



Report on the Implementation of the Performance Management and Development System for Senior Managers in the Western Cape Province



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Foreword

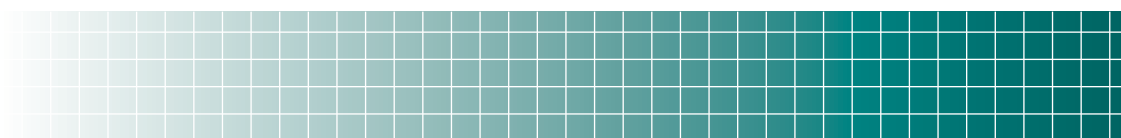
I am pleased to present the Public Service Commission's (PSC's) fifth report in a series of provincial assessments of the implementation of Performance Management and Development System (PMDS) for the members of the Senior Management Service (SMS). This report has been produced as part of the PSC's role in the promotion of the basic values and principles governing public administration enshrined in Section 195 of the Constitution of the Republic of South Africa Act 108 of 1996. Section 195, among others, states that "Good human resource-management and career-development practices, to maximise human potential, must be cultivated". In this regard, the PMDS framework plays a critical role in assisting departments to assess the performance of the members of the SMS, and to track progress towards the attainment of organisational strategic objectives. In addition, the system assists departments to identify service delivery gaps and challenges with the ultimate purpose of developing appropriate interventions to ensure that senior managers remain focused on the bigger picture.



Given the above, it is imperative that the PMDS framework functions optimally to ensure that it is used by senior managers not only for compliance purposes but also as part of ongoing performance improvement. In this regard, it is crucial for departments to ensure that a conducive environment is created in which senior managers are able to use the PMDS as a tool to increase productivity and ensure value for money. It is for these reasons that the PSC has been assessing the implementation of the PMDS in departments. These studies have shown that the PMDS has not been implemented effectively, resulting in a number of departments' senior managers failing to even comply with minimum basic requirements.

For example, it has been found that in some instances Key Result Areas (KRAs) in the Performance Agreements (PAs) of senior managers had been crafted in a generalized manner, making it very difficult to link them to departmental strategic goals. In addition, there has often been a high disregard for the incorporation of Batho Pele principles (BPPs) into PAs as part of inculcating a culture of selflessness in providing quality services.

While some of these challenges were found to exist in the Western Cape as well, this report shows that the Province has also achieved some successes. For example, the PSC has found that KRAs in the PAs of senior managers are to a large extent aligned to the strategic objectives of departments. This alignment is critical in ensuring that senior managers are focused on delivering on government priorities as part of endeavours to improve the lives of South Africans. In addition, the study has found that the Provincial Government Western Cape (PGWC) has been consistently successful in conducting block



evaluations for its Heads of Department. The success of the block evaluation approach is attributed to the leading role played by the Office of the Premier in ensuring that all stakeholders buy into the model and are committed to the process. Therefore, the PSC is of the view that the approach adopted by the PGWC in assessing the performance of its upper-most administrative echelons must be emulated and adapted by all national and provincial departments as a model of excellence in conducting effective performance management and development.

I trust that you will find the findings and recommendations contained in this report useful in ensuring that the PMDS framework becomes a critical management tool for improved and sustainable service delivery.



MS P TENGENI
DEPUTY CHAIRPERSON: PUBLIC SERVICE COMMISSION



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List of Acronyms

APP/APPs	Annual Performance Plan(s)
BPPs	Batho Pele Principles
CMC	Core Management Criterion
DoA	Department of Agriculture
DoCS	Department of Community Safety
DCAS	Department of Cultural Affairs and Sport
DEDAT	Department of Economic Development and Tourism
DoE	Department of Education
DoEA&DP	Department of Environmental Affairs and Development Planning
DoH	Department of Health
DoLG&HS	Department of Local Government and Human Settlements
DoPT	Department of Provincial Treasury
DoSD	Department of Social Development
DoT&PW	Department of Transport and Public Works
HoD	Head of Department
HR	Human Resources
KRAs	Key Result Areas
MPSA	Minister for Public Service and Administration
OPSC	Office of the Public Service Commission
OTP	Office of the Premier
PAs	Performance Agreements
PDPs	Personal Development Plans
PERSAL	Personnel and Salary Administration System
PERMIS	Performance Management Information System
PGWC	Provincial Government Western Cape
PMDS	Performance Management and Development System
PSC	Public Service Commission
PSCBC	Public Service Coordinating Bargaining Council
PSR	Public Service Regulations
SMS	Senior Management Service
SPMS	Staff Performance Management System
TR	Treasury Regulations



Executive Summary

1. INTRODUCTION

In January 2001, the South African government took a conscious decision to establish a Senior Management Service (SMS) with the sole purpose of ensuring that competing policy considerations and mandates are managed and implemented in a seamless manner with the ultimate purpose of benefiting communities at large. In addition, government recognised that the success of its programmes and policies would require that such a core of senior managers be provided with ongoing support to strengthen its management and leadership capabilities to meet the challenges of this modern state. This support meant that the Public Service had to overhaul its recruitment strategies and training and development programmes with the purpose of, among others, retaining and appropriately rewarding competent managers for excellent performance and continuous innovation. For these reasons, the introduction of the Performance Management and Development System (PMDS) became one of the critical vehicles through which the Public Service could gauge the extent to which government priorities are realised, and where there are gaps and challenges remedial action be identified timeously.

In this regard, the PMDS was conceived as a compulsory accountability framework necessary for performance planning, tracking of progress and reporting on performance outcomes. Given the above, the Public Service Commission (PSC) has been assessing the extent to which national and provincial departments have been implementing this important policy instrument. These studies have already been undertaken in the Eastern Cape, the North West, the Northern Cape and the Limpopo Provincial Administrations. These studies in the main found that departments generally do not comply with the basic provisions of the PMDS. The PSC decided to extend this study to the Western Cape Provincial Administration.

2. OBJECTIVES

Through the study, the PSC sought to assess:

- compliance by SMS members with regards to the timeous completion and signing of their Performance Agreements (PAs), as determined by the regulatory framework;
- the alignment of key performance areas (KPAs) to the vision, mission and strategic plans of departments and to the PAs of Heads of Department (HoDs), cascading these down to the SMS levels;
- the implementation and management of PAs within the context of the PMDS;
- trends and challenges in the implementation of the PMDS by departments; and
- best practices on the application of PMDS for benchmarking.



3. METHODOLOGY

A list of all senior managers was obtained from the provincial Personnel and Salary Administration System (PERSAL) from which a sample of SMS members was drawn. Two sets of questionnaires were developed. These sets of questionnaires sought to measure the participants' level of understanding of performance management, its application, how it adds value to improved service delivery and their views on the extent of PA compliance with the PMDS regulatory framework across departments.

The responses received through the questionnaires were analysed to establish the participants' level of understanding of the requirements of the PMDS and determine the participants' views of the value add of the PMDS in enhancing service delivery. An analysis of the PAs to assess the level of compliance with the requirements of the PMDS prescripts was undertaken. This was followed by the analysis of the PAs of selected senior managers in terms of quality and alignment with the various departmental planning documents such as the annual performance, operational and/or strategic plans.

4. SCOPE OF THE STUDY

The study was conducted within all provincial departments of the Provincial Government Western Cape (PGWC) during 2010 and covered the 2009/2010 financial year.

5. LIMITATIONS

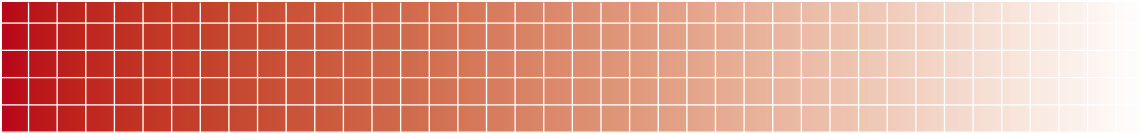
The following limitations were experienced during the study:

- Some of the questionnaires were either not responded to or partially completed, posing difficulties in trying to understand and make sense of some of the responses provided;
- Not all PAs of SMS members were submitted for analysis, with the Department of Transport and Public Works failing to submit any PA for the required period; and
- The Department of Social Development submitted unsigned copies of the PAs. As a result the PSC was unable to assess and analyse the PAs for compliance with the PMDS framework and alignment to planning documents. The reason is that PAs as legally binding documents should be signed by the parties concerned.

6. FINDINGS

6.1 Response Rate by Departments

A total of one hundred and seven (107) questionnaires were distributed to ninety-five (95) members of the SMS (representing 30% of the whole population of senior managers



in the province) and twelve (12) HR practitioners (representing all the 12 provincial departments). Of the 12 departments, the Office of the Premier was the only department which completed and returned less than 26% of the SMS questionnaires. In the case of HR representatives, all the 12 questionnaires distributed to individual departments were completed and returned to the PSC for analysis.

6.2 Signed Performance Agreements submitted for Analysis

Of the 309 senior managers employed by the PGWC, the PSC was provided with two hundred and two (202) PAs. This represents a 65% overall submission rate by departments in the PGWC. Such a submission rate is low, and what is worrying is that this could mean that about 35% of senior managers in the province were without PAs for the 2009/10 financial year. The Departments of Agriculture, Cultural Affairs and Sport and Health had the highest submission rate 100%, followed by the Departments Provincial Treasury (DoPT) with 95% and Economic Development and Tourism (DEDAT) at 87%. The rest of the seven departments submitted lower numbers of PAs of senior managers in their employ to the PSC. Of grave concern, was the fact that the Department of Transport and Public Works did not submit any PAs at all.

6.3 Overview of Areas of Compliance of PAs with the PMDS Requirements


The following areas of non-compliance were found to be common in the PAs of senior managers submitted to the PSC for analysis:

6.3.1 Performance Agreements (PAs) that did not Identify Key Result Areas

Whilst all the PAs of senior managers assessed in the province had identified Key Result Areas (KRAs), a number of concerns were identified with the manner in which some of the KRAs had been crafted. For example, in 29% of the PAs, KRAs of senior managers in line function had been formulated only in generic terms, such as 'line management', 'strategic management', 'financial management', 'project management' and 'human resource management'. In terms of the PMDS framework, KRAs should be captured in a clear and concise manner and these should be directly derived from departmental strategic objectives. More importantly, these generic KRAs are also captured as CMCs, resulting in duplication. Such a practice is discouraged by the PMDS framework as it may render the measurement of performance outcomes ineffective.

6.3.2 Reflection of the Applicable Batho Pele Principles (BPPs) against Key Result Areas in the PAs

Overall, 100% of the PAs of senior managers in the Departments of Cultural Affairs and Sport, Provincial Treasury and the Premier did not reflect the applicable BPPs as required.



These were closely followed by the Departments of Community Safety (91%), Agriculture (88%), Environmental Affairs and Development Planning (80%). The identification and inclusion of the BPPs is very important as these principles define the manner in which the services and outcomes represented by KRAs are expected to be delivered.

