



**EVALUATION OF THE
EFFECTIVENESS OF THE
PERFORMANCE MANAGEMENT AND
DEVELOPMENT SYSTEM FOR THE
PUBLIC SERVICE**

**PUBLIC SERVICE COMMISSION
JUNE 2018**



Vision

A champion of Public Service excellence in democratic governance in South Africa.

Mission

To promote the constitutionally enshrined democratic values and principles throughout the Public Service by -

- investigating, monitoring, evaluating the organisation and administration, and personnel practices;
- proposing measures to ensure the effective and efficient performance;
- issuing directions with regards to personnel procedures relating to the recruitment, transfers, promotions and dismissals;
- advising on personnel practices; and
- reporting on its activities.

Published in the Republic of South Africa by:

THE PUBLIC SERVICE COMMISSION
Public Service Commission House

Office Park Block B

536 Francis Baard Street

Arcadia

Private Bag X121

Pretoria, 0001

Tel: +27 12 352-1000

Fax: +27 12 321-3348

Email: info@opsc.gov.za

Website: www.psc.gov.za

National Anti-Corruption Hotline for the Public Service:
0800 701 701 (Toll-Free)



Custodian of Good Governance

FOREWORD

In South Africa, Public Service departments utilise the Performance Management and Development System (PMDS) to manage the performance of all senior management service (SMS) members. To ensure that the system is adopted by all departments, in 2003, the Department of Public Service and Administration (DPSA) introduced the SMS Handbook that replaced circular 2/3/1/1/P of 12 May 1999. The SMS Handbook is a detailed document that serves as a guide on the process to follow in managing SMS members' performance throughout the assessment period. It should be noted that the PMDS related policies and legislation have been reviewed over the years, with the most recent review taking place in 2017. This review resulted in the development of the '*Directive on the PMDS for members of the SMS excluding HODs*'. This directive came into effect on 01 April 2018.

In the past, the PSC conducted various studies on the implementation of the PMDS with a specific focus on SMS members. Another study was conducted to assess if the Performance Agreement (PA) is the most effective performance tool to monitor SMS performance. Through these studies, the PSC identified challenges relating to the effectiveness of the PMDS and the extent to which the system has achieved its set objectives. This further resulted in the PSC taking a decision to undertake a study to evaluate the effectiveness of the PMDS for the Public Service in setting clear performance standards for SMS members and improving the performance of the organisation.

The PSC is hopeful that the results of the report and its recommendations will inform and improve the implementation of an effective PMDS for SMS members in the Public Service.



MS MOIRA MARAIS-MARTIN

COMMISSIONER

ACKNOWLEDGEMENTS

The PSC would like to acknowledge the following stakeholders who took time to participate in the study:

- Selected Departments,
- Deputy Directors-General,
- Chief Directors,
- Directors, and
- HRD-PMDS Practitioners.

Project team:

Dr Manase Mokgolo; Mr Sifiso Ngema and Ms Pontso Sehabane.

Project support team:

Ms Cecilia Makgopela.

EXECUTIVE SUMMARY

The performance of the Public Service remains one of the key concerns for the Public Service Commission (PSC), and it is for this reason that this study was initiated. The Performance Management and Development System (PMDS) is an important part of the Public Service Regulatory Framework which guides the work and conduct of public servants in delivering services to the public.

The PSC is mandated in terms of Section 196 (4) of the Constitution of the Republic of South Africa to monitor and investigate adherence to applicable procedures, propose measures to ensure effective and efficient performance, and advise national and provincial organs of state regarding personnel practices in the Public Service. Informed by this mandate, the PSC has previously conducted a range of studies on the implementation of the PMDS and compliance with its mandatory requirements. Findings from these studies highlighted various challenges that have resulted in poor work performance and had a negative impact on productivity and workplace effectiveness. The challenges include failure by some departments to address poor performance which has often resulted in resentment and impacted negatively on those employees who are performing satisfactorily.

The goal of the PMDS is to provide a framework to enhance individual employees' performance and thereby contribute towards improved organisational performance. For this to happen the PMDS should be integrated into organisational planning, monitoring, improvement and reporting processes and systems of departments in the Public Service.

The overall objective of this study was to establish the underlying reasons for the ineffective implementation of the PMDS in the Public Service. To achieve this the study sought to establish the alignment of government key planning documents to performance contracting processes in departments, determine factors affecting the implementation of the PMDS, establish if individual performance outcomes are comparable to organisational objectives and performance as well as present findings and recommendations.

The scope of the study included Senior Management Service (SMS) members and PMDS Practitioners from six national departments that were selected because of their service delivery mandates that, in the view of the PSC, are critical to the wellbeing of the citizenry. The methodology for the study included a combination of qualitative and quantitative research methods for data collection from both primary and secondary data sources. From the analysis of the data, findings and recommendations have been produced for consideration by the Public Service.

A legislative analysis is presented in the report and emphasises the centrality of the Constitution to prescripts governing the Public Service. The legislation reviewed in the report highlights the critical role of Executive Authorities (EAs), Heads of Department (HoDs) and other levels of the senior management echelon in the overall management of employees and organisational performance. The framework further highlights the importance of creating linkages between the PMDS and other planning, monitoring, development and reporting systems within the Public Service.

A literature review is provided in Chapter 3 of the report. The analysis in this chapter confirms that the PMDS is complex and its implementation is often overwhelmed with challenges. There is also no blue print that can be transplanted from one context to another as illustrated by observations from Public Services in other countries. However, the various performance management systems used in different countries are characterised by common principles and complementary objectives which include setting clear performance standards; aligning organisational and individual goals; facilitating continuous professional development; improving the responsiveness and accountability of the Public Service to stakeholders; as well as ensuring the effective and efficient delivery of quality services in a transparent manner. The Chapter concludes by highlighting the fact that South Africa's vision of becoming a developmental state needs to be supported by a robust performance management system and the PMDS should, in terms of its design and implementation, contribute towards the realisation of that goal.

The findings of the study are presented in Chapter 4 of the report. The finding reveals that the PMDS is a complex system which its effectiveness is dependent on the collective efforts of multiple stakeholders. Some of the key findings in this Chapter include:

- Departments are guided by government's commitment as set out in the NDP and other strategic documents relevant to their respective mandates when developing their strategic plans.
- The effectiveness of the PMDS is negatively impacted by a range of challenges, including non-compliance with basic administrative requirements such as contracting deadlines, inconsistent practices with respect to assessments, allegations of subjectivity and misuse of the system by supervisors as a punitive or reward measure.
- PMDS units in the selected departments are extremely incapacitated in terms of person power and some senior managers do not take the system seriously and do not avail themselves to attend training.

In the final Chapter of the report a number of recommendations are made and include, amongst others, that attention needs to be given to the actual monitoring of performance throughout the performance cycle, due consideration must be given to the separation of financial incentives and the developmental focus of the PMDS and that the DPSA as the custodian of the HRM framework should lead a change management process in terms of the newly introduced PMDS Policy Framework to deal with challenges raised regarding implementation.

In conclusion, it is the informed view of the PSC that the PMDS cannot be invalidated on the basis of perceptions that it awards employees performance bonuses regardless of their performance or contribution to the performance of the organisation. Challenges identified, linked to negative perceptions or uneven implementation, should rather be systematically addressed through improved practice, training and policy adjustments where needed.

TABLE OF CONTENTS

FOREWORD	iii
ACKNOWLEDGEMENTS	v
EXECUTIVE SUMMARY	vi
LIST OF TABLES	xi
LIST OF ACRONYMS	xii
CHAPTER 1: INTRODUCTION	1
1.1 BACKGROUND	1
1.2 OBJECTIVES OF THE STUDY	2
1.3 THE MANDATE OF THE PUBLIC SERVICE COMMISSION	3
1.4 METHODOLOGY	3
1.4.1 Scope	3
1.4.2 Sampling of participants.....	4
1.4.3 Data collection	4
1.4.4 Data analysis	4
1.5 LIMITATIONS OF THE STUDY	5
1.6 ETHICAL CONSIDERATIONS	5
1.7 STRUCTURE OF THE REPORT	5
CHAPTER 2: LEGISLATIVE AND POLICY REGULATORY FRAMEWORKS	6
2.1 INTRODUCTION	6
2.2 OVERVIEW OF PUBLIC SERVICE LEGISLATION, REGULATIONS AND POLICIES	6
2.2.1 Constitution of the Republic of South Africa, 1996.....	6
2.2.2 Public Service Act, 1994, (Act 103 of 1994), as amended	6
2.2.3 Labour Relations Amendment Act, 1995 (Act 6 of 1995), as amended.....	7
2.2.4 White Paper on the Transformation of the Public Service, 1995	7
2.2.5 White Paper on Transforming Public Service Delivery (Batho Pele), 1997.....	7
2.2.6 White Paper on Public Service Training and Education, 1997	8
2.2.7 Skills Development Act, 1998 (Act 97 of 1998) as amended.....	8
2.2.8 Employment Equity Act, 1998 (Act 55 of 1998) as amended	8
2.2.9 Public Service Co-ordinating Bargaining Council resolutions (PSCBC) Resolution No 13 of 1998.....	9
2.2.10 Senior Management Services Handbook 2003.....	9
2.2.11 Public Finance Management Act, 1 of 1999.....	10

