilla Parishad, or the local municipal council) is the leader of the team and his success depends on how well he leads his team in pursuit of the set collective goal.

3.13 Another area of a very powerful incentive for an honest competent officer could be to give adequate weight and presumptive value to the past history of competence and honesty when the office takes an action in "good faith" but makes an honest bonafide mistake. But the investigative agencies are no respecters of past history nor the absence of money trail (*mens rea*) relevant in the Prevention of Corruption Act. This is a vast subject in its own right and is only mentioned here en-passant.

3.14 **Empanelment as an incentive:** Coming to the incentives, as far as IAS is concerned, the system of incentives or penalties take the form of empanelment, or no empanelment based on the ratings in the confidential rolls over the last ten or more years. If additional incentives are required, the framework thereof must be clearly spelt out transparently. Is it out of turn promotion or one-time monetary reward or how many advanced increments? It would be worthwhile to see if, how and to what extent the tenets of the "nudge theory" of Nobel Laureate Richard Thaler can be applied. As is known, the "The Behavioural Insights team", popularly known as the "*Nudge Unit*", was established in the U.K Cabinet Office in 2010 by David Cameron's government to apply behavioural science to public policy. Now owned partly by the Cabinet Office, by Nesta and by employees, it has operations across the world

3.15 **Merely Cogs in the wheel?** Dr. Subba Rao has lamented that young bright minds soon become cogs in the wheels of complacency and so on because of the "flawed system" of incentives. The flourish of the language notwithstanding, I find it difficult to agree with this assessment. Purely semantically, each one in the service (right up to the level of Cabinet Secretary), is a part of the broader administrative eco-system in the sense being someone or something that is functionally necessary but of small significance or importance within a larger operation or organization. This and in this sense alone, being a "cog in the wheel", is inevitable in any large organisation. The question is whether that cog is pulling its weight in furtherance of the objectives of the organisation or detracting from it.

3.16 In my experience at different levels in the district, State Secretariat and at the Centre,

I have *not* generally found colleague officers (from IAS as well as other services) listless or without any enthusiasm. It is certainly not uncommon to have occasional bouts of cynicism if a proposal does not go through, or there is a lack of support from the seniors, but they have generally relatively quickly bounced back for a new cabinet proposal. Maybe I have been singularly lucky. Even at the danger of sounding idealistically didactic, in a service like IAS (regarded by most aspirants as a prestigious one and something to strive to get into, despite Dr. Subba Rao's "*firm*" opinion that it has "*failed the Nation*" about which I had talked in detail in my earlier writing), the real incentive, to my mind comes from a feeling of meaningfully being able to contribute to the well-being of the people, making a palpable difference in their lives, a general fulfilling sense of self-actualisation in the Maslow Hierarchy of Needs and above all pride in oneself. After all, in the words of Heraclitus, "*Character is destiny*".

3.17 At any rate, if a particular officer does feel that he has become merely a cog in the wheel or his future growth has been stunted in the "*culture of IAS environment*", exit option is always open for such an officer. Many have exercised such an option (not necessarily only on the cog in the wheel argument but for a host of other reasons) and have done very well outside the IAS culture, continuing to contribute to Nation Building. On the other hand, many firms in the private sector (most notably the IT sector and venerable firms like the Infosys and the Tata Consultancy Services where the "*culture of the working environment*" is entrepreneurial and supportive of innovation) have seen their attrition rates rising, sometimes in excess of 25% and the companies have to now put in a "*non-compete clause*". Bright young minds are far more knowledgeable of the environment than their past counterparts and should therefore be aware of the trials and tribulations of the culture of IAS environment are likewise not deterred by the alleged gloomy prospect of ending as only a *cog in the wheel* or for that matter by the deeply flawed "*culture in which IAS operates*" as seen by the fact that their numbers have been rising as aspirants to join the IAS (or the Civil Services) year after year.