6.3.3 Reflection of the Applicable BPPs against CMCs in the PAs

A number of the PAs of senior managers in the province with the exception of those from the Departments of Economic Development and Tourism, Local Government and Human Settlements and the Provincial Treasury failed to comply with the PMDS framework as far as the inclusion and incorporation of the BPPs in the CMCs. This non-compliance ranged from the Office of the Premier (16%) and the Departments of Community Safety (18%), Agriculture (19%), Health (22%), Cultural Affairs and Sport (22%), Education (79%) and Environmental Affairs and Development Planning with a staggering 80%.

6.3.4 Identification of Personal Development Plans in the PAs

Overall, 43% of senior managers in the province did not comply with the need to include PDPs or reflect particulars for the deployment of managers to a service delivery site as required by the PMDS framework. The non-compliance ranged from the Department of Education with 16% to the Department of Local Government and Human Settlements with the highest figure of 62%. In addition, it should be noted that where PDPs have been identified as required, these did not have target dates for the realisation of the training and developmental needs. In some instances target dates covered a period exceeding one financial year which is contrary to what is required.

6.3.5 Inclusion of Dates for Performance Reviews in the PAs

The analysis of mid-term and final assessments show that performance reviews for qualifying senior managers have been conducted by all the departments in the PGWC during the financial year under review. Furthermore, the SMS PMDS framework requires senior managers to identify dates for performance reviews. As a minimum, these performance reviews should at least be conducted twice a year. The non-compliance with this aspect ranged from a low percentage of 3% in the Office of the Premier to 33% in the Department of Local Government and Human Settlements. The fact that performance review dates have not been identified may imply that feedback sessions are not taking place.

6.3.6 Identification of a Mediator in the Event of a Dispute arising as a Result of the Content of PAs

It was found that all the departments in this province have failed to fully comply with this aspect. The non-compliance ranged from 78% in the Department of Health, 91% in the Department of Community Safety, 94% in the Department of Agriculture and a staggering 100% in the Departments of Cultural Affairs and Sport, Environmental Affairs and Development Planning, Economic Development and Tourism, Education, Local Government and Human Settlements, Provincial Treasury and the Office of the Premier.

6.3.7 PAs signed after 31 July Due Date¹

The study has found that senior managers and their supervisors in six departments managed to conclude and sign PAs timeously. These are the Departments of Agriculture, Cultural Affairs and Sport, Community Safety, Environmental Affairs and Development Planning, Education and Health. The rest of the departments did not manage to conclude and sign PAs by the due date, and these are the Departments of Economic Development and Tourism, Local Government and Human Settlements, Provincial Treasury and the Office of the Premier. The non-compliance ranged from 5% in the Department of Local Government and Human Settlements to 28% in the Office of the Premier.

6.3.8 Inclusion of Workplans in the PAs

The PSC has found that 88% of senior managers in the Department of Agriculture, 11% in the Department of Education and 6% in the Office of the Premier did not include workplans in their PAs. It is a serious cause for concern that more than 80% of senior managers in the Department of Agriculture failed to include workplans in their PAs as an annexure. Failure to include workplans may result in serious challenges encountered when an assessment of whether senior managers during the period under review have been able to achieve departmental strategic objectives as per their performance contracts.

6.4 Overview of Responses provided by the Senior Managers and Human Resource Representatives

6.4.1 All Managers regard the Signing of Performance Agreements as Important

One hundred percent (100%) of senior managers surveyed agree that the conclusion and signing of PAs is very important. In this regard, they are of the view that PAs formalise the operations of the component in line with departmental Annual Performance Plans (APPs) in a cascading fashion and that entering into a PA provides the basis for awareness of expectations and the inculcation of a culture of commitment to the delivery of performance outcomes. Furthermore, a PA provides a tool against which senior managers would be assessed on a continuous basis.

6.4.2 Managers believe that PAs are Continuously used to Support Effective Management in the Department

Only 29% of senior managers and 50% of HR representatives responded to this question and they agreed that PAs do indeed support effective management of performance. They substantiated this view by indicating, among others, that PAs ensure that departments are able to streamline deliverables and identify areas of weaknesses/concerns timeously. The outputs in the PA are used during quarterly reviews to report progress and to highlight any action to be taken during the next reporting quarter.

¹ Republic of South Africa. Department of Public Service and Administration. Circular: Amendments Regarding Signing of Performance and Filling of Posts for Members of Senior Management Service (SMS). 05 June 2009.

6.4.3 Action taken by Departments against SMS members who are found to be Unsatisfactory Performers

Thirty five percent (35%) of senior managers and 17% of HR representatives agree that action has been taken against SMS members who have failed to perform. The measures taken include, among others, undertaking investigations into the nature of poor performance and the development of the necessary intervention strategies with the aim of improving capacity. However, 30% of senior managers indicated that departments do not take action against those found to be unsatisfactory performers, and 67% of HR representatives stated that their departments did not take action, as there were no senior managers found to have performed poorly. These differing views could either suggest that information on the actions taken is not common knowledge, or that there is not always consistency in taking such actions. The remaining 35% of senior managers and 16% of HR representatives did not respond to this aspect.

6.4.4 Managers believe that the PA System is Appropriate but not Properly Implemented by Departments

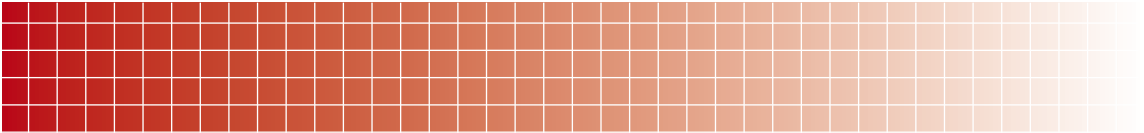
Only 39% of senior managers and 8% of HR representatives responded to this question, and they were of the view that the PA system is appropriate but not properly implemented by departments in the province. To substantiate this view, participants highlighted certain challenges which need attention if the PA system is to be properly utilised as an effective tool to manage performance and increase productivity. These issues, among others, include the fact that whilst a PA is an agreement that specifies roles and responsibilities and standards, the ratings through quarterly reports are done inconsistently.

6.4.5 Some Managers believe that the PA System is Cumbersome

Only 21% of senior managers and 17% of HR representatives responded to this question and they were of the view that the current PA system is cumbersome and driven purely by the need for departments to comply with administrative requirements. Some of the reasons advanced include the fact that the system currently requires senior managers and their supervisors to complete many forms during performance reviews. This leads to senior managers spending too much time focusing on the completion of endless documents which have little impact on the manner in which moderating committees assess and decide on the final performance outcomes.

6.5 The Alignment of KRAs with the Strategic/Operational Plans of the Departments

The requirements of the PMDS stipulate that the content of PAs should clearly and directly devolve from and be related to a department's strategic/operational plan and the plans of the specific unit for the coming financial year. The strategic plan and the APP specify the objectives and targets that need to be achieved by a department within a given period.



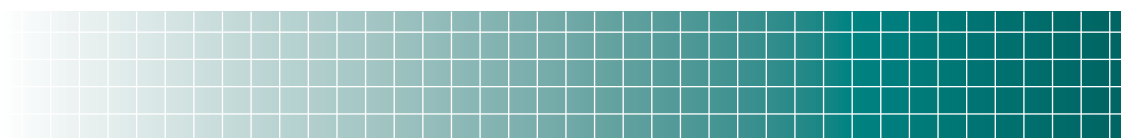
The PAs of senior managers should thus articulate KRAs that are aligned with the strategic objectives of the departments as stated in the planning documents. In the study the analysis of the alignment of KRAs with the strategic/operational planning documents focused on a sample of four departments, namely DoA, DoH, DoPT and DoLG&HS. These four departments represent 40% of the 10 departments in the province which submitted signed copies of the PAs to the PSC. In this regard, the PSC assessed the PAs of four Heads of Department (HoDs) and senior managers reporting to them to establish if their KRAs were aligned to departmental strategic/operational plans. It was found that the KRAs are aligned to the strategic planning documents.

This alignment is important in ensuring that departments and their senior managers are able to focus on the attainment of strategic objectives, and are able to be used as tools to enforce accountability for results. However, in the case of the PA of the Acting HoD of the Department of Local Government and Human Settlements, the analysis shows that an attempt has been made to align KRAs with the strategic planning documents, but the concern is that the PAs use terms such as strategic leadership and effective management and communications, which are also dealt with under CMCs. Failure to correctly capture KRAs accurately may give the impression that the KRAs in the PA of the HoD do not devolve directly from departmental strategic goals. This may ultimately create confusion during the performance assessment sessions as planning documents are also used as a yardstick to gauge whether the department has succeeded in achieving the strategic objectives.

7. RECOMMENDATIONS

The Public Service Commission proposes that the recommendations outlined below must be implemented with immediate effect.

- 7.1 Departments must ensure that Batho Pele principles as important ethos and values of service delivery standards are meaningfully integrated with the KRAs and CMCs of the PAs of all senior managers in the province. This would ensure that a culture of service to society is inculcated in the work of senior managers.
- 7.2 Departments must ensure that PAs of senior managers identify a mediator who would assist in resolving any dispute which may arise with regard to all aspects of the PA. Mechanisms for dispute resolution must also include a provision to resolve any differences which may arise out of the assessment of work performance. In agreeing on a mutually acceptable person to resolve disputes that might arise, an individual within the Public Service should first be considered. If possible, the person identified should be involved in the conclusion of the PA. This will enhance his/her understanding of the contents of the PA and may even prevent disputes from arising. Persons selected to resolve disputes should preferably be chosen on the basis of their functional expertise and people skills and not their legal qualifications since dispute resolution should preferably be an informal process.

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- 7.3 Departments must ensure that KRAs of senior managers devolve clearly and directly from the required outputs of the approved strategic/operational plan. In this regard, an endeavour should be made to ensure that KRAs are as specific as possible to ensure a line of sight with the departmental strategic objectives.
 - 7.4 Departments must ensure that in crafting KRAs of senior managers duplication with the CMCs should be avoided and eliminated. Failure to adequately deal with these issues would create confusion during performance review sessions.
 - 7.5 Departments must ensure that Personal Development Plans are identified and appended in the PAs of senior managers.
 - 7.6 Departments must ensure that senior managers enter into and sign Performance Agreements timeously. The signing of PAs is important for authenticity and validity as these documents form the legal basis for performance contracting.
 - 7.7 Departments must ensure that Workplans are developed and appended to PAs of senior managers.
 - 7.8 The Office of the Premier must take urgent steps to ensure that the PERMIS system complies with the provisions of the PMDS framework.
 - 7.9 The Departments of Transport and Public Works and Social Development should ensure that in future they comply with requests for information and documentation by the PSC.
 - 7.10 The DPSA should engage with the findings and recommendations contained in this report as part of efforts to improve the implementation of the PMDS Framework.