2.2.12 Code of Good Practice on the Integration of Employment Equity into Human Resource Policies and Practices, 2005	10
2.2.13 Public Service Regulations, 2016	10
2.3. CONCLUSION	11
CHAPTER 3: PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM	13
3.1 INTRODUCTION.....	13
3.2 CONSTRUCTING THEORETICAL FRAMEWORK OF THE PMDS.....	13
3.3 PMDS PRINCIPLES, CHARACTERISTICS AND PRACTISES	15
3.4. LESSONS FROM OTHER COUNTRIES	19
3.4.1 Malaysia	20
3.4.2 Indonesia.....	20
3.4.3 Botswana	21
3.4.4 Zimbabwe.....	21
3.4.5 Kenya.....	22
3.5 CONCLUSION.....	23
CHAPTER 4: FINDINGS	24
4.1 INTRODUCTION.....	24
4.2 PROFILE OF PARTICIPANTS.....	24
4.2.1 Strategic documents received.....	24
4.2.2 Interviews conducted.....	25
4.3 ALIGNMENT BETWEEN THE MEDIUM TERM STRATEGIC FRAMEWORK (MTSF), DEPARTMENTAL STRATEGIC PLAN AND ANNUAL PERFORMANCE PLAN (APP)	25
4.4 ALIGNMENT BETWEEN THE DEPARTMENT’S STRATEGIC PLAN (INCLUDING THE APP) AND THE PERFORMANCE AGREEMENTS OF SMS MEMBERS.....	26
4.4.1 Alignment of KRAs, KPIs and weights as well as adherence to the SMART principles	27
4.4.2 Qualitative challenges that are experienced by PMDS stakeholders during assessment	29
4.5 PROCESSES AND PRACTICES THAT ENHANCE OR HINDER THE IMPLEMENTATION OF THE PMDS	30
4.5.1 Supervisor and subordinate adherence to the PMDS process	30
4.5.2 Departmental policies contributing towards the effectiveness of the PMDS.....	30
4.5.3 Department’s capacity to roll out PMDS effectively	33
4.5.4 Contribution of PDPs towards employee and departmental performance.....	33

4.5.5 Subjectivity, objectivity and fairness during SMS member' performance assessments	35
4.5.6 Supervisor' inability to provide reasons when reducing scores.....	35
4.6 IMPLEMENTATION OF POOR PERFORMANCE INTERVENTION MECHANISMS BY THE RESPONSIBLE MANAGERS/SUPERVISORS AS PROVIDED IN THE LEGISLATIVE AND POLICY FRAMEWORK	37
4.7 TO ESTABLISH IF INDIVIDUAL PMDS OUTCOMES AND REWARDS ARE COMPARABLE WITH ORGANISATIONAL GOALS	38
4.8 SUMMARY OF FINDINGS	40
CHAPTER 5: RECOMMENDATIONS AND CONCLUSION	42
5.1 INTRODUCTION.....	42
5.2 RECOMMENDATIONS.....	42
5.3 CONCLUSION	43

LIST OF TABLES

Table 1: Overview of strategic documents and PMDS documents received	24
Table 2: Overview of interviewed participants	25
Table 3: Spending, targets achieved and performance incentives paid.....	38

LIST OF ACRONYMS

APP	Annual Performance Plan
CD	Chief Directors
CMC	Core Management Criteria
CVP	Constitutional Values and Principles
DDG	Deputy Directors-General
DPME	Department of Planning, Monitoring and Evaluations
DPSA	Department of Public Service and Administration
EA	Executive Authority
HOD	Heads of Department
HRD	Human Resource Development
IRC	Intermediate Review Committee
KPI	Key Performance Indicators
KRI	Key Results Areas
PDP	Personal Development Plan
LRA	Labour Relations Act
MPSA	Minister for Public Service and Administration
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
PA	Performance Agreements
PMD	Performance Management and Development
PMDS	Performance Management and Development System
PSC	Public Service Commission
PFMA	Public Finance Management Act
PSA	Public Service Act
PSCBC	Public Service Co-ordinating Bargaining Council
PSR	Public Service Regulations
SMART	Short, Measurable, Attainable, Relevant and Time-based
SDA	Skills Development Act
SMS	Senior Management Service
SONA	State of the Nation Address

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

The Public Service has well defined frameworks for managing individual and organisational performance. One of the key frameworks in this regard is the Performance Management and Development System (PMDS). The goals of the PMDS are to provide a framework to enhance individual employees' performance and thereby contribute towards improved organisational performance. To be effective, the PMDS is supposed to be integrated with all other organisational planning, monitoring, improvement and reporting processes and systems. The principles underpinning the effectiveness and efficiency of the PMD include (a) transparency, (b) developmental orientation and (c) accountability.

The PMDS was initially adopted as a voluntary system of performance agreements (PAs) introduced to manage the performance of senior managers in the PSBC Resolution 13 of 1998. In August 2000 the Minister for Public Service and Administration (MPSA) issued a detailed guide on the Management of PAs to provide a uniform minimum basis for the performance management of senior managers to assist departments in realizing their annual strategic objectives. The voluntary system developed into a policy framework (PMDS) which was issued as a Directive by the MPSA with effect from 01 April 2002. The policy framework has been amended from time to time with a view to improve its implementation and improve performance in the Public Service.

The performance of the Public Service remains one of the key concerns for the Public Service Commission (PSC). The concern is based largely from the outcomes of various research as well as monitoring and evaluation work done by the PSC over the years. The studies highlighted the fact that performance management and development in the Public Service is poorly managed, compliance with the mandatory requirements of the PMDS is inconsistent and most departments are struggling with the management of poor performance. These challenges have resulted in poor work performance which has had a negative impact on productivity and workplace effectiveness. Also, the failure to address poor performance has often resulted in resentment and impacted negatively on those employees who are performing satisfactorily.

In its 2016 Strategic Planning Session, the PSC reflected on these challenges and resolved to conduct a comprehensive evaluation of the effectiveness of the PMDS in the Public Service.

The Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation had also raised similar concerns regarding uneven performance in the Public Service and urged the Department of Public Service and Administration to continuously monitor and improve the performance and productivity of staff by implementing sound performance management systems.

The PSC noted challenges related to the application of the PMDS by departments from its ongoing work, particularly in the grievance management process; HoD evaluations as well various compliance assessment studies; despite the numerous recommendations and directions given by the PSC and the DPME and interventions made by MPSA/DPSA through the issuing of Directives. There is also a public perception of an inept government whose departments are characterised by 'poor' or 'uneven' performance by 'highly paid' Public Service employees who are unaccountable for their performance and cannot be removed even if they do not do their jobs. This perception is further reinforced by a view that public servants work without any defined standards or targets and there are no proper systems to manage performance effectively in the Public Service.

The National Developmental Plan (NDP), Vision 2030, further warns of "a real risk that South Africa's developmental agenda could fail because the state is incapable of implementing it". The NDP goes on to identify some of the root causes of such a situation including unevenness in capacity that leads to uneven performance in provincial and national government, skills deficit, the erosion of accountability and authority, poor organisational design as well as low staff morale.

Informed by the above-mentioned challenges and findings of its previous studies, the assertions made in the NDP and continued concerns about the implementation of the PMDS in the Public Service, the PSC decided to embark on a detailed study on the "*evaluation of the effectiveness of the PMDS for the Public Service*" to gain an in-depth understanding of current practices related to performance management and development system of Senior Management Service (SMS) members in the Public Service.

The findings of this study will enable the PSC to propose a mechanism and recommend solutions to: set clear and objective performance standards; ensure the systematic development of employees; motivate employees through an appropriate reward system; enhance the performance of the Public Service by linking individual and organisational performance; and deal with poor performance where it has been identified for consideration by the executive and administrative leadership of the Public Service and key stakeholders such as Parliament, Public Service employees, organised labour and other interest groups.

1.2 OBJECTIVES OF THE STUDY

The overall aim of this study is to establish the underlying reasons for the ineffective implementation of the PMDS in the Public Service. The specific objectives of the study are:

- To determine the alignment between the Medium Term Strategic Framework (MTSF), Departmental strategic plan, Annual Performance Plan (APP), and the performance agreements of SMS members;

- To outline processes that enhance or hinder the implementation of the PMDS;
- To establish if managers adhere to the PMDS process and comply with the minimum requirements with regards to the implementation of the PMDS;
- To establish whether poor performance intervention mechanisms are implemented adequately by the responsible managers/supervisors as provided in the legislative and policy framework;
- To establish if individual PMDS outcomes and rewards are comparable with organisational goals, objectives and performance; and
- To present findings and propose recommendations aimed at addressing identified challenges and weaknesses in the implementation of the PMDS.

1.3 THE MANDATE OF THE PUBLIC SERVICE COMMISSION

The PSC derives its mandate from Sections 195 and 196 of the Constitution of the Republic of South Africa, 1996 and the Public Service Commission Act, 1997. In terms of Section 195(1) of the Constitution, public administration must be governed by the democratic values and principles enshrined in the Constitution. The PSC is mandated in terms of Section 196(4) (a) of the Constitution to promote the values and principles set out in Section 195; and in terms of Section 196 (4) (b) to investigate, monitor and evaluate the organisation and administration and the personnel procedures in the Public Service. According to Section 196 (4) (c) of the Constitution, the powers and functions of the PSC include proposing “measures to ensure effective and efficient performance within the Public Service.”