3.18 **"Outstanding" Gradings:** I shall now come to the aspect of "almost everybody gets outstanding grading in performance". This is particularly relevant in service under the Central Government as deputation to the Centre is neither automatic nor reserved for IAS but on the basis of selection (from State Governments for the IAS and other Group A Services from the respective cadre controlling authorities). Hence, I shall focus on the services under the Central Government for this matter.

3.19 But before going into this issue, I shall briefly summarise the process of writing a Confidential Roll and its grading. I may mention that in the government (including the IAS),

there is a form for "self-assessment" by the officer. This part of the confidential form is quite detailed and gives many factors or targets that the officer was supposed to perform (something along the lines of Key Performance Indicators or Key Result (or responsibility) Areas) and how he fulfilled them, and, to my mind most importantly, *if there has been any shortfall, what were the reasons, in his view for such a shortfall*. This is further commented upon by the immediate superior the "reporting officer". The findings of the reporting officer are reviewed by the immediate superior or the reporting officer, the "reviewing officer". Finally, this needs to be accepted by the "Accepting Authority" if there is one. The findings also have to be shared with the officer in question. Apart from this there is a system of "ephemeral roll" that the superior officer should maintain over the year (with some reasonable periodicity of say a quarter) on the juniors to assess if the juniors have been remiss and *more importantly to give them opportunity for improvement*. The entries in the ephemeral roll inform the superior (as well as the junior) about the entries in the assessment. Admittedly, if the span of control of the superior officer is very large (as is often the case with some of the Department or Ministries), the ephemeral roll is not infrequently supplanted with oral intimations and/or admonitions for shortfalls. Finally, the observations of the reporting officer are to be shared with the officer to be reported upon, to ensure transparency. As in any field, there is always some "noise" and "bias" of Daniel Kahneman. There is doubtless scope for improvement but the contours of such an improvement need to be at least indicated for further work to pave a way forward.

3.20 It is generally mandated that an "outstanding" grading should be given for not more than 5% or 10% or so within the span of control of the reporting officer. Moreover, the reporting officer has to give cogent and specific instances or reasons why the given grading is "outstanding". Many State governments had this "pug mark" and over time came to be regarded as "conservative" as compared to other State Governments who did not adhere to the dictum of only 5% to 10% of "outstanding" gradings and came to be called "progressive". So, when it came before the Government of India, even "very good" officers in the "conservative" States that in the progressive States would get "outstanding" grading started losing out in central deputation and selection. Over time, the conservative states caught on, played the same game and started liberally giving "outstanding" gradings. The discerning Central Government (who also had some officers from the "conservative" States) caught on this conundrum and started, albeit qualitatively, downplaying ("normalising") the "outstanding" gradings of the "progressive" States. So, it was the Fear Of Missing Out (FOMO) or its twin cousin Fear Of Losing Out (FOLO) that, over time, generated the "outstanding" gradings as the highest common denominator in officers' gradings.

3.21 For quite some time now, the system is corrected. With the introduction of the 360

degrees assessment, where the officer in question is commented upon by four other (mostly retired) senior officers some from the cadre or in government of India, the scope for mediocrity as well as that of corruption, to my mind, is further reduced. In fact, the primary filter is that of integrity, or zero tolerance for corruption. Then come attributes like teamwork, delivering on time, involvement in work, empathy, commitment etc that in one way or another are all attributes of competence. One is made aware of the concept of an error or flaw in human judgement as elaborated by Nobel Laureate Daniel Kahneman in his book (2021) "Noise". Selection will finally remain a matter of judgement and as Kahneman observes (Page 40), "Although accuracy is the goal, perfection in achieving this goal is never achieved even in scientific measurement, much less in judgment. There is always some error, some of which is bias and some of which is noise." Kahneman has also observed (page 7) that "*Personnel decisions are noisy. Interviewers of job candidates make widely different assessments of the same people. Performance ratings of the same employees are also highly variable and depend more on the person doing the assessment than on the performance being assessed*". That is why comments by four officers on the same person to, so to say "normalise" the entries and assessment in the confidential rolls and arrive at a considered judgment about the officer in question.