Chapter One

Introduction

1.1 BACKGROUND

Accelerated, sustainable and improved service delivery remains a critical priority of government. To achieve this important priority, the state machinery needs an effective, efficient and people-centred Public Service. Such a Public Service would also need to have the capacity to work effectively and efficiently in partnership with all stakeholders such as the community, the private sector, organs of civil society and international organisations. This important partnership cannot be achieved without a capable, committed, strong leadership cadre and management. Therefore, the Public Service requires a strong administrative cadreship which is equipped with an array of skills, both hard and soft, in order to manage government's competing policy imperatives, priorities and mandates². In addition, this Public Service would be expected to operate in a complex and dynamic organisational matrix which needs to accommodate the divergent backgrounds, cultures and experiences of the South African society.

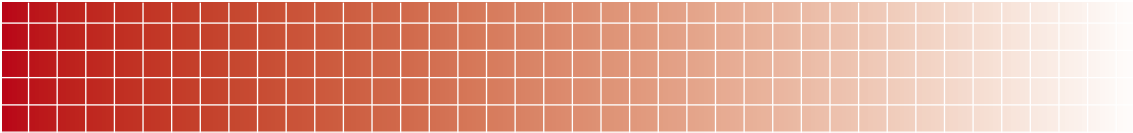
The South African government thus took a conscious decision to establish a Senior Management Service (SMS) with the sole purpose of ensuring that competing policy considerations and mandates are managed and implemented in a seamless manner with the ultimate purpose of benefiting communities at large. In addition, government recognised that the success of its programmes and policies would require that such a core of senior managers be provided with ongoing support to strengthen its management and leadership capabilities to meet the challenges of this modern state. This support meant that the Public Service had to overhaul its recruitment strategies, training and development programmes with the purpose of, among others, retaining and appropriately rewarding competent managers for excellent performance and continuous innovation. For these reasons, the introduction of the Performance Management and Development System (PMDS) became one of the critical vehicles through which the Public Service could gauge the extent to which government priorities are realised, and where there are gaps and challenges remedial action be identified timeously.

In this regard, the PMDS was conceived as a compulsory accountability framework necessary for performance planning, tracking of progress and reporting on performance outcomes. According to the PMDS, all SMS members are required to enter into and sign Performance Agreements (PAs) by not later than 30 April of each financial year and these PAs form the basis for contracting. Accordingly, these PAs should be geared towards the attainment of the overall organisational goals and objectives. Given the pivotal role played by the PMDS as an instrument of measuring performance of individual employees, the Public Service Commission (PSC) has been assessing the extent to which national and provincial departments have been implementing this important policy instrument. In this regard, the PSC studied the implementation of the PMDS in the Eastern Cape Provincial Administration³, North West Provincial Administration⁴, Northern Cape

² Republic of South Africa. Department of Public Service and Administration. *Senior Management Service Handbook*. 2006.

³ Republic of South Africa. Public Service Commission. *Report on Senior Management Service Compliance with Performance Agreements in the Eastern Cape Provincial Administration*. May 2007.

⁴ Republic of South Africa. Public Service Commission. *Report on the Implementation of the Performance Management and Development System for senior managers in the North West Province*. January 2008.



Provincial Administration⁵ and the Limpopo Provincial Administration⁶. These studies found that departments generally do not comply with the basic provisions of the PMDS. The PSC decided to extend this study to the Western Cape Provincial Administration.

1.2 MANDATE OF THE PUBLIC SERVICE COMMISSION

Section 196 (4) (b) of the Constitution, read in conjunction with sections 9 and 10 of the Public Service Commission Act, mandates the PSC to investigate, monitor and evaluate the organization, administration and personnel practices in the Public Service. In addition, the mandate allows the PSC on its own accord or on receipt of a complaint to advise national and provincial organs of state regarding personnel practices in the Public Service including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the Public Service.

1.3 OBJECTIVES OF THE STUDY

Through the study the PSC aimed to assess:

- compliance by SMS members with regards to the timeous completion and signing of their PAs, as determined by the regulatory framework;
- the alignment of key performance areas (KPA) to the vision, mission and strategic plans of departments and to the PAs of Heads of Department (HoDs), cascading these down to the SMS levels;
- the implementation and management of PAs within the context of the PMDS;
- trends and challenges in the implementation of the PMDS by departments; and
- best practices on the application of PMDS for benchmarking.

1.4 SCOPE OF THE STUDY

This study was conducted in the Provincial Government Western Cape (PGWC) covering all 12 departments and focusing on the financial year 2009/2010. A sample of 30% of the population of SMS members within the provincial departments was identified for the study. **Table I** below reflects the total number of SMS members as at 31 March 2010 and the sampled population per department.

⁵ Republic of South Africa. Public Service Commission. Report on the Implementation of the Performance Management and Development System of senior managers in the Northern Cape Province. November 2008.

⁶ Republic of South Africa. Public Service Commission. Report on the Implementation of the Performance Management and Development System for senior managers in the Limpopo Province. April 2010.

Table I: Number of SMS members per department and sample size

Department	Number of SMS members	Number of SMS members representing 30% or more
Department of Agriculture (DoA)	17	5
Department of Cultural Affairs and Sport (DCAS)	10	3
Department of Community Safety (DoCS)	17	5
Department of Environmental Affairs and Development Planning (DoEA&DP)	12	4
Department of Economic Development and Tourism (DEDAT)	15	5
Department of Education (DoE)	54	16
Department of Health (DoH)	44	13
Department of Local Government and Human Settlements (DoLG&HS)	25	8
Department of Provincial Treasury (DoPT)	20	6
Office of the Premier (OTP)	43	13
Department of Social Development (DoSD)	15	5
Department of Transport and Public Works (DoT&PW)	37	11
Total	309	94

In terms of the information provided by departments' Personnel and Salary Administration (PERSAL) system, the total number of SMS members in the PGWC as at 31 March 2010 was three hundred and nine (309) SMS members. As **Table I** above shows the Department of Education (DoE) had the highest number of SMS members recorded at fifty four (54), followed by the Department of Health (DoH) with forty four (44) and the Office of the Premier (OTP) with forty three (43). The Department of Cultural Affairs and Sports (DCAS) had the lowest number of SMS officials recorded at ten (10).

1.5 METHODOLOGY

The study was divided into the following two phases:

Phase I: Data Gathering

- A list of all senior managers was obtained from the provincial Personnel and Salary Administration System (PERSAL) from which a sample of SMS members was drawn.

- Two sets of questionnaires (one for SMS members and the other for the Human Resource practitioners) were developed. Each set of questionnaires sought to measure the participants' level of understanding of performance management, its application, how it adds value to improved service delivery and their views on the extent of PA compliance with the PMDS regulatory framework across departments. The questionnaires contained both quantitative and qualitative questions for in-depth analysis.

Phase 2: Analysis of Data

The responses received through the questionnaires were analysed to establish the participants' level of understanding of the requirements of the PMDS, and determine the participants' views on value add of the PMDS in enhancing service delivery.

An analysis of the PAs to assess the level of compliance with the requirements of the PMDS prescripts was undertaken. This was followed by an analysis of the PAs of selected senior managers in terms of quality and alignment with the various departmental planning documents such as the annual performance, operational and/or strategic plans.

1.6 LIMITATIONS OF THE STUDY

In this study, the following limitations were encountered and these need to be taken into consideration:

- Some of the questionnaires were either not responded to or partially completed, posing difficulties in trying to understand and make sense of some of the responses provided;
- Not all PAs of SMS members were submitted for analysis, with the Department of Transport and Public Works failing to submit any PA for the required period; and
- The Department of Social Development submitted unsigned copies of the PAs. As a result the PSC was unable to assess and analyse the PAs for compliance with the PMDS framework and alignment to planning documents. The reason is that PAs as legally binding documents should be signed by the parties concerned as part of endeavours to ensure accountability and responsibility for its contents.

1.7 STRUCTURE OF THE REPORT

The report is structured as follows:

- Chapter 2** Outlines the requirements of the regulatory framework;
- Chapter 3** Provides an introduction to the implementation of the Performance Management Information System (PERMIS) in the PGWC;
- Chapter 4** Provides a quantitative analysis of the findings of the study;
- Chapter 5** Provides a qualitative analysis of the findings of responses to questionnaires and the alignment of key result areas to strategic objectives; and
- Chapter 6** Provides recommendations and a conclusion.

Chapter Two

Regulatory Framework

2.1 INTRODUCTION

This chapter outlines the legal and regulatory context within which the PMDS operates. Furthermore, it illustrates key provisions relating to the PMDS as stipulated among others in the acts of parliament, regulations, policies and resolutions.

2.2 KEY PROVISIONS RELATING TO THE PMDS

The implementation and management of the PMDS in the Public Service is guided by a number of legislative and policy provisions, which should be taken into consideration.

Table 2 below provides a synopsis of the key provisions that guide performance management.

Table 2: Legislative Requirements Governing the Performance Management System of SMS members in the Public Service

SOURCE	PROVISION
The Constitution of the Republic of South Africa ⁷	<p>a. Chapter 10, Section 195 (1) (f): Stipulates that public administration must be accountable.</p> <p>b. Chapter 10, Section 195 (1)(h): Stipulates that good human resource management and career-development practices, to maximise human potential, must be cultivated.</p>
Public Service Act, 1994 ⁸	<p>a. Chapter II, Section 3(7): Assigns powers and duties to an EA concerning the internal organization of a department including its organizational structure and establishment as well as the career incidents of employees of that department, such as performance management and dismissal.</p> <p>b. Chapter III, Section 7(3)(b): Provides for the following responsibilities of HoDs:</p> <ul style="list-style-type: none"> • Efficient management and administration • Effective utilization and training of staff • Maintenance of discipline • Promotion of sound labour relations • Proper use and care of state property <p>c. Chapter IV, Section 12: Assigns the President and relevant Premiers the powers concerning the appointment and other career incidents of HoDs.</p>
Public Service Regulations, 2001 ⁹	<p>a. Paragraph B.2.1 of Part VII, Chapter 1: Indicates that the prescribed employment contract of an HoD shall be as set out in Annexure 2 of the PSR.</p> <p>b. Paragraph 7 of the employment contract (Annexure 2): Contains the measures that govern the PA of an HoD.</p>

⁷ Republic of South Africa. *The Constitution of the Republic of South Africa, 1996.*

⁸ Republic of South Africa. Department of Public Service and Administration. *Public Service Act, 1994, as amended.*

⁹ Republic of South Africa. Department of Public Service and Administration. *Public Service Regulations, 2001, issued in terms of section 41 of the Public Service Act, 1994, as amended.*

SOURCE	PROVISION
	<p>c. Paragraph B.1 of Part VIII, Chapter 1: Indicates that an EA shall determine a system for performance management for employees in her/his department other than employees in the SMS. The MPSA determines the system for members of the SMS.</p> <p>d. Chapter 4 provides for the establishment of the SMS. Paragraph A, Part III states that the performance of all members of the SMS will be managed through a PA, which should be linked to the department's strategic plan. Paragraph B states that all new members of the SMS shall enter into a PA, which will define key responsibilities and priorities, encourage improved communication and enable the supervisor to assess the work of the member of the SMS.</p>
PSCBC Resolution No 13 of 1998 ¹⁰	<p>a. The negotiated collective agreement sets a framework for senior managers to agree to individual PAs.</p> <p>b. The agreement extends the signing of PAs from HoDs to all senior managers (level 13 – 16) and prescribes the following items to be included in a PA:</p> <ul style="list-style-type: none"> • Key duties and responsibilities • Output targets for the PA period • Dates for performance reviews • Dispute resolution mechanism • Date on which salary increments will come into effect and mechanisms for the management/awarding of salary increases. • Personal Development Plan
PSCBC Resolution No 9 of 2000	<p>a. This resolution extends Resolution 13 of 1998. It provides for the remuneration packages of senior managers/professionals to be translated to a more transparent total cost-to-employer and an inclusive flexible remuneration package system.</p>
Treasury Regulations, 2001 ¹¹	<p>a. Departments must comply with the Treasury Regulations regarding strategic planning and budgeting. Part 3, Chapter 5 of the Treasury Regulations deals with strategic planning. The Guidelines provided by National Treasury state detailed and extensive outlines of what is required to effectively link departmental strategy to budgets. Departments need to budget for projected salary increases and financial rewards that may be allocated to members of the SMS based on framework determinations made by the MPSA.</p> <p>b. This chapter contains both <u>advisory</u> and <u>mandatory</u> elements. The latter has been designed so as to allow departments flexibility during the implementation process, while ensuring that there will be consistency across departments when assessing SMS members and deciding on monetary rewards.</p>

¹⁰ Public Service Coordinating Bargaining Council's Resolutions 13 of 1998 and 9 of 2000.