1.4 METHODOLOGY

This section of the report explains the overall research methodology applied during the study. The section also discusses the procedures followed in selecting participants, data collection and analysis in order to address the objectives outlined in section 1.2 above. The research methodology outlined serves as a logical framework that explains how the study was executed and how the various components of the study contribute towards the realisation of the research objectives. The methodology adopted in the study is elaborated below:

1.4.1 Scope

The scope of the study consisted of SMS members such as Deputy Directors-General (DDGs), Chief Directors (CDs) and Directors (Ds) and Human Resource and Development (HRD) and PMDS practitioners from six selected national departments, that is, Basic Education, Health, Transport, Rural Development and Land Reform, Water and Sanitation and Human Settlements in South Africa. These departments were selected because they are instrumental to service

delivery and had a high number of grievances escalated to the PSC which are related to the PMDS.

1.4.2 Sampling of participants

Purposive and simple random sampling procedures were applied to select participants for the study. A purposive sampling procedure was used for the identification of HRD-PMDS practitioners. A simple random sampling procedure was used for SMS members below the level of Heads of Department (HoDs) in national departments.

1.4.3 Data collection

A combination of qualitative and quantitative research methods was employed in conducting this study. Data was collected from both primary and secondary data sources. For primary data collection, one interview schedule was developed for both SMS members (DDGs, CDs and Ds) and PMDS practitioners from selected national departments in the Public Service. The rationale for using one interview schedule was to ensure validity and generalisation of findings. The interview schedules were piloted with selected SMS members within the PSC before finalisation to test the relevance of the questions. The results of the pilot highlighted few adaptations to some questions and the study was rolled out in the selected departments.

Secondary data was conducted through the review of strategic documents and literature. The following documents were reviewed: strategic documents such as strategic plan, operational plan, annual performance plan, performance agreements, bi-annual and annual performance reports in selected national departments in South Africa. In addition, an analysis of prescripts that are relevant to the performance management and development system of SMS members in the Public Service was conducted. To enrich the study, an analysis of local and international literature on performance management and development system was also conducted.

1.4.4 Data analysis

In analysing collected data, both quantitative and qualitative methods were used. Excel was used to capture and analyse quantitative data, while qualitative data was analysed according to thematic areas informed by the objectives of the study.

1.5 LIMITATIONS OF THE STUDY

The following limitations were encountered during the study:

- The labour intensive, in-depth and qualitative nature of the study necessitated the need to focus on few departments. However, care was taken in selecting large departments that are responsible for the delivery of critical services.
- There were few SMS members that could not be interviewed because they did not have time due to their hectic schedules.
- There were certain instances where senior managers seem to be resistant to the study and in those cases even though their department confirmed their participation in the study and scheduled appointments with them, they simply did not show up during the interviews.
- The study relied on documentary analysis and perceptions of PMDS practitioners and SMS members, however, multiple data sources were consulted to enhance the validity of the findings.

1.6 ETHICAL CONSIDERATIONS

The PSC upholds the Chapter 10, Section 195 Constitutional Values and Principles (CVPs) governing public administration. The following ethical considerations were observed in the study:

- All the participants were informed of the purpose and objectives of the study;
- They were assured that their views will be used for the purposes of the study; and
- They were assured that the findings will be aggregated in order to protect their rights to confidentiality and anonymity.

Therefore, acceptance of the interview appointment was considered as consent to voluntarily participate in the study.

1.7 STRUCTURE OF THE REPORT

The remainder of report is structured as follows:

Chapter 2: Highlights the legislative and regulatory framework applicable to the study.

Chapter 3: Presents a review and analysis of local and international literature on Performance management and development system.

Chapter 4: Presents key findings of the study.

Chapter 5: Presents the recommendations and conclusion of the study.

CHAPTER 2: LEGISLATIVE AND POLICY REGULATORY FRAMEWORKS

2.1 INTRODUCTION

This chapter presents an overview of the applicable legislative, policy and regulatory frameworks underpinning performance management system in the Public Service in South Africa.

2.2 OVERVIEW OF PUBLIC SERVICE LEGISLATION, REGULATIONS AND POLICIES

2.2.1 Constitution of the Republic of South Africa, 1996

The constitution is the supreme law of South Africa and is the foundation for both private and public sector legislation and policies. The Bill of Rights, which is the cornerstone of democracy in South Africa, sets the tone for the organisation, management and governance public administration. Therefore, the basic principles and values that should govern public administration in South Africa, as outlined in Chapter 10, Section 195 of the Constitution must be interpreted in relation to the Bill of Rights. Section 195 (1) (b), (c) and (f) of the Constitution advocate for “efficient, economic and effective use of resources”, “public administration must be development orientated” and “public administration must be accountable.” In addition, Section 195 (1) (h) and (i) of the Constitution stipulates that good human-resource management and career-development practices must be cultivated to maximise human potential and further states that “public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation”.¹ These provisions, amongst others, underpin the legislation, regulations and policies that are presented hereunder.

2.2.2 Public Service Act, 1994, (Act 103 of 1994), as amended

In Chapter II, Section 3 paragraph 7 (a) and (b) of the Public Service Act (PSA) provides for the powers and duties of the Executive Authority (EA) concerning the internal organisation of a department. This includes the career incidents of employees other than HoDs, *inter alia*, performance management and all other matters which relate to such employees in their individual capacities. In Chapter III, Section 7 paragraph 3 (b), the Act stipulates that the Head of Department shall be responsible for the efficient management and administration of his or her department, including the effective utilisation and training of staff.²

¹ The Constitution of the Republic of South Africa, Act 108 of 1996.

² Public Service Act, 1994, as amended, Department of Public Service and Administration, Republic of South Africa.

2.2.3 Labour Relations Amendment Act, 1995 (Act 6 of 1995), as amended

The Labour Relations Act (LRA) rules out discrimination in the work place and puts in place measures for the protection and promotion of economic development, labour peace and democratisation of the workplace. The LRA protects the rights of the employee and the employer and outlines mechanisms for dispute resolution³.

2.2.4 White Paper on the Transformation of the Public Service, 1995

The aim of the White Paper on the Transformation of the Public Service is to establish a planning framework that will guide the creation and implementation of new policies and legislation aimed at transforming the South African Public Service.⁴ The White Paper calls for the elevation of the role and status of human resource development within the overall framework of government policy and the development of effective and lifelong career development paths for all categories of public servants through promotion and career advancement based on performance rather than on seniority or qualifications. The White Paper further advocates for the development of a coherent strategic framework for human resource development at both the national and provincial levels to ensure “optimal fit between the needs of the employee, the job, the organisation and the environment, so that employees reach their desired level of satisfaction and performance, and the organisation meets its goals.”

2.2.5 White Paper on Transforming Public Service Delivery (Batho Pele), 1997

The purpose of the White Paper⁵ on Transforming Public Service Delivery is to provide a policy framework and a practical implementation strategy for the transformation of Public Service delivery. The White Paper expressed ten *Batho Pele* principles that were linked to transforming service delivery in the Public Service. The principles include consultation, service standards, courtesy, access, information, openness and transparency, redress and value. The White Paper encourages that the performance of staff who deal with customers must be regularly monitored, and poor performance should not be tolerated. In terms of Section 5.2 of the White Paper, the performance management procedures must in future include assessment of the performance of individual staff in contributing to improving service to the public. This essential for staff who serve the public directly, but it is also important for staff who provide services directly to their fellow public servants whether in their own or other departments. The White Paper further states that monitoring and reporting systems which

³ The Labour Relations Act 66 of 1995, as amended, Department of Labour, Republic of South Africa.

⁴ White Paper on the Transformation of the Public Service, 1995, Department of Public Service Administration, Republic of South Africa.

⁵ White Paper on Transforming Public Service, 1997, Department of Public Service Administration, Republic of South Africa.

enable senior management to check on progress, and take remedial action where necessary are needed.

2.2.6 White Paper on Public Service Training and Education, 1997

The purpose of the White Paper on Public Service Training and Education (1997)⁶ is to provide a policy framework to facilitate the development of human resource management practices which support an effective and efficient Public Service, geared for economic and social transformation. The White Paper states that the Public Service values employees who are willing to devote themselves to a career in the service of the public, and whose performance is maximised and their potential fully developed via the comprehensive provision of appropriate and adequate training and education at all levels. In terms of the White Paper government will seek in particular to enable all public servants to develop their knowledge, skills and attitudes in ways which serve to maximise performance in their current roles; to allow them to regularly review their training and education needs and requirements, and to provide ways of meeting these; to provide opportunities for them to prepare themselves for changing roles, duties and responsibilities within the Public Service; to increase job satisfaction and facilitate career progression; and to motivate and enable all public servants to contribute positively to the transformation and operation of the new Public Service in South Africa.

2.2.7 Skills Development Act, 1998 (Act 97 of 1998) as amended

The current legislation in the form of the Skills Development Act (SDA) has been enacted in order to implement structures and processes to transform skills development in South Africa. Some of the purposes of the SDA⁷ are to improve the employment prospects of persons previously disadvantaged by unfair discrimination; to improve the quality of life of workers, their prospects of work and labour mobility; to improve productivity in the workplace and the competitiveness of employers; to provide employees with the opportunities to acquire new skills in and for the workplace; and to increase the levels of investment in lifelong education and training in the labour market and to improve the return on that investment.

