



Using Rewards Programs to Recognize and Incentivize Court Performance



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In an effort to boost court performance, the Serbian Judiciary and the World Bank have designed a rewards program that taps into positive competition to promote justice for citizens and businesses.

Why Rewards Matter

There is a wealth of research on the role of incentives in public sector performance, including how institutions can boost performance by rewarding their staff.¹ Much depends on context, but there are some key lessons from the literature:

1. ***Non-financial rewards*** can be more powerful than cash;²
2. Group rewards encourage ***team player behaviors***, especially among smaller teams;
3. Rewards provide extra motivation to undertake socially desirable acts and other ***'good' behavior***;
4. Rewards for ***'most improved players'*** motivate lower and middling performers, whose contribution is critical to lifting sector-wide performance;
5. Rewards provide extra motivation when ***combined with recognition*** from senior figures and ***visibility*** among peers and the public.

In public institutions around the world, doctors, teachers and tax collectors are each responding to incentives offered through carefully-designed rewards programs. So why have courts not adopted similar programs?

¹ See for example: No margin, no mission? A field experiment on incentives for public service delivery, *Journal of Public Economics*, Volume 120, December 2014, pp1-17. Awards unbundled: Evidence from a natural field experiment, *Journal of Economic Behavior and Organization*, Volume 100, April 2014, pp44-63. Pay for Performance Incentives in Low and Middle Income Country Health Programs, *National Bureau of Economic Research Working Paper 18932*, April 2013; Incentives in the Public Sector: Evidence from a Government Agency, *Institute for the Study of Labor Discussion Paper No. 6738*, July 2012.

² See also, *The World Development Report 2015: Mind, Society and Behavior*, World Bank, 2015.

Courts and Rewards

Courts have generally been slow to adopt lessons on incentivizing public sector performance. Traditionally, **leaders have relied predominantly on compliance with rules** to motivate their judges and staff. (*Submit this report! Deliver this judgment! Meet this deadline!*) Judiciaries also draw on altruism to motivate their ranks. (*Serve our citizens! Uphold the rule of law!*) Leaders in judiciaries have tended to shy away from rewards programs on the basis that judges and staff should not be offered inducements to do what is required of them by law.

Some progress has been made over the last decade, as many judiciaries have developed **performance frameworks with targets and monitoring tools** that would be familiar in new public management approaches. Often though, the implementation of these frameworks has continued to focus on compliance. (*Submit more reports! Meet these targets!*) Rarely have frameworks been linked with positive reinforcement or complemented by rewards programs for courts that meet or exceed their desired targets. When targets are met (and when they are not), the goal posts are moved, and courts are required to comply with a new set of rules. Rarely are the people who do the work recognized for their efforts in the process.





Courts will need to catch up to other sectors in this regard if they hope to escape the pitfalls of a compliance-based performance system. Here, ***Serbia is at the forefront of innovation among judiciaries worldwide***. With support from the Multi-donor Trust Fund for Justice Sector Support in Serbia administered by the World Bank,³ the Supreme Court of Cassation of Serbia launched its inaugural Court Rewards Program in October 2016.

Design of the Rewards Program

The Serbia Court Rewards Program is designed to motivate ***first instance courts to improve their efficiency and productivity in processing cases***. In this, the inaugural year, the Supreme Court issued two categories of awards:

1. The largest improvement in backlog reduction per judge and;
2. The largest improvement in the number of resolved cases per judge.

By focusing on first instance courts, the program aims to ***improve the court experience for citizens and businesses on the front line*** of justice service delivery. By targeting ‘most improved’ courts, the program aims to lift average court performance across the country and improve consistency of justice overall. By measuring performance on a ‘per judge’ basis,

³ The MDTF-JSS is a sector-wide development program that aims to strengthen justice sector capacity in Serbia. The MDTF-JSS improves aid effectiveness and donor coordination across the sector through the implementation of a coordinated work program, administered by the World Bank and financed by pooled contributions from Serbia’s development partners, namely the Swedish International Development Agency, the Swiss Agency for Development and Cooperation, the Kingdom of Denmark, the Kingdom of the Netherlands, the Kingdom of Spain and the Republic of Slovenia. For more information, see www.mdtfjss.org.rs.

the program controls for variation in court size, so smaller courts with fewer judges have an equal chance of success.

The choice of prizes is also designed to incentivize court performance. In each category, the 1st prize is 5,000 EUR, the 2nd prize is 3,000 EUR, and the 3rd prize is 2,000 EUR. The prize amounts were determined based on purchasing power in Serbia and the MDTF-JSS's procurement history and experience in the local market. The amounts were deemed to be **sufficiently attractive to motivate behavioral change**, but not so lucrative as to generate perverse incentives. Winning courts can choose to spend their prize money on either: ICT hardware (computers, monitors, printers, scanners, servers etc.); office equipment (desks, chairs, shelves, clocks, legal texts etc.); or court beautification (paint, plants, signage, repairs etc.)

The prize winning process also aims to **foster teamwork** and continual improvement. Presidents of the winning courts are required to confer with their team when choosing how to spend their reward. They are also asked to explain in a short questionnaire how their choice of prize will further improve performance of their court. Rules have been put in place to ensure that prizes are used for the benefit of the court as a whole. Certain items are prohibited, such as laptops, tablets and mobile phones for fiduciary concerns, and consumables for sustainability concerns. The project's implementing unit is responsible for procuring the prizes centrally. However, in other contexts, this could be done through the relevant procuring authority, such as the Ministry of Justice or Council.