¹¹ Republic of South Africa. National Treasury. Treasury Regulations, 2001, issued in terms of the Public Finance Management Act, 1999.

SOURCE	PROVISION
Batho Pele White Paper, 1997 ¹²	<p>a. Batho Pele is a deliberate strategy to instill a culture of accountability and caring by public servants. Public servants must become service orientated, strive for service excellence and commit to continuous service delivery improvement.</p> <p>b. The White Paper reflects government's commitment to a citizen-centered approach to service delivery, anchored by the following eight Batho Pele principles:</p> <ul style="list-style-type: none"> • consultation • service standards • access • courtesy • information • openness and transparency • redress • value for money
Senior Management Service Handbook ¹³	Chapter 4 of the SMS Handbook deals with the process and requirements of performance management and development for members of the SMS. It is a directive by the Minister for Public Service and Administration in terms of Part III/B.3 of Chapter 4 of the Public Service Regulations, 2001.

The above requirements were considered and used as a basis for this study. Failure to adhere to any of the stated directives is considered non-compliance and reflected as such in this report.

¹² Republic of South Africa. Department of Public Service and Administration. *White Paper on Transforming Public Service Delivery, 1997.*

¹³ Republic of South Africa. Department for Public Service and Administration. *Senior Management Handbook, 2006.*

Chapter Three

The Implementation of the Performance Management Information System

3.1 INTRODUCTION¹⁴

Through interviews with selected senior managers, the PSC established that in 2006 the Office of the Premier conducted an audit on the performance management and development system in the Province. This audit found that departments were confronted by a number of challenges in managing performance management and development. In the main, the following were identified as challenges¹⁵:

- Failure by departments to adequately translate departmental strategy into operational plans and performance agreements;
- Wide-spread absence of well-defined key performance indicators (KPIs) and performance standards;
- Lack of alignment and standardization between SMS and non-SMS performance management practices;
- Insufficient linkage between training and development of employees and expected outputs;
- Absence of a policy to guide non-monetary incentives;
- Organisational culture which perpetuates the perception of performance management as an annual event, a tool to obtain a performance bonus and that compliance with agreed outputs (i.e. acceptable performance) deserves performance incentives;
- General absence of performance management information systems;
- Current performance management system was too complicated for employees at lower levels; and
- Significant need for capacity to be made available for training on performance management.


As a result of the above, the PGWC positioned itself to deal with the non-financial performance management challenges and devised an automated system that would ensure the availability of reliable information regarding actual performance which it deemed imperative for effective performance management and reporting.

3.2 IMPLEMENTATION OF THE PERFORMANCE MANAGEMENT INFORMATION SYSTEM (PERMIS)

The Office of the Premier decided to develop a computerised and web-based performance management system called Performance Management Information System (PERMIS). The system was established using the Oracle Suite software as a platform and was created as a tool to conclude workplans, performance agreements (PAs) and performance reviews electronically. In this regard, a template was developed on the PERMIS system which includes the mandatory elements of the performance management and development system. The pilot conducted in 2007 was based on the Staff Performance Management System (SPMS) for levels 1-12. In terms of the PERMIS each employee is provided with a user name and

¹⁴ The information on the development of the Performance Management Information System (PERMIS) was obtained during a meeting between the officials of the PSC and Office of Premier on 17 August 2010.

¹⁵ Republic of South Africa. Provincial Government Western Cape. Office of the Premier. Performance Management Information System's User Requirements Specification. Versions 1 and 2. Undated.



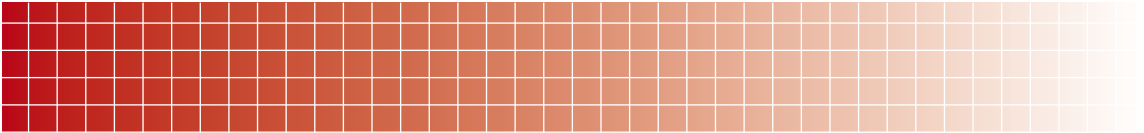
password. All employees are informed via a circular of the dates when the system will be “opened” for interaction, as well as the cut-off date for PAs to be filed. The system is “opened” for filing of PAs during March and April of each year in which period employees are required to electronically capture all the necessary information on the template and sign off electronically. In turn, each supervisor is able to log in and electronically sign off or make amendments to the PAs of subordinates. The date of signing off of the PAs is captured electronically.

The system is “closed” after the stipulated due date and once closed, employees are unable to gain access to the system for the purpose of altering its contents, unless agreed upon with supervisors. In this instance a formal request is sent via the performance management component in the Office of the Premier, who then arranges for such amendments to be effected, then closes the system once that is done. The same process applies during performance reviews. However, ratings are automated and a quarterly review report can be generated for each employee. At the end of the performance cycle, a final assessment is conducted and an automated final review report can be generated. This report is submitted to human resource components for capturing in preparation for the meetings of the moderation committees. PERMIS was implemented throughout the twelve departments in the Province, and as such, performance information in relation to any department, is available on line. The purpose of the PERMIS was to phase out the manual capturing of the workplans and performance agreements, to ensure alignment of Key Result Areas and proper cascading thereof throughout the organization, and the PGWC has succeeded in this main objective.

Phase 1 of the PERMIS was implemented for employees on salary levels 1 to 12 in all the departments in 2008. According to the results from the pilot phase, the computerised system proved easier to manage the qualitative issues systematically without focusing only on the structure of the workplan and the PA, but on the whole process in terms of addressing the principles of the performance management and development system. Given the above, it was then decided to elevate the system to the members of the SMS and HoDs. Phase 2 of the PERMIS was designed to increase the functionality of the PERMIS system to provide a better management tool and to automate certain manual processes.

The key templates that were built into this phase were, amongst others:

- Capturing the key performance measures (including the formula for calculating the performance rating);
- Linking performance agreements with strategic and business plans and cascading functions through the objectives of the various salary levels; and
- Integrating the PERMIS with the Provincial training system via the individual's outputs; linking individual performance with institutional performance and providing the functionality of generating a quarterly review report and a final review report, which included a rating option.



These templates aimed to enhance the integrated functionality of the Performance Management and Development System and generate performance information for strategic decision-making, whilst at the same time aligning individual and institutional performance management within the PGWC. Phase 2 of PERMIS was implemented in 2009 and was elevated to include all SMS and HoDs.

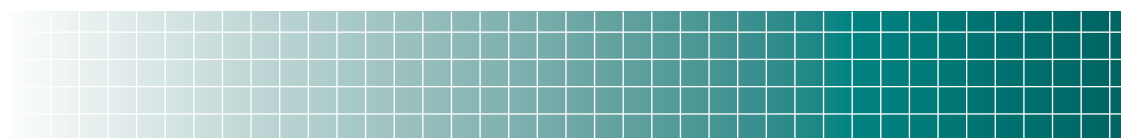
3.3 ANALYSIS OF THE WEB-BASED PERFORMANCE MANAGEMENT SYSTEM

The PERMIS has mainly achieved the objectives as set out by the PGWC in that there is proper alignment with the Annual Performance Plan at an appropriate level of abstraction in the relevant PAs. Performance agreements are linked with the strategic and business plans by integrating functions through the objectives of various salary levels. Key performance measures are captured and include the formula for calculating the performance rating which is tamper-proof. There is an automated function for generating quarterly review reports which includes the option of having the ratings attached. The PERMIS has been integrated with the Provincial training system via the individual's outputs to create a Personal Development Plan which feeds into the Workplace Skills Plan of departments.

The majority of PAs of senior managers for the 2009/10 financial year which were submitted to the PSC for analysis were developed using the PERMIS system. During the analysis it was established that these PAs comply with the qualitative aspects as required by the PMDS framework, but somehow in printing PAs from PERMIS not all the pages as shown on the system are printed, thus rendering the copies submitted to the PSC for assessment lacking in compliance with the following minimum requirements of the SMS PMDS framework:

- Personal particulars of the member;
- Description of the purpose of the job;
- Identification of KRAs, their weighting and the standards for measuring them;
- Agreement on which CMCs are relevant, their weighting and the standards for measuring them;
- Agreement on the personal development plan;
- Dates of reviews and formal assessment of the SMS member's performance;
- Dispute resolution; and
- Dates for consideration of performance related rewards.

In analysing the PAs of senior managers, it was evident that the PERMIS system was piloted on salary levels 1-12 as the templates were specifically aligned to that of the SPMS. Various gaps were identified in the templates used for the PAs of the SMS. This resulted in the templates being enhanced with PERMIS version 2 to ensure that the SMS and HoDs PAs would comply with the mandatory elements of the SMS handbook. As the PERMIS version 2 was only amended during the 2009/10 year, most of the PAs that were submitted to the PSC for analysis still showed the following gaps:

- 
- The majority of PAs did not describe the purpose and functions of the job which are considered to be critical as they outline how posts fit into the overall organisational mandate and their role in fulfilling strategic objectives.
 - In addition, KRAs and CMCs did not have standards which are used to measure their contribution to organisational success.
 - Furthermore, the PAs did not make provision for the identification of mediators which is also one of the important aspects of the PMDS framework.

These and other issues will be dealt with in detail in Chapter 4 of the report. The foregoing shows that in an attempt to improve compliance with the conclusion of PAs by introducing the PERMIS, the PGWC has compromised the quality of the content of the PAs of SMS members by utilising the template provided for levels 1-12 in terms of the SPMS instead of using the templates prescribed in terms of chapter 4 of the SMS handbook. There was commitment from the Office of the Premier, whilst this study was being conducted, that these issues were being addressed, and that an audit of the PAs for the 2011/12 financial year would show higher levels of compliance with the PMDS. Therefore, it is imperative to ensure that these issues are addressed urgently so that PAs can play a meaningful role as tools which will assist departments in planning and tracking performance of senior managers.