2.2.8 Employment Equity Act, 1998 (Act 55 of 1998) as amended

The purpose of the Employment Equity Act (EEA) is to ensure equity and representation across occupational levels in the workplace and to eliminate discriminations inherited from the pre-democratic government. The act also ensures the implementation of affirmative action measures in order to address the disadvantages experienced by designated groups in the workplace. Key sections of the Act were amended through the Employment Equity

⁶ White Paper on Human Resource Management in the Public Service, 1997, Department of Public Service Administration, Republic of South Africa.

⁷ The Skills Development Act 97 of 1998, Department of Labour, Republic of South Africa.

Amendment Act 47 of 2013 to, amongst others, further regulate the prohibition of unfair discrimination against employees and further regulate the preparation and implementation of employment equity plans.

2.2.9 Public Service Co-ordinating Bargaining Council resolutions (PSCBC) Resolution No 13 of 1998

The resolution states that the purpose of the collective agreement is to set a framework for senior managers to agree to signing individual performance agreements (PA). The agreement thus extends the signing of PAs from HODs to all senior managers and prescribes the following five items that must be included in a PA:

- Key duties and responsibilities
- Output targets for the PA period
- Dates for performance review
- Dispute resolution mechanism
- Date on which salary increments will come into effect and mechanisms for the management/awarding of salary increases.

2.2.10 Senior Management Services Handbook 2003

The purpose of the Senior Management Handbook (SMS) Handbook⁸ is to set out clear and concise terms and conditions of employment and the role of SMS members. Chapter 4 of the Handbook describes the process and requirements of performance management and development (PMD) for SMS members. This chapter also promotes the development of good practice in the management and development of SMS members with a strong emphasis on continuous feedback obtained during consultations, reviews and assessments.

One of the objectives of Chapter 4 of the SMS Handbook is to promote efficient and effective performance, and in the case of poor performance provide assistance in dealing with it. The Chapter also ensures that the employer and SMS members share a common understanding with regards to incapacity and how it should be averted or corrected. The key PMD elements and objectives that are outlined in the Handbook relate to (a) achievement of organisational goals/strategic targets (b) professional development (c) rewarding good performance; and (d) managing poor performance. The PMDS shall be deemed to be effective when it achieves its desired results in terms of the stated aims, purpose and objectives.

In 2017, the Minister for Public Service and Administration (MPSA) approved the amendments to the PMDS for SMS members. According to DPSA, the directive issued replaces the former

⁸ Senior Management Service Handbook, 2003, Department of Public Service and Administration, Republic of South Africa.

directive that was contained herein Chapter 4 of the SMS handbook. The directive clearly states the process that must be followed and requirements when dealing with PMDS for SMS members.

2.2.11 Public Finance Management Act, 1 of 1999

According to Section 36 (5) of the Public Finance Management Act (PFMA) “the employment contract of an accounting officer for a department, trading entity or constitutional institution must be in writing and, where possible, include performance standards”. Section 40 (3a) states that the “accounting officer must fairly present the state of affairs of the department, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned”.

2.2.12 Code of Good Practice on the Integration of Employment Equity into Human Resource Policies and Practices, 2005

The objective of the code is to provide guidelines on the elimination of unfair discrimination and the implementation of affirmative action measures. Furthermore, the guidelines will enable employers to ensure that their human resource policies and practices are based on non-discrimination and reflect employment equity principles. Section 8.4.5 of the code⁹ provides for all new employees to be provided with information of the work they are required to perform and the standard to which this work must be produced. In terms of Section 14.2.2, performance management should not be a punitive but development oriented. The code emphasizes the importance of assessing employee performance and reviewing the results of performance appraisals to ensure consistency.

2.2.13 Public Service Regulations, 2016

The Public Service Regulations (PSR) is subordinate to the PSA and elaborates on the powers conferred upon Executive Authorities in terms of the PSA. Prior to the 2016 PSR, the PMDS was regulated through the 2001 PSR that were amended on numerous occasions and later repealed in 2016.

The PSR provides clarity on the implementation of the PSA in order to enable HoDs to manage their departments effectively and efficiently with the support and guidance of the Executive Authority. The PSR addresses a number of mandatory elements and key principles on which the development of human resources must be based. According to Section 14 (h-k) “An employee shall (h) be committed to the optimal development, motivation and utilisation of employees reporting to him or her and the promotion of sound labour and interpersonal relations; (i) avail himself or herself for training and development; (j) promote sound, efficient,

⁹ Code of Good practice on the Integration of Employment Equity into Human Resource Policies and Practices, 2005. Department of Labour, Republic of South Africa.

effective, transparent and accountable administration; and (k) give honest and impartial advice, based on all available relevant information, in the execution of his or her official duties”.

Section 71 underscores the importance of the performance management and development system as follows:

- (1) The cycle for performance management shall be linked to a financial year.
- (2) Heads of department shall ensure that accurate records of all performance assessments and the outcomes thereof are kept.
- (3) An employee acting in a higher position shall be assessed at the level of his or her post that he or she occupied at the time immediately prior to the acting position. Regardless of whether or not the employee was remunerated for so acting, the performance incentives shall be calculated at the lower level.

Section 72 of the PSR provides a guideline for managing performance management in the Public Service. It provides a guideline for entering, structuring and managing performance agreements. It also provides for the management of appointments, secondments and transfers to positions of the same level or positions on a higher level. The section also makes provision for the management of performance rewards, acting on higher levels or any dispute that may arise during any of the aforementioned processes. It also provides a guideline for instances whereby employees are appointed to act in a higher position or seconded for periods longer than three months. It also provides the steps to be followed when dealing with the performance of employees that have been absent for a continuous period of three months or longer. In this respect the regulations states that such employee will be regarded as having performed satisfactorily on condition that he or she was granted permission for being absent.

2.3. CONCLUSION

The Constitution of the Republic of South Africa requires that public administration must be development oriented and accountable. Without an enabling legislation and establishment of effective planning, monitoring and evaluations systems, public administration will not be accountable. In this regard, the legislation, policies, regulations and strategic documents reviewed in this section elaborate on a framework for the PMDS in the Public Service in South Africa. The documents reviewed illustrate that the conception, development and implementation of the PMDS was integrally linked with the transformation of the Public Service in South Africa.

The framework highlights the critical role of Executive Authorities, Heads of Department and other levels of the senior management echelon in the overall management of employee and

organisational performance. The framework further highlights the importance of creating linkages between the PMDS and other planning, monitoring, development and reporting systems within the Public Service because the PMDS is not an end in itself, but it is a means for the realization of organisational goals and objectives. The analysis has also illustrated that the PMDS is not static, hence at the time of completing this report, a revised PMDS for senior managers and heads of department was introduced to strengthen the link between individual and organisation performance. It is therefore not advisable to deal with the PMDS as an isolated and linear human resource management function or system, but it must be dealt with holistically from transformational and rapidly changing environment taking into account individual and organisational perspectives.

CHAPTER 3: PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

3.1 INTRODUCTION

The concept of measuring employee performance has been espoused worldwide and this is due to the fact that in most cases the value-add attained by employees on the performance of organisations were mostly negative and the effective implementation of performance management systems remains a challenge¹⁰. The vision of a performance management and development system (PMDS) is to establish a culture in which the senior managers, supervisors, employees and teams can build a climate of openness and mutuality, share expectations and excel by continuously improving on competencies so the organisation can perform exceptionally¹¹. The main aim of a PMDS is to “improve service delivery through effective and efficient application of resources”¹². Furthermore, the Public Service Co-ordinating Bargaining Council Resolution 1 of 2013 adopted a Public Service Charter. The Article 6 and 7 of Charter¹³ explain commitment levels with the employer providing for a conducive environment for successful performance of their employees and the employees in turn ensuring that performance and productivity standards are met within the broad frameworks. This section focuses on constructing a theoretical framework of the PMDS; its principles, characteristics and practices; and lessons learnt from other countries.

3.2 CONSTRUCTING THEORETICAL FRAMEWORK OF THE PMDS

The origin of performance management can be traced to the early 1920s¹⁴, and the process was utilised in 1940s but the formal process was only recognised during the 1980s¹⁵. An improved form of appraisal was influenced by Management by Objectives (MBO)¹⁶. The MBO fosters both supervisor and subordinate to discuss strategic and personal issues and allows the manager to provide appraisal judgement and feedback to the employee on his performance¹⁷. The main problem with performance appraisal, is the unhealthy link to financial

¹⁰ Aguinis, H., & Kraiger, K. (2009). Benefits of training and development for individuals and teams, organisations, and society. *Annual Review of Psychology*, 60, 451–474.

¹¹MSG, (2017). Performance management, process and system. Retrieved from <http://www.managementstudyguide.com/performance-management.htm>.

¹² Zvavahera, P. (2014). An evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. *Journal of Management and Marketing Research*, 14, 1.

¹³ Public Service Charter. The Public Service Co-ordinating Bargaining Council Resolution 1 of 2013. Republic of South Africa.

¹⁴ MSG, (2017). Performance management, process and system. Retrieved from <http://www.managementstudyguide.com/performance-management.htm>.

