

Criteria Set for Gauging State Manager Efficiency

By [The Moscow Times](#)

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Senior managers at state companies can review proposed key performance indicators, or KPIs, for the quality of their work, which have been published on the website of the Federal Property Management Agency, a news report said Thursday.

President Vladimir Putin authorized the development of KPIs for senior managers of state companies during the economic forum in St. Petersburg in July.

The efficiency of state managers should be measured against their companies' capitalization and the size of dividend payments to their shareholders, Vedomosti said.

For public companies, the agency proposes to calculate total shareholders return, or TSR, which depends on dividend return and how the share price changes.

The efficiency assessment of non-publicly traded companies should be based on the

comparison of the current size of dividends with their average size over a three-year period.

Another important key performance indicator beside TSR proposed by the Federal Property Management Agency is profitability of invested or shareholder capital.

The total weight of the two main indicators in determining overall efficiency should be at least 30 percent. The remaining two indicators should be chosen from a set of five possible ones by a company's managers or board members.

A state company's board of directors should approve KPIs every year for a three-year period, and can propose more ambitious goals.

Efficiency indicators will be calculated by a company's management based on its development strategy and the current market dynamics, the agency said.

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