Chapter Four

Quantitative Findings and Analysis

4.1 INTRODUCTION

This Chapter provides quantitative findings of the assessment of the implementation of the PMDS for the SMS members in the PGWC. In this regard, the Chapter, among others, deals with the response rate of completed questionnaires by departments and the analysis of PAs submitted by provincial departments. This is followed by the analysis of the departments' compliance with the PMDS requirements.

4.2 RESPONSE RATE BY DEPARTMENTS

A total of one hundred and seven (107) questionnaires were distributed to ninety-five (95) members of the SMS (representing 30% of the whole population of senior managers in the province) and twelve (12) HR practitioners (representing all the 12 provincial departments). Of the 12 departments, the Office of the Premier was the only department which completed and returned 85% of the SMS questionnaires. In the case of HR representatives, all the 12 questionnaires distributed to individual departments were completed and returned to the PSC for analysis. **Table 3** below reflects the total number of questionnaires distributed to the departments for completion and return to the PSC for analysis.

Table 3: Questionnaires received from SMS members and HR representatives

Departments	Questionnaires distributed		Questionnaires Received	
	SMS members	HR representatives	SMS members	HR representatives
DoA	5	1	5	1
DCAS	4	1	4	1
DoCS	5	1	5	1
DEA&DP	4	1	4	1
DEDAT	5	1	5	1
DoE	16	1	16	1
DoH	13	1	13	1
DoLG&HS	8	1	8	1
DoPT	6	1	6	1
OTP	13	1	11	1
DoSD	5	1	5	1
DoT&PW	11	1	11	1
TOTAL	95	11	93	11

According to **Table 3** above most departments submitted 100% of the SMS questionnaires for analysis which ensured a better than expected response rate. The Office of the Premier was the only department that failed to submit 100% of the questionnaires as requested by the PSC.

4.3 PERFORMANCE AGREEMENTS SUBMITTED FOR ANALYSIS


Of the 309 senior managers employed by the PGWC, the PSC was provided with two hundred and two (202) PAs. This represents a 65% overall submission rate by departments in the PGWC. Such a submission rate is low, and what is worrying is that this could mean that about 35% of senior managers in the province were without PAs for the 2009/10 financial year. **Table 4** below reflects the number of SMS members per department, the number of PAs submitted for analysis and the overall response in percentages.

Table 4: Performance Agreements submitted for analysis

Department	Number of SMS members	Number of PAs submitted for analysis	Outstanding PAs	Percentage Response Rate of PAs submitted
DoA	17	17	0	100%
DCAS	10	10	0	100%
DoCS	17	15	2	88%
DEA&DP	12	10	2	83%
DEDAT	15	13	2	87%
DoE	54	20	34	37%
DoH	44	44	0	100%
DoLG&HS	25	21	4	84%
DoPT	20	19	1	95%
OTP	43	33	10	77%
DoSD	15	0*	15	0%
DoT&PW	37	0	37	0%
Total	309	202	107	65%

* Whilst the Department of Social Development (DoSD) submitted PAs of senior managers to the PSC for analysis, these were not signed by supervisees and supervisors, and therefore, did not constitute legally binding performance contracts. In this regard, the PSC decided not to analyse PAs which were not signed by parties concerned.

According to **Table 4** above the Departments of Agriculture, Cultural Affairs and Sport and Health had the highest submission rate of 100%, followed by the Departments of Provincial Treasury (DoPT) with 95% and Economic Development and Tourism (DEDAT) at 87%. The rest of the seven departments did not submit all the PAs of senior managers in their employ as requested by the PSC. An average of 65% compliance rate of PAs submitted to the PSC was achieved. Of grave concern, was the total lack of compliance from the Department of Transport and Public Works with 0% submission of PAs of its senior managers. Despite numerous requests for the PAs to be submitted, and promises



by the HR component to provide same, none were received. Failure to submit PAs as requested may imply that members of the SMS in this department did not enter into performance contracts for the financial year under review.

It should also be noted that whilst the Department of Social Development (DoSD) submitted all the PAs of senior managers as requested, these were not signed by the parties concerned (i.e. supervisees and supervisors). Given that PAs are legally binding documents whose purpose is to outline performance objectives and targets, failure to sign renders them invalid and, therefore, ineffective as performance management and accountability tools. In essence, the implication is that senior managers in this Department did not have PAs for the financial year under review. On enquiry regarding the submission of unsigned PAs, the PSC was informed that the DoSD like the rest of departments in this province adopted and fully implemented the electronic Performance Management Information System (PERMIS) for senior managers. As a result, senior managers and their supervisors entered into and signed PAs electronically, meaning that no signed hard copies of the documents were kept with the exception of the PA of the Head of Department.

Proof that the PAs had been entered into and signed by senior managers and their supervisors for the 2009/10 financial year was provided in the form of a PERMIS report for the cycle ending March 2010. However, the date indicated on the PERMIS report was 17 May 2010, which is more than one month following the end of 2009/10 financial year. The implication of the date of 17 May 2010 on the PERMIS report is that for the financial year under review senior managers in the department did not have valid performance contracts. Of particular concern, is the fact that the DoSD is the only department in this province which did not keep signed hard copies, whilst the rest were able to provide the PSC with the same when requested.

4.4 ANALYSIS OF THE COMPLIANCE OF PAs WITH THE PMDS REQUIREMENTS

This section provides an analysis of the extent of the SMS PAs' compliance with the regulatory requirements, and this should be read bearing in mind the prescribed directives of the PMDS applicable to SMS members. **Table 5** on the following page provides an overview of SMS PAs' compliance with the provisions of the SMS PMDS framework.

Table 5: Compliance of PAs with the Mandatory PMDS requirements

Department	% of PAs that did not identify KRAs	% of PAs that did not include BPPs in the KRAs	% of PAs that did not include BPPs in the CMCs	% of PAs that did not identify PDPs	% of PAs that did not identify dates for Reviews	% of PAs where Mediators are not identified	% of PAs signed after 31 July due date	% of PAs that did not include Workplans
DoA	0%	88%	19%	56%	6%	94%	0%	88%
DCAS	0%	100%	22%	44%	11%	100%	0%	0%
DoCS	0%	91%	18%	45%	9%	91%	0%	0%
DEA&DP	0%	80%	80%	20%	0%	100%	0%	0%
DEDAT	0%	21%	0%	57%	0%	100%	14%	0%
DoE	0%	68%	79%	16%	0%	100%	0%	11%
DoH	0%	17%	22%	44%	11%	78%	0%	0%
DoLG&HS	0%	76%	0%	62%	33%	100%	5%	0%
DoPT	0%	100%	0%	32%	0%	100%	26%	0%
OTP	0%	100%	16%	56%	3%	100%	28%	6%
DoSD	-	-	-	-	-	-	-	-
DoT&PW	-	-	-	-	-	-	-	-


The Table above shows that non-compliance occurs on the following 6 issues; inclusion of the Batho Pele principles (BPPs) in the KRAs and CMCs, identification Personal Development Plans, identification of dates for performance reviews, identification of mediators in the case of a dispute relating to the contents of a PA and entering into and signing of PAs by the due date of 31 July¹⁶. This is a serious cause for concern given the fact that these elements are mandatory as prescribed in **Chapter 4** of the SMS handbook and are important pillars of the PMDS framework.

This information is reflected in percentages in the table and an analysis of each category will follow in paragraphs 4.4.1 to 4.4.8 to examine, among others, the material significance of compliance and non-compliance.

4.4.1 Performance Agreements (PAs) that did not Identify Key Result Areas

Whilst all the PAs of senior managers assessed in the province had identified Key Result Areas (KRAs), a number of concerns were identified with the manner in which KRAs had been crafted. For example, in 29% of the PAs, KRAs of senior managers in the line function had been formulated only in generic terms, such as 'line management', 'strategic management', 'financial management', 'project management', 'human resource management', 'management and leadership', 'effective and efficient management of directorates', 'service delivery innovation', 'management of leave', etc.

¹⁶ Republic of South Africa. Department of Public Service and Administration. Circular: Amendments Regarding Signing of Performance and Filling of Posts for Members of Senior Management Service (SMS). 05 June 2009.



In terms of the PMDS framework KRAs should be captured in a clear and concise manner and these should be clearly and directly derived from departmental strategic objectives. Failure to clearly capture KRAs concisely may render the measurement of performance outcomes ineffective. More importantly, these generic KRAs are also captured as CMCs resulting in duplication. Such a practice is discouraged by the PMDS framework as it may render the measurement of performance outcomes ineffective.

4.4.2 Reflection of the Applicable Batho Pele Principles (BPPs) against Key Result Areas in the PAs

In terms of Chapter 4 of the SMS Handbook on the PMDS framework, PAs of senior managers should identify KRAs and incorporate the applicable Batho Pele principles (BPPs). Overall, 100% of the PAs of senior managers in the Office of the Premier and Departments of Cultural Affairs and Sport and Provincial Treasury did not reflect the applicable BPPs as required. These were closely followed by the Departments of Community Safety (91%), Agriculture (88%) and Environmental Affairs and Development Planning (80%). The identification and inclusion of the BPPs is very important as these principles define the manner in which the services and outcomes represented by KRAs are expected to be delivered.

Therefore, the inclusion of BPPs should not only be seen as a compliance exercise, but as part of endeavours to mainstream a culture of accountability for the manner in which the Public Service conducts its daily operations. In this regard, 100% non-compliance especially by the Office of the Premier as a centre of government in the province may send wrong messages to the members of the public who only expect the best from public servants.

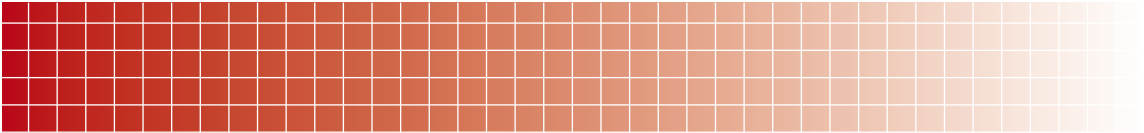
4.4.3 Reflection of the Applicable BPPs against CMCs in the PAs

When entering into and signing PAs, senior managers are required to agree with their supervisors on the relevant CMCs and to reflect applicable BPPs against them. Overall all the PAs of senior managers in the province with the exception of the Departments of Economic Development and Tourism, Local Government and Human Settlements and the Provincial Treasury failed to comply with the PMDS framework as far as the inclusion and incorporation of the BPPs in the CMCs is concerned.

This non-compliance ranged from the Office of the Premier (16%) and the Departments of Community Safety (18%), Agriculture (19%), Health (22%), Cultural Affairs and Sport (22%), Education (79%) and Environmental Affairs and Development Planning with a staggering 80%. This general non-compliance by the majority of departments to incorporate BPPs undermines efforts to inculcate a culture of shaping positive attitudes and guiding commitment towards service delivery among the most senior administrative echelon of the Public Service.