¹⁵ Ngubane, Y.P. (2013). *Effectiveness of the Performance Management and Development System at the South African Social Security Agency*. Unpublished Masters Thesis. University of KwaZulu-Natal. South Africa: Kwazulu-Natal province.

¹⁶ Rakgoale, E.K. (2011) *Improving the performance management and development system in the department of health and social development*. Unpublished Masters Mini-Dissertation. Turfloop Graduate School of leadership: University of Limpopo. South Africa: Limpopo province.

¹⁷ Ibid.

rewards and the perceived implementation control by the HR department which leads to rating errors and bias¹⁸.

In the South African Public Service, the PMDS was introduced in July 1999 following the signing of Resolution 13 of 1998 and became effective from April 2001¹⁹. The new Public Service management framework was introduced, informed by legislation such as the Public Service Act of 1994 as amended, the Public Service Regulations, 1999 and 2001 as amended, various White Papers, and collective agreements concluded by bargaining councils in the Public Service, as a primary guide to departments in developing and implementing performance management and development for employees²⁰²¹. Managing the public servants' PMDS is one of the most challenging undertakings which the government is faced with today due to its controversy, complexity and non-adherence to its objectives and principles, and failure enhance the provision of quality service²²²³. This view is consistent with that of PSC (2016)²⁴ that the PMDS is probably one of the most contested systems implemented in the Public Service and one of the most vexing challenges of human resource management.

According to local and international literature, PMDS comprises of a strategic, comprehensive and an integrated dynamic approach²⁵²⁶²⁷. *Strategic* PMDS includes a system that explicitly relates organisation strategy, reward systems, job design, learning, training and development of all employees²⁸. Reflecting on Choi *et al*²⁹ study, Janudin and Maelah³⁰ explain "effective PMDS as the ability of the system to supply enhanced performance information which links performance and individual role through providing a broad set of measures related to the importance of the organisation, the integration of measures with strategy and valued organisational outcomes, and the integration of measures across functional boundaries and

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ngubane, Y.P. (2013). *Effectiveness of the Performance Management and Development System at the South African Social Security Agency*. Unpublished Masters Thesis. University of KwaZulu-Natal. South Africa: Kwazulu-Natal province.

²¹ Rakgoale, E.K. (2011) *Improving the performance management and development system in the department of health and social development*. Unpublished Masters Mini-Dissertation. Turfloop Graduate School of Leadership: University of Limpopo. South Africa: Limpopo province.

²² Ibid

²³ Zvavahera, P. (2014). An evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. *Journal of Management and Marketing Research*, 14, 1.

²⁴ Public Service Commission (PSC), (2016). Building a capable, career-oriented and professional public service to underpin a capable and developmental state in South Africa. Final Discussion Document. Republic of South Africa.

²⁵ Aguinis, H., & Kraiger, K. (2009). Benefits of training and development for individuals and teams, organisations, and society. *Annual Review of Psychology*, 60, 451–474.

²⁶ Armstrong, M., & Baron, A. (2004). *Managing Performance: Performance management in action*. London: CIPD.

²⁷ Gimbert, X., Bisbe, J., & Mendoza, X. (2010). The role of performance measurement systems in strategy formulation processes. *Long Range Planning*, 43, 477-497.

²⁸ Sangweni, S.S. Chairperson: Public Service Commission of South Africa, Address at the 2nd Senior Management Service (SMS) Conference, Port Elizabeth, 15 - 17 September 2003.

²⁹ Choi, J.W., Hecht, G.W., & Tayler, W.B. (2012). Lost in translation: the effects of incentive compensation on strategy surrogation. *The Accounting Review*, 8 (7), 1135–1163

³⁰ Janudin, S. E., & Maelah, R. (2016). Performance measurement system in Malaysian public research universities: Is it contemporary? *International Journal of Management in Education*, 10(3), 219-233.

the value chain". A more *comprehensive* PMDS can help HR departments, supervisors or managers to build employees' cognitive, motivation, psychological empowerment and ongoing learning, and organisations need to consider the interactive effects of different performance measures in multi-task settings³¹³². Janudin and Maelah³³ further added that PMDS needs to be dynamic so that organisations can "add, replace and drop certain PMDS measures to incorporate changes". The *dynamic* approach to PMDS focuses on performance management information for feedback and interventions, and periodic revisions of performance indicators as it is the responsibility of supervisors to periodically provide feedback and management interventions³⁴.

In spite of the challenges alluded to, the existence of a strategic approach seems to exist in the Public Service as provided through the SMS Handbook and the Public Service Regulations, 2001. The missing comprehensive approach render the Public Service PMDS inflexible and unrealistic and lead to a negative working culture, changes in government strategy not corresponding to behavioural changes, lack of follow-up on performance reviews, over emphasis on the appraisal aspect at the expense of development; and inadequate performance information and objectivity³⁵.

3.3 PMDS PRINCIPLES, CHARACTERISTICS AND PRACTISES

A coherent and effectively implemented PMDS aims at building a culture of high performance, trust and mutual understanding by communicating clear expectations, defining roles, responsibilities and accountabilities; standards within required competencies and the expected behaviours; and establishing achievable key result areas and performance indicators³⁶³⁷. The PMDS process is used to identify the strengths and weaknesses of employees for developments as contemplated in the *Skills Development Act, 97 of 1998*³⁸. In addition, the PMDS process is used for identifying and separating poor performers from good ones for purposes of instituting corrective measures to change behaviour. Literature shows that the development of an employee is and should be treated as a priority to ensure effective

³¹ Bol, J. C., & Smith, S. D. (2011). Spillover effects in subjective performance evaluation: Bias and the asymmetric influence of controllability. *The Accounting Review*, 86(4), 1213-1230.

³² Janudin, S. E., & Maelah, R. (2016). Performance measurement system in Malaysian public research universities: Is it contemporary? *International Journal of Management in Education*, 10(3), 219-233.

³³ Ibid

³⁴ Ibid 20

³⁵ Rakgoale, E.K. (2011) *Improving the performance management and development system in the department of health and social development*. Unpublished Masters Mini-Dissertation. Turfloop Graduate School of leadership: University of Limpopo. South Africa: Limpopo province.

³⁶ Janudin, S. E., & Maelah, R. (2016). Performance measurement system in Malaysian public research universities: Is it contemporary? *International Journal of Management in Education*, 10(3), 219-233.

³⁷ MSG, (2017). Performance management, process and system. Retrieved from <http://www.managementstudyguide.com/performance-management.htm>.

³⁸ Ngubane, Y.P. (2013). *Effectiveness of the Performance Management and Development System at the South African Social Security Agency*. Unpublished Masters Thesis. University of Kwazulu-Natal. South Africa: Kwazulu-Natal province.

implementation of the PMDS and to achieve its intended goals³⁹⁴⁰⁴¹⁴²⁴³). Similarly, Zvavaher argues that PMDS emphasises “an agreement of objectives and development needs and the importance of self-assessment and self-development”⁴⁴. MSG further asserts that regular feedback and coaching provide a mechanism of diagnosing problems at an early stage and taking corrective action.

Several scholars such as Artz et al; Bussin; Carr & Kline; Janudin & Maelah; Medlin; MSG; Rautiainen⁴⁵; Zvavahera, maintain that the main principles of the PMDS are to ensure that the organisation and employees as living systems that work together in decision-facilitating and accountability. The following principles are central to the PMDS:

- To enable employees to work towards the achievement of exceptional standards of work performance.
- To help employees in identifying the knowledge and skills required for performing the job efficiently as this would drive their focus towards performing the right task in the right way.
- To boost the performance of the employees by encouraging employee empowerment, motivation and implementation of an effective reward mechanism.
- To promoting a two way system of communication between supervisors and employees thus enabling clarification of roles, expectations and accountabilities, communication functional and organisational goals, provision of regular and transparent feedback to improve employee performance through continuous coaching.
- To identify the barriers to effective performance and resolve those barriers through constant monitoring, coaching and development interventions.

As discussed above and supported by several labour prescripts, an effective PMDS should include the following components: joint planning and goal setting, continuous progress review and regular communication, feedback and coaching for improved performance, development of capabilities of teams and individuals and implementation of employee development

³⁹ Ibid35.

⁴⁰ Ibid37.

⁴¹ Ibid38.

⁴² Rakgoale, E.K. (2011) *Improving the performance management and development system in the department of health and social development*. Unpublished Masters Mini-Dissertation. Turfloop Graduate School of leadership: University of Limpopo. South Africa: Limpopo province.

⁴³ Carr, A., & Kline, K. (2016). Encouraging Effective Performance Management Systems: A White Paper prepared by the visibility Committee of the Society for Industrial and Organisational Psychology. Society for Industrial and Organisational Psychology, Inc.

⁴⁴ Zvavahera, P. (2014). An evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. *Journal of Management and Marketing Research*, 14, 1.

⁴⁵ Rautiainen A. (2010). Contending legitimations Performance measurement coupling and decoupling in two Finnish cities. *Accounting, Auditing & Accountability Journal*, 23(3), 373-391.

programmes and recognition/rewarding of achievements⁴⁶⁴⁷). The PMDS process requires accountability⁴⁸, a process of joint planning and goal setting between the supervisors and the subordinates in the beginning of the year and an ongoing communication throughout the year so that they jointly take responsibility for improving the organisation's performance and upgrading their own skills⁴⁹⁵⁰⁵¹. In essence the PMDS "is an ongoing partnership between employees and management with regard to major job functions, employees' involvement in goals generation, and discussion on how both can work together to accomplish these goals"⁵². The PMDS process starts when a new employee joins an organisation, to help an employee in understanding what exactly is expected from them and ends when an employee exits from the organisation⁵³.