3.22 Penalties: I shall briefly touch upon the issue of penalties. Like other services, the All-India Services (of which IAS is a part) have its Conduct as well as Discipline and Appeal Rules. The procedures are elaborate because, unlike in private sector, any system of rewards and punishment in a public sector is open to judicial review and will need to be defensible at that forum. There are multiple forums like the Public Accounts Committee or the CAG or the CBI where the shortcomings (whether of administrative nature or involving criminality) of an officer can be called into question. According to the principle of proportionality, the penalties are commensurable with the gravity of the offense. The penalties are also specified as stoppage of increments, reduction in rank, barring from further promotions for a certain number of years and so on. If despite these checks and balances, it is felt that adequate number of IAS officers escape the penalties, it means either that the checks and balances are inadequate and require modifications or that the IAS officers have developed the uncanny expertise of remaining under the sweeping radar of such checks and balances (crudely stated, expertise of not getting caught). Or maybe, albeit somewhat facetiously, and applying the Occam's Razor, there may not be so many IAS officers guilty of egregious delinquencies attracting penalties.

3.23 As regards the issue to "*penalize laziness, cynicism corruption, as much as it should*", apart from what is mentioned above, compulsory retirement beyond a certain age (first 50 years and later at 55) is one option with the government to weed out the lazy or inefficient. I

understand, in Singapore civil service, the top government appointments are on contract for a certain number of years, so there are no tenured appointments. Such a view also expressed by Dr Naresh Chandra Saxena (IAS 1964, UP cadre, Director Lal Bahadur Academy of Administration for 8 years, amongst others) who said that the main reason for “underperformance” of bureaucrats is the security of tenure¹⁴. Should we have such a system here? Lateral entry is one such manifestation. In private sector with “hire and fire” policy, this is at once easy and subjective. I do not think such a policy is possible in the public sector. The attributes of laziness and cynicism are collectively embodied in the overall grading in the confidential roll. Determining cynicism is difficult because *habitually* pointing out shortcomings or giving contrarian opinions can be viewed as insubordination, being a troublemaker or cynicism. Being a “*team player*” is also an important attribute, not so much as being a conformist but able to get along and comfortable with diverse views in the group.

4. Summary,

4.1 the system of incentives and penalties in the IAS or for that matter in the 24 civil services is neither flawed nor perverse. It needs to operate in a certain framework. I also do not subscribe to the view that it does not encourage talent, Dr. Subba Rao himself and like him many others are examples thereof. The system has been evolving over time and always admits implementable improvements that can well be suggested.

4.2 There may be aberrations, some officers may consider themselves to have been unfairly judged but the processes of overall grading of writing the Confidential Rolls is clearly spelt out. As Daniel Kahneman points out, there are inherent flaws in Human Judgement and as Dr. Subba Rao himself points out in the interview (Time Stamp 26:33), “*Even the most advanced and progressive organizations are struggling with performance evaluation*”.

4.3 We must always be vigilant to sift, analyse and adapt the best practices. It can be nobody's case that we have reached a perfect plateau incapable of further change. After all as Heraclitus, the Greek philosopher said, “Change is the only constant in life.”

4.4 Reform, innovation, incentives and penalties will remain at best only an expression of good meanings and intentions and at worst sterile unless a proper implementable framework is worked out without which no meaningful results are possible. After all, road to (administrative) hell is paved with good (policy) intentions. Hell is full of good meanings, but heaven is full of good works. IAS has not lost its soul and it will never will.

¹⁴ Dr Naresh Chandra Saxena was speaking to The Indian Express on the side-lines of a lecture on Challenges of Governance: the way out, organised by Institute of Development and Communication, Dec 27, 2019, despite the catchy url <https://indianexpress.com/article/cities/chandigarh/bureaucrats-in-punjab-northeast-are-most-corrupt-former-director-of-mussoorie-academy-6188611/>