4.4.4 Identification of Personal Development Plans in the PAs

For the Public Service to successfully deliver quality services on an ongoing and sustained basis, senior managers are required as part of their performance contracts to include Personal



Development Plans (PDPs). In addition, senior managers are also expected to include a compulsory five (5) days deployment to the coalface of service delivery during a performance management cycle as part of the SMS service delivery challenge. These PDPs together with the compulsory deployment are supposed to form the basis for the training and development programmes necessary for the successful execution of departmental mandates.

All the departments that participated in the study did not fully comply with the requirement to include PDPs or reflect particulars for the deployment of senior managers to a service delivery site as required by the PMDS framework. The non-compliance ranged from the Department of Education with 16% to the Department of Local Government and Human Settlements with the highest figure of 62%. In addition, it should be noted that where PDPs had been included as required, these did not have target dates for the training and developmental needs.


4.4.5 Inclusion of Dates for Performance Reviews in the PAs

The analysis of mid-term and final assessments show that performance reviews for qualifying senior managers have been conducted by all the departments in the PGWC during the financial year under review. Furthermore, the SMS PMDS framework requires senior managers to identify dates for performance reviews. As a minimum, these performance reviews should at least be conducted twice a year (preferably one in the middle of the performance management cycle, and the other at the end of the financial year). The purpose of performance reviews is to provide an opportunity for senior managers to receive feedback from their supervisors on their performance during the course of the year.

These reviews also provide an opportunity for a thorough reflection (with the assistance of self-assessment instruments) by a senior manager of her or his performance during the financial year under review. In addition, these reviews provide an opportunity for a discussion between a senior manager and his or her supervisor in which an assessment of performance of the individual to the realisation of the overall strategic objectives of the organisation is undertaken. Furthermore, these discussions assist in identifying areas which need further attention in the future and the steps to be taken to deal with under-performance and/or gaps which may impact negatively on the effective internal organisational processes. Non-compliance with this aspect ranged from a low percentage of 3% in the Office of the Premier to 33% in the Department of Local Government and Human Settlements.

4.4.6 Identification of a Mediator in the Event of a Dispute arising as a Result of the Content of PAs

In terms of the PMDS framework, senior managers and their supervisors are required to identify and include a mediator when concluding PAs. These mediators would assist them in resolving disputes emanating from the content of PAs should they fail to deal with such matters themselves. Therefore, failure to identify and agree on a mediator may have negative consequences for working relations and service delivery imperatives. Given the importance of this aspect, the PSC decided to assess the extent of departments' compliance.



In this regard, it was found that all the departments had failed to fully comply with this aspect. The non-compliance ranged from 78% in the Department of Health, 91% in the Department of Community Safety, 94% in the Department of Agriculture and a staggering 100% in the Office of the Premier and the Departments of Cultural Affairs and Sport, Environmental Affairs and Development Planning, Economic Development and Tourism, Education, Local Government and Human Settlements and Provincial Treasury. The percentage of non-compliance by all departments in the province is very high and shows that the identification of a mediator is not seen as critically important in resolving disputes.

4.4.7 PAs Signed after 31 July Due Date¹⁷

The MPSA has in terms of regulation 4/III/B.3 of the Public Service Regulations, 2001, read with section 41 (3) of the Public Service Act, 1994, amended the Directive on the Performance Management and Development System for members of the SMS as set out in Chapter 4 of the SMS Handbook, as follows:

- “With effect from 1 April 2009, all members of the SMS must conclude and sign their performance agreements within the first two months of the financial year (i.e. by 31 May of each); and
- In the event of a national and provincial election occurring within the first three months of any financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place (i.e. 31 July 2009).”

Therefore in line with the provisions of the above directive, the PSC assessed the extent to which senior managers and their supervisors entered into and signed their PAs by the due date of 31 July 2009. In this regard, it was found that in six departments, all senior managers and their supervisors managed to conclude and sign PAs timeously. These are the Departments of Agriculture, Cultural Affairs and Sport, Community Safety, Environmental Affairs and Development Planning, Education and Health. The rest of the departments did not manage to conclude and sign all PAs by the due date, and these are the Office of the Premier and the Departments of Economic Development and Tourism, Local Government and Human Settlements and Provincial Treasury. The non-compliance ranged from 5% in the Department of Local Government and Human Settlements to 28% in the Office of the Premier.

The implications of this non-compliance are profound for senior managers and their supervisors, as it effectively means that there were no performance contracts for a number of months during the period under review. This may also pose serious challenges as there would be no basis for performance reviews and feedback to be undertaken in respect of the affected senior managers. In addition, it may lead to cases of misconduct being instituted against these senior managers for disregarding the importance of concluding and signing PAs which is an obligatory requirement in terms of the PMDS framework.

¹⁷ Republic of South Africa. Department of Public Service and Administration. Circular: Amendments Regarding Signing of Performance Agreements and Filling of Posts for Members of Senior Management Service (SMS). 05 June 2009.

4.4.8 Inclusion of Workplans in the PAs

In terms of the SMS PMDS, the content of PAs should clearly and directly devolve from the departmental strategic/operational plans. These strategic/operational plans should be articulated more clearly in the form of workplans with key result areas, key outputs, performance measures (which include target dates and indicators), resource requirements and the enabling environment. The purpose of these workplans is to give explicit meaning to the strategic objectives to be attained by specific units in organisations. These workplans serve to ensure that targets to be achieved are clearly defined to facilitate effective performance management process. Furthermore, these workplans should be annexed to PAs of senior managers as an obligatory requirement of the SMS PMDS framework.

In this regard, it was found that 88% of senior managers in the Department of Agriculture, 11% in the Department of Education and 6% in the Office of the Premier did not include workplans in their PAs. It is a cause for concern that more than 80% of senior managers in the Department of Agriculture failed to include workplans in their PAs as an annexure. Failure to include workplans may result in serious challenges encountered when an assessment of whether during the period under review senior managers had been able to achieve departmental strategic objectives as per their performance contracts.

4.5 THE PROCESS OF THE EVALUATION OF HEADS OF DEPARTMENT¹⁸

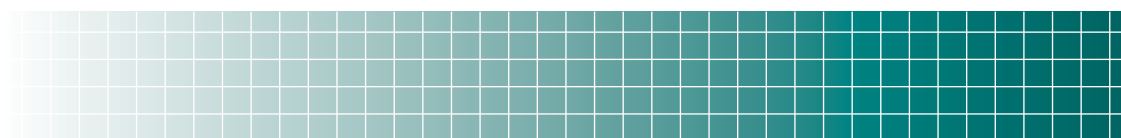
4.5.1 Background on the Head of Department Evaluation in the Western Cape

Prior to the 2006/07 financial year, the PGWC did not evaluate its Heads of Department (HoDs) according to the Framework for the Evaluation of HoDs issued by the PSC. Instead, the HoD would conclude the evaluation with the responsible Member of the Executive Council (MEC) as the supervisor and then forward the documentation to the Premier for approval. The process thus did not involve setting up evaluation panels to advise on the performance of each HoD as provided for in the Framework managed by the PSC. The PSC has always been of the view that the panel system offered much more value when assessing the performance of an HoD as it allowed for input by individuals outside the department but who are strategically placed to provide valuable input to the HoD and the Executive Authority (EA).

4.5.2 The Block Evaluation System

Flowing from paragraph 4.5.1 above, the PSC engaged on a series of consultations with the Premier and the provincial government, which resulted in an agreement that the evaluations for the 2006/07 financial year would follow a process closely aligned to that provided for in the Framework managed by the PSC. However, a new element was also introduced to the process, namely, the block evaluation system. Members from each Cabinet Cluster

¹⁸ Republic of South Africa. Public Service Commission. Case Study Report on the Western Cape Heads of Department Evaluation Process for the 2006/07 Financial Year. November 2009.



formed a panel to evaluate the respective Heads of department reporting to that particular cluster. The Chairpersons of the two other cabinet clusters also formed part of the panel, in support of the integration of work being done by various clusters. The Director-General in the Office of the Premier, who did not qualify to be evaluated during the 2006/2007 financial year, was elected to serve as peer in the evaluation panel. As such, the evaluations took place on three (3) days, the first being the Social Cluster panel, followed by the Governance and Administration Cluster panel, concluding with the Economic cluster panel.

The evaluations were chaired by the PSC, which also served as Secretariat to the panel. In conducting the evaluation of HoDs, the panel utilised PAs of HoDs, the verification statements, the strategic plan documents and the annual reports of departments. Since the success of the initial block evaluation system conducted during 2006/2007 financial year, the PGWC has been able to hold such evaluation meetings for the 2007/2008, 2008/2009 and 2009/2010 evaluation cycles. For the period under review, all the five (5) qualifying HoDs were evaluated using the block evaluation approach. The block evaluation system proved to be highly effective and manageable and achieved the following:

- It introduced standardization and uniformity in approach that had not been experienced before.
- Consistency in the assessment process and a common frame of reference prevailed because of the same panel evaluating all HoDs.
- Transparency and improved objectivity in determining the results.

With the implementation of the block evaluation approach, the province was able to evaluate all qualifying HoDs within a very short space of time, thus achieving a 100% compliance rate.

Chapter Five

Qualitative Findings and Analysis of Responses to Questionnaires and the Alignment of Key Result Areas to Strategic Objectives



5.1 INTRODUCTION

The purpose of this chapter is to provide a qualitative analysis of the views obtained from SMS members and HR representatives in relation to the questionnaires which were distributed. This analysis deals with transversal or cross-cutting issues identified by participants and, where appropriate includes some of the critical matters contained in Chapter 4 above. In addition, the chapter provides an analysis of the KRAs in the PAs with particular reference to their alignment with departmental strategic/operational plans.

5.2 QUALITATIVE ANALYSIS OF RESPONSES BY HR REPRESENTATIVES AND SMS MEMBERS

The analysis was guided by the following themes derived from the responses to the questionnaires filled out by the selected respondents:

- All managers regard the signing performance agreements as important.
- Managers believe that PAs are continuously used to support effective management in the Department.
- Action taken by departments against SMS members who are found to be unsatisfactory performers.
- Few managers believe that the PA system is appropriate but not properly implemented by departments.
- Some managers believe that the PA system is cumbersome.

5.2.1 All Managers regard the Signing of Performance Agreements as Important

In terms of the PMDS framework, senior managers are required to conclude and sign PAs with their supervisors. In this regard, 100% of senior managers surveyed agree that the conclusion and signing of PAs is very important. Furthermore, senior managers have also highlighted the following benefits which are associated with the conclusion and signing of PAs:

- PAs formalize the operations of the component in line with departmental APPs in a cascading fashion. They lay the foundation on which sound performance management relationship between senior managers and their supervisors would be created. Furthermore, they formalize the performance management relationship between senior managers and those who report directly to them. In a nutshell, the conclusion of PAs creates a clear line of sight between every employee's work and the department's high-level strategic and operational plans;
- Entering into a PA provides the basis for awareness of expectations and the inculcation of a culture of commitment to the delivery of performance outcomes. Furthermore, it provides a tool against which senior managers would be assessed on a continuous basis;

- PAs are utilised to hold SMS member accountable for success or non-delivery and be appropriately rewarded for excellent performance. It also serves as a mechanism for self-development and to deal with service delivery gaps/challenges; and
- It creates clear individual deliverables drawn from the department's APP. In other words, it translates departmental commitments into individual commitments and vice versa. It becomes easier for a department to track progress towards the achievement of the APP.