A PMDS process "sets the platform for rewarding excellence by aligning employee accomplishments with the organisation's mission, objectives and mandates, and making the employee and the organisation understand the importance of a specific job in realizing outcomes"⁵⁴. Thus the PMDS process is continuous in nature. It should be noted that the aspect of rewarding excellence in the South African Public Service is understood differently and remains a serious paradoxical challenge, some relate it to monetary value (compensation) and others to cognitive, motivation and psychological empowerment, ongoing learning, training and professional development opportunities for career growth (non-monetary). The former (monetary value) could explain the reason why some senior-line managers in the Public Services mostly consider the PMDS process as a bureaucratic routine or compliance system that creates conflict and wastes time. The non-monetary reward aspect should in fact serve as a point of departure to contribute towards a coherent and effective PMDS in order to build *a capable career-oriented and professional Public Service* and to achieve the vision of the NDP.

Rowe and Widener⁵⁵ found that a PMDS that relies primarily on non-financial rewards rather than financial in public sector organisations has potential to contribute to the effective and

⁴⁶ Bussin, M. (2012). Performance Management- how to get it right. 21st Century Pay Solutions Group. Rosebank, Johannesburg.

⁴⁷ Jurnal, T., & Siti-Nabiha, A. K. (2015, February). Successful Implementation of Performance Management Systems in Indonesian Local Government. In 3rd International Conference on Management, Leadership and Governance (p. 134).

⁴⁸ Artz, M., Homburg, C., & Rajab, T. (2012). Performance-measurement system design and functional strategic decision influence: the role of performance-measure properties. *Accounting, Organisations and Society*, 37(7), 445-460.

⁴⁹ Buhovac, A.R. & Groff, M.Z. (2012). Contemporary performance measurement systems in evaluation in building organisational capabilities and performance. *Accounting, Organisations and Society*, 35(7), 689-706.

⁵⁰ Jurnal, T., & Siti-Nabiha, A. K. (2015). Performance management system for local government: The Indonesian experience. *Global Business Review*, 16(3), 351-363.

⁵¹ MSG, (2017). Performance management, process and system. Retrieved from <http://www.managementstudyguide.com/performance-management.htm>.

⁵² Rakgoale, E.K. (2011) *Improving the performance management and development system in the department of health and social development*. Unpublished Masters Mini-Dissertation. Turfloop Graduate School of leadership: University of Limpopo. South Africa: Limpopo province.

⁵³ Ibid52.

⁵⁴ Ibid.

⁵⁵ Rowe, B.J., & Widener, S.K. (2011). Where performance measurement and knowledge management meet: Evaluating and managing corporate knowledge. *Journal of Accounting and Finance*, 11(2), 91.

efficient management of performance and the organisation's competitiveness. Non-financial rewards might be relevant in the South African Public Service to help operationalise strategic goals, evaluate performance and embrace supporting infrastructure⁵⁶ and reduce subjectivity and inconsistencies that are prevalent in the implementation of the PMDS. Jurnalí and Siti-Nabiha⁵⁷ found that internal politics, a culture of fear, lack of cohesiveness between strategy and indicators, senior management and supervisors' incompetence, managers' insecurities, power struggles and disputes within the organisation, all have paramount negative impact on PMDS implementation. The views of these authors could explain why the implementation of PMDS in the South African Public Service is perceived to be ineffective, while attention to growing and developing employees is rapidly diminishing. The PMDS may be fruitless, inter alia, without the existence of proper people management, monitoring and evaluation, supervision and operational management systems⁵⁸, as is the case in most Public Service departments.

Zvavahera further explains that the "establishment of clear links between organisational development, the delivery of quality services and the development of employees at work is important" top-bottom and bottom-top effectiveness⁵⁹. Justice and fairness in the literature have been identified as crucial elements in the development and implementation of an effective PMDS⁶⁰. If managed properly and well implemented, a PMDS can serve as a proactive strategic intervention for improved working relationships, morale, trust, self-efficacy and empowerment, motivation, talent management and succession planning⁶¹. In addition, it contributes towards employee development by offering increased opportunities and guidance for growth and development. This holistic conception makes the PMDS a win-win system between the employer and employees and provides the competitive edge for both.

The PSC report on *Building a capable, career-oriented and professional Public Service to underpin a capable and developmental state in South Africa*, supports the literature discussed above and highlighted several problems and challenges related to the PMDS, namely:

- PMDS problems are both fundamental (i.e. related to the design of the system) and practice related (i.e. related to poor implementation).
- A scrutiny of performance agreements and work plans shows that set standards mostly

⁵⁶ Janudin, S. E., & Maelah, R. (2016). Performance measurement system in Malaysian public research universities: Is it contemporary? *International Journal of Management in Education*, 10(3), 219-233.

⁵⁷ Jurnalí, T., & Siti-Nabiha, A. K. (2015). Performance management system for local government: The Indonesian experience. *Global Business Review*, 16(3), 351-363.

⁵⁸ Public Service Commission (PSC), 2016. The PSC Developmental state Discussion Document. Republic of South Africa.

⁵⁹ Zvavahera, P. (2014). An evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. *Journal of Management and Marketing Research*, 14, 1.

⁶⁰ Cuguero-Escofet, N., & Rosanas, J. M. (2013). The just design and use of management control systems as requirements for goal congruence. *Management Accounting Research*, 24(1), 23-40.

⁶¹MSG, (2017). Performance management, process and system. Retrieved from <http://www.managementstudyguide.com/performance-management.htm>.

do not meet the Short, Measurable, Attainable, Relevant and Time-based (SMART) requirements and there is no standardisation of the performance standards against which employees are assessed.

- The PMDS is still dependent on the subjective judgement of a supervisor and the personal interaction between supervisor and employee and moderating committees are similarly in the hands of the supervisor and often do not have a solid basis for an assessment.
- The objective measures are often not present, objectives are many times determined through a bottom-up approach instead of top-down with departmental leadership setting the performance expectations.
- There is no scrutiny of individual performance assessment against the performance of the organisation/ unit and the incentive system is not congruent with the values of the Public Service.
- The system is further underlined by a lack or poor day-to-day management of performance by supervisors, including poor supervision, poor people management, and poor operations management.
- Development interventions agreed to in Personal Development Plans are not implemented and the system is implemented as a one-size-fits-all, which is not appropriate in all contexts.
- Above all HR Units provide insufficient assistance and guidance in the implementation of the system.

The problems highlighted render the implementation of PMDS ineffective and uneven. The success of the PMDS depends upon the HR departments and supervisor's competencies, objectivity, accountability and commitment, as well as the right attitude and clarity of performance for executing it⁶²⁶³.

3.4. LESSONS FROM OTHER COUNTRIES

In view of the discussion above, it became clear that understanding lessons learned from other countries beside South Africa is imperative because the PMDS is complex. The selected countries under review are Zimbabwe, Malaysia, Indonesia, Botswana and Kenya. The countries were selected by identifying prominent authors in the PMDS discipline from different countries, these authors were then able to provide a guideline of the main countries that have prioritized the PMDS within the public sector.

⁶² Public Service Commission (PSC), 2016. The PSC Developmental state Discussion Document. Republic of South Africa.

⁶³ MSG, (2017). Performance management, process and system. Retrieved from <http://www.managementstudyguide.com/performance-management.htm>.

3.4.1 Malaysia

In Malaysian public institutions, performance is measured through the Performance Management System (PMS). The system is used as a supervising mechanism by management, it is also used to control the direction of the organisation⁶⁴. It is for these reasons that the efficiency and effectiveness of a PMS is emphasized in the country. According to Janudin & Maelah⁶⁵ (the PMS “claims to have the control package and internal consistency”. The system is set to achieve the majority of set goals whilst ensuring that organisational goals are also achieved. The non-financial knowledge metrics has been found to be the element that is critical to the overall success of the PMS⁶⁶.

The Malaysian public institutions identified that in order for PMS to be effective and efficient, it must simultaneously be used diagnostically and interactively⁶⁷. The diagnostic approach involves the review of success factors in an attempt to monitor the organisation’s activity and to maintain the system. The interactive approach entails regular and intensive involvement from top management and other stakeholders throughout the whole process. The PMS is designed not only to improve performance in the organisation, but also adds value to the organisation by increasing its competitiveness⁶⁸. The disadvantages of the PMS is that it lacks measurement at department and individual level as it focuses mainly on top management involvement and it is based on service activity which is not easily traced or measured⁶⁹.