The integrity of the process is critical to its success. Winning courts were decided based on **objective data from case management systems** and tested and verified by the Supreme Court and the Bank. To demonstrate the transparency of the process, the scores and results are available online for peers to review.⁴

The **ceremonial aspect of bestowing an award** cannot be underestimated. Prizes were awarded during Serbia's Annual Conference of Judges at a gala ceremony. Representatives of the Supreme Court and the World Bank spoke of the importance of improved court performance, and the President of the Supreme Court took the opportunity to emphasize to the winners – and their peer judges – the Supreme Court's expectations for the coming year. Awards were issued by President Milojevic, together with commemorative plaques that were personally designed by him. Alongside the prizes themselves, the ritual signals the seriousness of the reward program and reinforces its key messages.

The ceremony was attended by all of the country's judges, as well as dignitaries, international partners and the media. The message from the Supreme Court President was clear: teams who strive to improve will be rewarded for their efforts.

The Results

In the 2016 inaugural round, the six winners of the Court Rewards Program were the Basic Courts in Niš, Lebane, Leskovac, and Novi Sad, and the First, Second and Third Basic Courts in Belgrade.

This list of winners is interesting in itself. The winning courts represents a mix of large courts in big cities and small courts in rural towns, in both the north and south of the country. These

⁴ See http://www.vk.sud.rs/sites/default/files/attachments/KriterijumizaNagradjivanjeSudova_ResenoStarih.pdf and http://www.vk.sud.rs/sites/default/files/attachments/KriterijumizaNagradjivanjeSudova_UkupnoReseni.pdf.

courts are led by Court Presidents of mixed genders and varying ages. This suggests that, at least in Serbia, **improvement of court performance is not dependent on location, size or resources**. According to the *Serbia Judicial Functional Review 2014*, stakeholders report that the most likely determinant of a higher performing court is the managerial skills of the court president and his/her core team of senior administrators.⁵ These findings can further inform programing in the justice sector.

In 2016, Basic and Higher Courts in Serbia resolved 162,328 cases, including 35,130 backlogged cases that were older than two years. That's **21,109 cases more resolved than in 2015**. Many thousands citizens and businesses had their disputes adjudicated in the winning courts. With this results program, the Supreme Court hopes that these numbers will grow.

Leveraging rewards through peer learning

To leverage the impact of these rewards on peer judges across the Serbian judiciary, the Supreme Court is hosting meetings in each of the four appellate regions in Serbia bringing together judges in each region to discuss court performance, efficiency and productivity, rewards and next steps. These meetings provide an **opportunity for others to learn from the winning courts** and to spur on further improvements across the court network. It also



⁵ See <http://mdtfjss.org.rs/en/serbia-judicial-functional-review#.WCXI-klrLX4>, Governance and Management

provides the opportunity for the Supreme Court to boost morale and remind winning courts not to become complacent in their performance.

As an additional resource, the Court Presidents of the winning courts have been interviewed about their ‘recipe for success’ on national TV.⁶ Their awards were also highlighted in local media, on social media networks and via blogs.⁷ By showcasing good practices, the winners **signal to the general public** that court performance is improving, while also signaling to peer judges what it takes to win a much-coveted award.

Judiciaries across Europe are interested in learning about Serbia’s experience. As an initial step in regional peer learning, the Supreme Court and High Judicial Council of Serbia are presenting their Court Rewards Program to the Western Balkans Regional Network of Judicial Councils in November 2017. Lessons will also be shared with international peers in a range of forums, including the 2017 Conference Excellence on a Global Scale, organized by the International Association of Court Administrators.

Conclusion

Though traditionally not used in the judiciary, rewards programs can be an effective tool in incentivizing court performance. **Creating such a program is relatively easy.** Based on Serbia’s experience, what this initiative most needed was a judicial leadership committed to improving performance in a fair and transparent manner. Beyond that, all that was needed was a small and sustainable budget, thoughtful logistical planning and some brainstorming among professionals about what best motivates performance in a given context. Such an initiative would rarely require legislative change in any jurisdiction.

These courts are not the only winners. The ultimate winners of improved court performance are Serbian **citizens and businesses who want – and deserve – fast and fair justice** when they come to court to resolve their disputes or enforce their rights.

The design and rollout of the Serbia Court Rewards program was made possible through collaboration between the Supreme Court of Cassation of Serbia, the High Judicial Council of Serbia, and internal collaboration between the Governance Global Practice and the Development Economics and Research Group of the World Bank, with the support of the Serbia country team. The rewards program has now been **formally adopted in the Supreme Court’s Book of Rules** and will be expanded in coming years.

For more information about incentivizing court performance, feel free to contact the World Bank: Ms. Georgia Harley (gharley@worldbank.org) and Mr. Srdjan Svircev (ssvircev@worldbank.org).

⁶ See for example, <http://www.worldbank.org/en/news/video/2016/10/21/serbia-launches-court-rewards-program>.

⁷ See for example, <http://www.worldbank.org/en/news/opinion/2016/10/17/and-winner-is-serbia>.