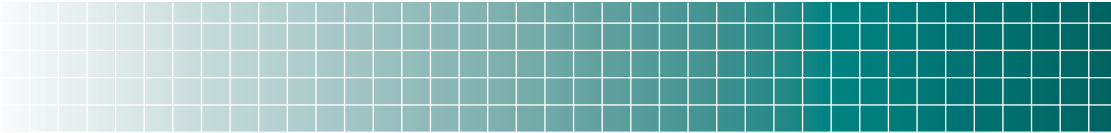
5.2.2 Manager believe that PAs are Continuously used to Support Effective Management in the Department

The PA system has been designed with the purpose of supporting effective management of the performance of senior managers. Therefore, the views of senior managers and HR representatives were solicited to establish whether once concluded PAs continue to play this critical role in departments. In this regard, it was found that only 29% of senior managers and 50% of HR representatives responded to this question, and they agree that PAs do indeed support effective management of performance. They substantiated this view by indicating that PAs ensure that departments are able to streamline deliverables and identify areas of weaknesses/concerns timeously. The outputs in the PA are used during the quarterly reviews to report progress and to highlight any action to be taken during the next reporting quarter. The quarterly reviews as part of the mechanism to support management processes enable managers to gauge progress with regard to matters covered in the PA, provides an assessment of expenditure against the budget and ascertain whether set goals have been achieved. More importantly the PA system provides an opportunity for discussion on the allocation of resources which may impact on the successful implementation of action plans.

As a result, it becomes a means through which communication and dissemination of information critical to the operational activities of a department are conveyed. Furthermore, it monitors key activities to ensure that progress against plans is tracked and that corrective action is taken timeously, whilst at the same time ensuring that resources are utilised effectively and efficiently towards the attainment of strategic objectives. The utilisation of the PA system has improved significantly over the past three to four years, and is now used as a tool of engagement between the HoD, programme managers and other levels of senior management. However, senior managers and HR representatives are of the view that the PA system should be simplified to capture the most important aspects of a job and be more user-friendly to allow for effective feedback. This should be followed by undertaking strict disciplinary measures, and where appropriate actual disciplinary steps need to be taken against those officials who are failing to comply with the relevant legislation provisions.

5.2.3 Action taken by Departments against SMS Members who are found to be Unsatisfactory Performers

According to the SMS Handbook, departments in the Public Service are entitled to satisfactory work performance from members of the SMS. Should the performance



of a member of the SMS fail to comply with the required standards, departments are obliged to invoke applicable incapacity measures and procedures to appropriately deal with unsatisfactory performance. Senior managers and HR representatives were asked to indicate if they are aware of any action taken against senior managers whose performance was unsatisfactory. In this regard, 35% of senior managers and 17% of HR representatives indicated that action has been taken against SMS members who have failed to perform satisfactorily. Some of the measures taken against such senior managers include:

- Investigate the nature of factors that contribute towards poor performance;
- Develop the necessary intervention strategies with the aim of improving capacity;
- Extension or termination of probationary period for those members of the SMS who have been newly appointed and fail to perform even with all the support provided;
- Corrective counseling is undertaken and performance bonuses are not paid for poor performance;
- A senior manager who under-performs is subject to incapacity code wherein he or she is provided with training interventions and assistance to improve performance, and when this fails a case of misconduct is considered; and
- A letter is provided to employees to inform them of their shortcomings and proposed action to improve their performance and the record is kept for purposes of monitoring progress; and
- Where necessary dismissal is normally considered when the above processes fail to yield the required results.

However, 30% of senior managers indicated that departments do not take action against those found to be unsatisfactory performers. Whilst 67% of HR representatives stated that their departments did not take action, as there were no senior managers found to have performed poorly. The remaining 35% of senior managers and 16% of HR representatives were non-committal. The reasons provided were that it would be difficult to comment due to the fact that they do not directly participate in the meetings of moderating committees and that information relating to performance of individuals is private and confidential.

5.2.4 Managers believe that the PA System is Appropriate but not Properly Implemented by Departments

Only 39% of senior managers and 8% of HR representatives responded to this question and they were of the view that the PA system is appropriate but not properly implemented by departments in the province. To substantiate this view, participants have highlighted certain challenges which need attention if the PA system is to be properly utilised as an effective tool to manage performance and increase productivity. These issues, among others, include the fact that whilst a PA is an agreement that specifies roles and responsibilities and standards, the ratings through quarterly reports are done inconsistently. For example, in some instances persons are rated the score of 4 or more for doing what is expected from them (nothing more to warrant a higher rating), along with others who may be far more deserving. In addition the system is managed in such a manner that the ratings are confusing sometimes and the set targets point to a skewed presentation of the perceived



performance of senior managers when compared against the actual delivery of services by departments.

This often results in arbitrary decisions taken in respect of the awarding of incentives with total disregard for administrative processes which could be deemed as fair and justified. The PA system lacks acceptable norms and standards for measuring performance, and thus the scoring for performance is applied inconsistently. Such inconsistencies have led to too much negativity and demoralization. Furthermore, it does not appear as if all the departments understand the crucial role played by the PA system in managing performance towards excellence in organisational results. The consequence is that the PA system is only regarded as a compliance matter rather than a tool to improve performance. It also appears as if departments are reluctant to take decisive action against non-compliance. Of particular concern is the fact that senior management does not properly appreciate and utilise the system effectively. In some instances, it has been found that performance incentives were paid in departments where the AG has expressed qualified audit opinions or where departments' strategic objectives have not been met.

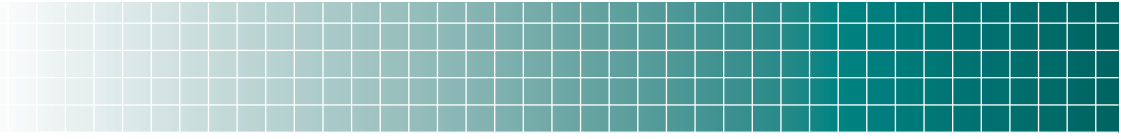
5.2.5 Some Managers believe that the PA System is Cumbersome

Only 21% of senior managers and 17% of HR representatives responded to this question and they were of the view that the current PA system is cumbersome and driven purely by the need for departments to comply with its administrative systems than anything else. Some of the reasons advanced include the fact that the system currently requires senior managers and their supervisors to complete many forms during performance reviews. Thus leading to senior managers spending too much time focusing on the completion of endless documents which have little impact on the manner in which moderating committees assess and decide on the final performance outcomes.

This has often led to a situation where compliance rather than the need to assess the actual performance drives the implementation of the system. Some senior managers are of the view that due to the cumbersome nature of the system, it is viewed as tedious, onerous and open to abuse. Given this state of affairs, senior managers do not adequately apply their minds in ensuring that the system achieves its intended purpose. Senior managers and HR representatives are of the view that there is a need to review the application of the system to make it more user-friendly and be results driven.

5.3 THE ALIGNMENT OF KRAs WITH THE STRATEGIC/ OPERATIONAL PLANS OF THE DEPARTMENTS

The requirements of the PMDS stipulate that the content of PAs should clearly and directly devolve from and be related to a department's strategic/operational plan and the plans of the specific unit for the coming financial year. The strategic plan and the APP specify the objectives and targets that need to be achieved by a department within a given period. The PAs of senior managers should thus articulate KRAs that are aligned with the strategic objectives of the departments as stated in the planning documents.



In the study the analysis of the alignment of KRAs with the strategic/operational planning documents focused on a sample of four departments, namely DoA, DoH, DoPT and DoLG&HS. These four departments represent 40% of the 10 departments in the province which submitted signed copies of the PAs to the PSC.

5.3.1 The Department of Agriculture

The APP and the Strategic Planning documents for this department list some of the following areas as strategic objectives:

- The development of economically accountable cutting-edge technology considering the current needs of commercial producers, emerging farmers and consumers nationally and internationally;
- Promotion of conservation and sustainable use of the environment, especially agricultural natural resources by integrating community based natural resource management;
- Identification of new market, product and production opportunities and promotion of the utilisation thereof;
- Training of prospective and current agricultural producers, farm workers and agriculturist through General, Further and Higher Education and Training respecting NQF levels of SAQA; and
- To minimise and monitor animal disease risks and enhance the hygiene management at animal product establishments in accordance with national and international standards for veterinary service delivery.

5.3.1.1 The PA of the Head of Department

An analysis of the PA of the HoD clearly shows that there is alignment between the key performance outcomes and KRAs on the one hand and the strategic objectives as outlined in the APP and the strategic plan of the department on the other hand.

5.3.1.2 The PA of Chief Director: Farmer Support and Development

The analysis of the PA entered into by the Chief Director: Farmer Support and Development and the HoD show that there is alignment and linkage between the planning documents and the PA of both the Chief Director: Farmer Support and Development and the HoD.

5.3.1.3 The PA of Director: Farmer Support Services

The analysis of the PA of the Director: Farmer Support Services who reports to the Chief Director: Farmer Support and Development indicates that his or her KRAs are aligned with the strategic plan documents of the department as well as the PAs of both the Chief Director: Farmer Support and Development and the HoD.

5.3.2 The Department of Health

The APP and the Strategic Planning documents for this department list the following areas as programmes geared towards the attainment of strategic objectives:

- Administration;
- District Health Services;
- Emergency Medical Services;
- Provincial Hospital Services;
- Central Hospital Services;
- Health Sciences and Training;
- Health Care Support Services; and
- Health Facilities Management.

5.3.2.1 *The PA of the Head of Department*

An analysis of the PA of the HoD shows that there is alignment between the key outcomes and KRAs and the strategic objectives outlined in the APP and the strategic plan of the department.

5.3.2.2 *The PA of the DDG: District Health Services and Programmes*

The PA of the DDG: District Health Services and Programmes has been formulated in such a manner that it shows a linkage with the relevant KRAs of the HoD. The job functions of the DDG: District Health Services and Programmes, amongst others, are to ensure effective management of district health services and programmes and to provide strategic leadership and active support to the implementation of the Comprehensive Service Plan.

5.3.2.3 *The PA of Chief Director: District Health Services and Programmes*

An analysis of the PA of the Chief Director: District Health Services and Programmes in the Cape Metropole District include KRAs dealing with service transformation and delivery (in line with the Comprehensive Service Plan), human resource management, infrastructure and technology management, financial management and district specific priorities which shows that there is definite alignment with the PA of the DDG: District Health Services and the departmental strategic plan.

5.3.2.4 *The PA of the Director: District Health Services and Programmes*

The PA of the Director: District Health Services and Programmes in the West Coast District shows that there is alignment with the PA of the Chief Director: District Health Services and Programmes.