3.4.2 Indonesia

The performance management system used in Indonesia is known as the Balanced Scorecard (BSC) system, which was initially developed for the private sector. The implementation was later extended to other sectors including the public sector⁷⁰. The main reason for the public sector adopting the system was to improve the organisation’s internal and external communications and to also monitor the individual and organisation’s performance against the predetermined strategic goals. The BSC promotes the alignment of the organisation’s activities to the vision, mission and strategy. The main disadvantage of the BSC is the fact that it locates financial objective as a final endpoint of the BSC which contradicts the element of non-profit in public sector organisations. In addressing this disadvantage, the developer suggested that instead of placing financial objectives as the endpoint, public sector must

⁶⁴ Janudin, S. E., & Maelah, R. (2016). Performance measurement system in Malaysian public research universities: Is it contemporary? *International Journal of Management in Education*, 10(3), 219-233.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Pasaribu, M., Andika, G.D., & Wibisono, D. (2016). A review of performance management using the balanced scorecard in Public Sector. *Asia Pacific Institute of Advanced Research*, Indonesia.

rather opt to expand the customer service perspective, improve stakeholder satisfaction and place it as priority instead of pursuing profit⁷¹.

3.4.3 Botswana

The Botswana government developed the Performance Management System (PMS) based on multiple reforms as part of transforming the Public Service. The PMS puts emphasis on training and educating the leadership and senior managers in the Public Service as a priority⁷². The introduction of the PMS emphasised the need for public institutions to ensure that the strategic objectives and plans were (a) aligned to the national vision and the overall national development process and (b) the strategic objectives are also linked to the departments and individuals' performance plans with the overall aim of improving service delivery⁷³.

The scorecards focused mainly on measuring and improving efficiency and effectiveness in delivering services and to improve areas of performance and customer services (Mpabanga, 2016). According to Mpabanga⁷⁴ "the idea of using the scorecard framework was to enhance the concept of key results areas (KRA), key performance indicators (KPI) and targets to set strategic objectives on the basis of a score card framework or perspectives which entail finance, customer, internal processes, learning and growth". The performance reviews are conducted bi-annually or quarterly rather than annually as was done in the past. The scorecard system was found to be successful and one of the factors that contributed to the PMS success was the commitment from the political leadership, support and willingness from all stakeholders⁷⁵. The other factor that attributed to the success of the PMS is the use of balance score cards and re-engineering process. The combination of the score cards and the re-engineering process enabled the public sector to set clearly defined strategic plans, objectives, targets and the development of key performance areas and outputs⁷⁶.

3.4.4 Zimbabwe

The Zimbabwean Public Service adopted the Results Based Management System (RBM) in 2006. The system measures performance on financial and human resources. The introduction of RBM was as a result of the failed systems that were previously used in the country⁷⁷. The system was considered to be the best for Zimbabwe as it covered the following four critical areas.

⁷¹ Ibid

⁷² Mpabanga, D. 2016. Performance monitoring and evaluation in Botswana's Public Service: Achievements and Challenges. *Africa's Public Service Delivery and Performance Review*, 4(1).

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ Zvavahera, P. (2014). An evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. *Journal of Management and Marketing Research*, 14, 1.

- The Planning aspect that includes involving all stakeholders.
- Result Based Budgeting focusing on financial resources.
- Personnel Performance System evaluates the actual performance of employees against the set targets.
- Monitoring and Evaluation ensures continuous monitoring of performance.

Thus the RBM system integrates both human and financial resources. The main benefits of the RBM, is that the approach allows the employees within the organisation to set their own goals and objectives. In addition to setting the goals and objectives, the employees and employer must set and agree on indicators, targets and approach that will be used in monitoring performance⁷⁸. Zvavahera⁷⁹ argues that this further enables employees to develop their own work plans and commit to the achievement of the goals if they were involved from the onset.. The system also ensures that the set goals and objectives are aligned to the organisation's set standards which in turn assist in the overall planning and management of the organisation.

The RBM was successfully implemented but with some challenges in achieving the desired outcome of improving overall performance in the Public Service. Zvavahera⁸⁰ states that the main reason for the challenges was due to the fact that the majority of employees did not understand the system, including the senior managers that were responsible for its implementation. The challenges persisted despite the training that was offered to all parties due to the level of complexity⁸¹.

3.4.5 Kenya

The Kenyan government uses the performance management system known as performance contracting. The performance contract was established after the Kenyan government experienced a decline in the overall government performance which in turn inhibited the country's economic growth⁸². The main purpose of performance contracting was to ensure that quality services were delivered in a transparent manner. According to Koriri et al.⁸³ "performance contracts specify the mutual performance obligations, intentions and the responsibilities which a government requires public officials or management of public agencies or ministries to meet over a stated period of time." Performance contracts make it easier for new public servants to understand what is expected of them, in addition to understanding the organisation's objectives, it facilitates evaluation of actual results and not just conforming to

⁷⁸ Zvavahera, P. (2014). An evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. *Journal of Management and Marketing Research*, 14, 1.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² Koriri, S., Rotich, J., & Bengat, J. (2015). Performance management and public service delivery in Kenya. *European Journal of Research and Reflection in Management Sciences*, 3 (4).

⁸³ Ibid.

bureaucratic rules and regulations⁸⁴. Literature attests that since the inception of performance contracting, there have been improvements in areas such as transparency, accountability and responsiveness in the Public Service⁸⁵. The implementation of performance contracting was not without challenges. The challenges include, the level of undervaluing the importance of managers and subordinates meeting on a regular basis, holding senior managers accountable for not prioritizing the performance management.

3.5 CONCLUSION

The analysis in this section has alluded to the importance of a coherent performance management and development system (PMDS) in organisations. The analysis has further confirmed that the PMDS is complex and in spite of the noble objectives underpinning its design, implementation is often overwhelmed with challenges. As illustrated by lessons from the South African Public Service and other countries, there is no blue print that can be transplanted from one context to another, however, the various performance management systems used in different countries are characterised by common principles and complementary objectives. The principles and objectives include setting clear performance standards; aligning organisational and individual goals; facilitating continuous professional development; improving the responsiveness and accountability of the Public Service to stakeholders; as well as ensuring the effective and efficient delivery of quality services in a transparent manner.

The analysis presented in this chapter demonstrates that a coherent PMDS that is effectively implemented can benefit public and private sector organisations alike, supervisors and employees in numerous ways. According to MSG (2017:26), the system has the following benefits: “(i) organisation: improved organisational performance, employee retention, reputation, overcoming the barriers to communication, clear accountabilities and cost advantages; (ii) supervisors: reduced conflicts and enhanced efficiency and consistency in performance, and also monitoring and evaluation by winning the confidence of the employees; and (iii) employees: clarified expectations, self-assessment opportunities, the job accountabilities and clearly defines career paths and promotes job satisfaction”.

South Africa’s vision of becoming a developmental state needs to be supported by a robust performance management system. The PMDS for the South African Public Service should, in terms of its design and implementation, contribute towards the realisation of short, medium and long term strategic goals and objectives of government.

⁸⁴ Ibid.

⁸⁵ Ibid.

CHAPTER 4: FINDINGS

4.1 INTRODUCTION

This chapter provides and discusses the key findings of the study with regard to the effectiveness of the PMDS in the Public Service. In order to determine the effectiveness of the PMDS, the following aspects were assessed: basic compliance requirements; quality considerations including performance standards; and alignment of individual performance management with key departmental plans. The findings are presented according to the thematic areas derived from the objectives of study. The first part of this chapter presents the overview of reviewed documents and participants, and the second part focuses on the key findings and discussion thereof.

4.2 PROFILE OF PARTICIPANTS

This part of the chapter presents an overview of documents that were received from the selected departments and the profile of participants who were interviewed.

4.2.1 Strategic documents received

Table 1 below provides an overview of the Strategic and PMDS documents reviewed from the six national departments selected for this study.

Table 1: Overview of strategic documents and PMDS documents received

National Department	Strategic Plan	Annual Performance Plan	Departmental Policy	Annual Report	Outcomes of Moderation Commit	Deputy Director-General			Chief Director			Director			Total
						Performance Agreements	Bi-Annual Assessments	Annual Assessments	Performance Agreement	Bi-Annual Assessments	Annual Assessments	Performance Agreements	Bi-Annual Assessments	Annual Assessments	
Basic Education	Yes	Yes	Yes	Yes	Yes	3	3	3	8	6	8	25	21	25	102
Health	Yes	Yes	Yes	Yes	Yes	1	1	1	8	8	8	21	18	21	87
Human Settlements	Yes	Yes	Yes	Yes	Yes	0	0	0	12	12	12	37	37	37	147
Transport	Yes	Yes	Yes	Yes	Yes	0	0	0	14	0	14	37	0	37	102
Rural Development & Land Reform	Yes	Yes	Yes	Yes	Yes	0	0	0	47	0	47	75	0	75	244
Water & Sanitation	Yes	Yes	Yes	Yes	Yes	0	0	0	10	10	10	31	31	31	123
Total						4	4	4	99	36	99	226	107	226	805

Yes = received, No = not received

Table 1 shows that the selected national departments submitted the strategic documents requested. The selected departments were requested to submit at least 50% of PAs, bi-annual and annual performance assessments. The Department of Basic Education submitted 50% of documents requested for the Deputy Directors-General (DDG) level and the Department of Health submitted less than 50%. The remaining four departments did not submit documents for the DDG level, in spite of repeated attempts. This could be attributed to the fact that in some departments, some of the DDG posts had been vacant for some time. However, 50% of requested documents for the Chief Director and Director levels were submitted by all departments. .

4.2.2 Interviews conducted

Interviews were conducted with selected SMS members and PMDS practitioners from the participating departments. **Table 2** below provides a breakdown in terms of the level, number and gender of the interviewed participants.