5.3.3 The Department of Provincial Treasury

The APP and the Strategic Planning documents for this department list some of the following areas as strategic objectives:

- To render secretarial, administrative and office support services to the Minister, linking Treasury, the Department of Economic Development, and the Provincial Parliament and enabling the Minister to realise priorities;
- To render strategic support and conduct overall planning;
- To develop a diverse and high-level performing organisation;
- To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury;
- To conduct macroeconomic analysis and render policy advice;
- To enable the provincial government to finance its service delivery obligations; and
- To promote effective financial resource allocation.

5.3.3.1 *The PA of the Head of Department*

An analysis of the PA of the HoD shows that there is alignment between the key performance outcomes and KRAs on the one hand and the strategic objectives as outlined in the APP and the strategic plan of the department on the other. However, an additional KRA dealing with 'Leadership and Monitoring' has been included in the PA. The inclusion of this KRA may create confusion when the performance of the HoD is reviewed given the fact that a CMC on Strategic Leadership and Capability has also been added in the PA. This could result in the HoD being assessed twice on the same KRA and CMC. More importantly, as part of their core competencies HoDs are expected to provide strategic leadership, and monitor and evaluate progress.

5.3.3.2 *The PA of the DDG: Fiscal and Economic Services*

The PA of the DDG: Fiscal and Economic Services has been formulated in such a manner that it shows a linkage with the relevant KRAs of the HoD. Such a linkage gives expression to the strategic objectives as outlined in the APP and other planning documents of the Department. This is particularly important considering the role played by Provincial Treasury as part of ensuring broader financial prudence in the province.

5.3.3.3 *The PA of Chief Director: Public Policy Services*

The Chief Director: Public Policy Services is responsible for effective financial resource allocation for provincial government and secures sound budget processes for local government. In addition, the post determines and evaluates the economic factors and socio-economic imperatives within a provincial and national macro-economic context, and enhances economic analysis critical to the viability of municipalities as an important tier in the delivery of much needed services. An analysis of the PA of the Chief Director: Public Policy Services indicates a link between the PA of the DDG and the departmental strategic plan.

5.3.3.4 *The PA of Director: Local Government Revenue and Expenditure Group*

The PA of the Director: Local Government Revenue and Expenditure Group 2 includes KRAs dealing with local government revenue and expenditure, budget assessment testing sustainability and credibility and efficient coordination of the Municipal Finance Management Act (MFMA). The articulation of these KRAs clearly shows that there is alignment with the PAs of the Chief Director: Public Policy Services and the DDG: Fiscal and Economic Services, and the strategic objectives of the Department as outlined in the APP and other planning documents.

5.3.4 **The Department of Local Government and Human Settlements**

The APP and the Strategic Planning documents for this department list the following areas as strategic objectives:

- Municipalities with enhanced capacity to deliver services in a developmental and sustainable manner;
- Institutionalised and operational intergovernmental relations;
- Accelerated provision of human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable;
- To enhance social capital formation and facilitate active community participation;
- A comprehensive information and knowledge management system supported by a strategic and coordinated research agenda as a basis for planning, action, monitoring and evaluation;
- To share information and formulate effective messages, and build mutual and sustainable relationships;
- A well-functioning transformed department capacitated to deliver; and
- Contribute to sustainable and safer communities in the Western Cape through effective disaster management and fire brigade services.

5.3.4.1 *The PA of the Acting Head of Department*

An analysis of the PA of the Acting HoD shows that an attempt has been made to align the key performance outcomes and KRAs and the strategic objectives as outlined in the APP and the strategic plan of the department. However, it is important for the Acting HoD to ensure that the KRAs in his or her PA are crafted in such a manner that they clearly and directly devolve from the strategic objectives as outlined above. In this regard, the usage of terms such as strategic leadership and effective management and communications and stakeholder management should be avoided as these are also dealt with under CMCs. Failure to correctly capture KRAs accurately may give the impression that the KRAs in the PA of the Acting HoD do not devolve directly from the departmental strategic goals. This may ultimately create confusion during the performance assessment sessions as planning documents are also used as a yardstick to gauge whether a department has succeeded in achieving its strategic objectives.



5.3.4.2 *The PA of the Deputy Director-General: Operations*

An analysis of the PA of the Deputy Director-General: Operations shows that an attempt has been made to align the KRAs with the strategic objectives as outlined in the planning documents. However, these KRAs have not been crafted in such a manner that easily enables linkage with the strategic objectives. The linkage is only established through the analysis of key outputs/activities as elaborated in the workplan. For example, terms such as 'co-deliver incremental housing opportunities, co-deliver rental housing, co-deliver asset management and land release, etc.' are used to describe KRAs. In addition, the usage of these terms may imply that these KRAs are shared responsibilities between the DDG: Operations and another post, which may result in difficulties being encountered when accountability is required to assess failure or success of departmental programmes.

Therefore, the manner in which the KRAs have been crafted does not lead to an assessment which categorically indicates linkage with the PA of the Acting HoD and the strategic objectives. Furthermore, the identification of KRAs such as human resource management, financial budgeting, management and planning, risk management and communications should be avoided as these are also mentioned under CMCs. This is particularly important considering the fact that a person occupying such a senior position is expected to have skills necessary for managing finances and human resources and communications in the execution of day-to day activities which are geared towards the attainment of the broad goals of the department.

5.3.4.3 *The PA of the Chief Director: Planning and Development*

An analysis of the PA of the Chief Director: Planning and Development (CD: PD) shows that an attempt has been made to align the KRAs with the strategic objectives as outlined in the planning documents. However, these KRAs have not been crafted in such a manner that easily enables linkage with the strategic objectives. For example, KRAs are identified as financial management, management and support to directorates, strategic support to the HoD and the Ministry, human resource management and strategic functions. The linkage is only established through the analysis of key outputs/activities as elaborated in the workplan.

Therefore, the manner in which the KRAs have been crafted does not lead to an assessment which categorically indicates linkage with the PAs of the DDG: Operations and Acting HoD, and the strategic objectives. Furthermore, the identification of KRAs such as human resource management, financial management and strategic functions should be avoided as these are also mentioned under CMCs. This is particularly important considering the fact that a person occupying such a senior position is expected to have skills, among others, to provide strategic direction and manage finances and human resources in the execution of daily activities which are geared towards the attainment of the broad goals of the department.



5.3.4.4 *The PA of the Director: Policy and Research*

The PA of the Director: Policy and Research has identified KRAs such as the facilitation of the process of research on housing and the management of the development of housing policies and implementation guidelines. An analysis of these KRAs clearly shows linkage with the PAs of the CD: PD, the DDG: Operations and the Acting HoD, and the strategic objectives as outlined in the APP and the strategic plan. However, the usage of terms such as the strategic management and effective leadership, human resource management and financial management should be avoided as these are also mentioned under CMCs. The reason is that the management of finances and human resources are necessary tools which all senior managers are expected to possess as part of their core competencies.

Chapter Six

Recommendations and Conclusion

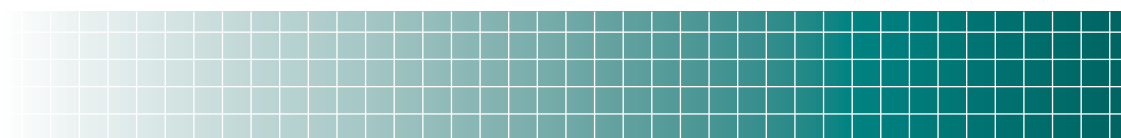
6.1 INTRODUCTION

The findings of the oversight study conducted among SMS members and selected HR representatives in the provincial departments of the Provincial Government Western Cape (PGWC) on the implementation of the PMDS for SMS members clearly indicates non-compliance with the policy directives, procedures and processes contemplated in Chapter 4 of the SMS Handbook. Even though the system has been fully implemented by all the departments, it needs a serious overhaul. The purpose of this chapter is to provide recommendations which would ensure that the PGWC complies with policy prescripts regarding the SMS PMDS utilised in the rest of the Public Service. In addition, the chapter will provide a conclusion.

6.2 RECOMMENDATIONS

The Public Service Commission proposes that the recommendations outlined below must be implemented with immediate effect.

- 6.2.1 Departments must ensure that Batho Pele principles as important ethos and values of service delivery standards are meaningfully integrated with the KRAs and CMCs of the PAs of all senior managers in the province. This would ensure that a culture of service to society is inculcated in the work of senior managers.
- 6.2.2 Departments must ensure that PAs of senior managers identify a mediator who would assist in resolving any dispute which may arise with regard to all aspects of the PA. Mechanisms for dispute resolution must also include a provision to resolve any differences which may arise out of the assessment of work performance. In agreeing on a mutually acceptable person to resolve disputes that might arise, an individual within the Public Service should first be considered. If possible, the person identified should be involved in the conclusion of the PA. This will enhance his/her understanding of the contents of the PA and may even prevent disputes from arising. Persons selected to resolve disputes should, preferably be chosen on the basis of their functional expertise and people skills and not their legal qualifications since dispute resolution should preferably be an informal process.
- 6.2.3 Departments must ensure that KRAs of senior managers devolve clearly and directly from the required outputs of the approved strategic/operational plan. In this regard, an endeavour should be made to ensure that KRAs are as specific as possible to ensure a line of sight with the departmental strategic objectives.
- 6.2.4 Departments must ensure that in crafting KRAs of senior managers duplication with the CMCs should be avoided and eliminated. Failure to adequately deal with these issues would create confusion during performance review sessions.

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- 6.2.5 Departments must ensure that Personal Development Plans are identified and appended in the PAs of senior managers.
 - 6.2.6 Departments must ensure that senior managers enter into and sign Performance Agreements timeously. The signing of PAs is important for authenticity and validity as these documents form the legal basis for performance contracting.
 - 6.2.7 Departments must ensure that Workplans are developed and appended to PAs of senior managers.
 - 6.2.8 The Office of the Premier must take urgent steps to ensure that the PERMIS system complies with the provisions of the PMDS framework.
 - 6.2.9 The Departments of Transport and Public Works and Social Development should ensure that in future they comply with requests for information and documentation by the PSC.
 - 6.2.10 The DPSA should engage with the findings and recommendations contained in this report as part of efforts to improve the implementation of the PMDS Framework.

6.3 CONCLUSION

The study has shown that the PA system as a tool of the PMDS framework plays a critical role in ensuring that departments are able to hold senior managers accountable for failure or success of departmental programmes. It has also been shown that through the PA system, senior managers are able to translate broad government goals into tangible deliverables aimed at improving the lives of ordinary South Africans. In this regard, the study has emphasised the importance of the linkage between KRAs in the PAs of senior managers and departmental strategic objectives. The study has also highlighted how important it is for the PAs of senior managers to comply with certain minimum requirements as outlined in the PMDS framework for the system to optimally benefit the entire society. Therefore, it is imperative for departments to ensure that the PMDS framework is effectively utilised to ensure that planning and implementation of government programmes is elevated to a higher level.