Table2: Overview of interviewed participants

	No. of Participants	Gender	
		Male	Female
SMS Members (Chief Directors & Directors)	17	13	4
PMDS Practitioners	21	15	6
Total	38	28	10

Table 2 shows that the total number of SMS members interviewed was less as compared to the number of PMDS practitioners. The 17 SMS members interviewed consisted of 2 Chief Directors and 15 Directors. Attempts were made to secure interviews with Deputy Directors-General but were unsuccessful. A total of 21 PMDS practitioners were also interviewed. The majority of the interviewed PMDS practitioners (15) and SMS members (13) were males.

The following sections of the chapter presents key findings based on the thematic areas derived from the objectives of study.

4.3 ALIGNMENT BETWEEN THE MEDIUM TERM STRATEGIC FRAMEWORK (MTSF), DEPARTMENTAL STRATEGIC PLAN AND ANNUAL PERFORMANCE PLAN (APP)

It is important to note that the National Development Plan (NDP) informs the Medium Term Strategic Framework (MTSF), which is a 5 year plan and the MTSF informs the 3-5 year strategic plans of departments. The latter serves as a basis for the development of annual

performance plans (APPs). While the strategic plan documents are medium term, the APPs enable departments to be more responsive by addressing medium to long term strategic goals and objectives while also incorporating emerging policy priorities. Though the APP is an annual plan, it caters for selected priorities only. Therefore, departments are still expected to develop detailed operational plans or work plans to cater for critical mandatory work and new priorities. The operational plans enable departments to be responsive to pronouncements emanating from the State of the Nation Address (SONA), Budget Vote and Cabinet Makgotla. The operational plans should be aligned to the APPs and strategic plans and equally be responsive to environmental changes. Therefore, their implementation will contribute towards the achievement of the APP and strategic plan objectives. Based on this assumption it is therefore important to base the performance agreements (PAs) of senior managers on the operations plans. In the event that departments use the strategic plan and APP as a basis for developing PAs, there is a likelihood that the PAs will not address critical emerging issues.

A review of the key strategic documents revealed that there is alignment among the identified documents across all selected departments. In compiling their strategic plans and APPs, the departments are guided by government's commitment as set out in the NDP and the MTSF as well as other strategic documents relevant to their respective mandates. The alignment is necessary to ensure that all deliverables are budgeted for and fully implemented. All the departments also do consider key priorities that are announced through the State of the Nation Address (SONA) by the President and the Budget Votes of the relevant Ministers. These are reflected in amendments to the APPs or the Department / Branch Operational Plans. These Department / Branch Operational Plans, whilst in line with the APPs also include new priorities which may not have been reflected in the APP and other important operational matters that should be attended to by the various branches.

4.4 ALIGNMENT BETWEEN THE DEPARTMENT'S STRATEGIC PLAN (INCLUDING THE APP) AND THE PERFORMANCE AGREEMENTS OF SMS MEMBERS

There is alignment between the strategic plans, annual performance plans and the PAs of most SMS members. The study revealed that in some departments, PAs of SMS members are informed by the strategic plan and the APP, whereas in some departments the reference document for developing PAs is the branch operational plan which covers critical strategic and annual performance targets and other mandatory and emerging priorities. This clearly illustrates that some PAs are developed at a high level, which makes them consistent with the strategic plan and APP, while others are more operational and responsive to the prevailing environment. The two scenarios have pros and cons in that the high level PA may not be that useful in dealing with individual performance whereas the other one could be preoccupied with current issues at the expense of the long term objectives and goals. Some SMS members felt

that their PAs should not entirely be aligned to the department's strategic plan or APP but rather should focus more on the operational plan because the operational plan is flexible as compared to the strategic plan. Their main argument is that in most instances they had to amend their work plans to cater for priorities emanating from the State of the Nation address (SONA) and this worked against them during performance assessments, as additional work executed is sometimes not considered by the moderation committee.

This argument raises concerns as the operational plan should in any case be aligned with the APP even though it contains additional operational issues and priorities identified after the APP has been finalised. Another concern is that the performance management chapter of the SMS Handbook makes provision for amendments to PAs if the performance environment changes during the course of the year. There is therefore no basis for a supervisor or a moderating committee to refuse to recognise amendments to a PA or work done after the PA was amended in line with the policy framework. The only time an amendment to a PA should be questioned is if it is done at the end of the financial year when officials are working on their performance review documents. The last minute amendment of PAs has been identified as a challenge in previous PMDS studies by the PSC as it opens room for manipulation as targets and weights can be amended to suit what the official is able to report on and prove.

4.4.1 Alignment of KRAs, KPIs and weights as well as adherence to the SMART principles

KRAs are short statements that describe the areas that are essential for success in a particular role⁸⁶. They do not describe the tasks that are performed within the role nor do they indicate how well, how much or when is the task expected. The relative importance of the different KRAs can be indicated by the percentage weight allocated⁸⁷. KPIs are the measurement areas used for indicating performance⁸⁸.

In terms of the extent of alignment, participants were probed whether their departments do ensure that KRAs, key performance indicators (KPIs) and weights allocated are aligned to the SMART principles and address the departments' policy priorities. The study revealed that some departments have various committees or units constituted to deal with the alignment of KRAs, KPIs and weights as well as ensuring adherence to the SMART principles. These committees or units were constituted to interrogate and guide SMS members with regards to alignment of the operational plan, annual performance plan and strategic plan and the SMART principles. Not all departments have these committees, some relied on the PMDS units to ensure alignment and quality assurance.

⁸⁶ Mark Bussin, 2013. The Performance Management Handbook for Emerging Markets. A practical and informative handbook for managing performance for the world of work in Emerging markets.

⁸⁷ Ibid.

⁸⁸ Ibid.

In the Department of Basic Education, the study found that it is the responsibility of the Strategic Committee to check alignment of KRAs before PAs and performance assessment reports are signed off and submitted to the PMDS unit. They use the annual performance plan, operational plan and a checklist to align KRAs, KPIs and weights and to ensure adherence to the SMART principles.

In the Department of Health, the annual performance plan and operational plan together with a checklist are used to ensure alignment. Any PA not aligned according to the checklist is referred back to the supervisor and subordinate. The PMDS practitioners indicated that they have developed a new policy which clearly illustrates performance standards, what documents to use and how supervisors and subordinates should self-ensure alignment of KRAs, KPIs and weights to SMART principles. Most of the PAs submitted consisted of clear and understandable KRAs and KPIs that are aligned to other strategic documents (as highlighted in section 4.3.1 above) and were aligned to SMART principle. It is encouraging to learn that there is a department that has made an effort to ensure that the PMDS is rolled out effectively. This could be an excellent case study in the Public Service for other departments to benchmark themselves against. However this does not mean there are no challenges experienced in the department. The Department of Rural Development and Land Affairs has a similar committee to conduct compliance and quality assessment of the performance management documents.

In the Department of Human Settlements, there is an internal PMDS policy to guide the implementation of the PMDS. The function of ensuring alignment is the responsibility of the Chief Directorate Enterprise Architecture. The Chief Directorate uses the operational plan, strategic plan and a checklist to guide SMS members to ensure alignment and adherence to the SMART principles. The KPAs and associated KPIs listed in the PAs of SMS members' were found to be specific, measurable, attainable, realistic and time bound (SMART). They were aligned with strategic documents of the department. Consultation and accountability were found to be key ingredients emphasised by the PMDS unit and the Moderation Committee.

In the Department of Transport, it was found that the internal PMDS policy is outdated and the PMDS unit is in the process of updating the policy to include new policy priorities, ensure accountability and minimise inconsistencies as a matter of urgency. For the PMDS to be successful, PMDS practitioners suggested to senior management that there is a need to establish an Intermediate Review Committee (IRC) at Branch level to assist in the pre-moderation of PMDS documents and to ease pressure on them and the moderation committee. According to some participants, it is the responsibility of the supervisor to ensure that PAs are aligned to the department's strategic documents and KRAs and KPIs meet the

SMART principles. . This is not always done and the PMD Unit tries to assist with quality assurance to ensure that PAs are aligned to critical strategic documents mentioned above. SMS members however indicated that some of the PMDS practitioners are not conversant with the PMDS policy framework and still require comprehensive training or coaching in implementation thereof.

In the Department of Rural Development, the number of KRAs as represented in the PAs and work plans range between 2 and 7. The majority of PAs submitted consisted of KPIs that are in line with the SMART principle. There were few cases where KRAs listed in the annual performance assessments did not match those listed in the PAs and the same applies to CMCs.

In the Department of Water and Sanitation, the number of KRAs included in the PAs range between 5 and 7. Some KRAs and KPIs did not adhere to the SMART principle, while others were specific but not measurable and time bound.

4.4.2 Qualitative challenges that are experienced by PMDS stakeholders during assessment

The following section presents the PMDS challenges that cut across the selected departments and could also be similar in other departments. The challenges were best summated as follows:

- The under-staffing of the PMDS units puts a lot of pressure on PMDS practitioners.
- Compliance remains a challenge due to non-compliance with the completion and submission of PMDS documents on time by some supervisors and subordinates, despite reminders. This results in departments failing to achieve the 100% target with regards to submission of performance agreements. According to most participants, warning letters were issued to individual officials and also copied to their branch managers to sensitize them of the compliance requirements. In other departments the compliance rate remains poor while in others it is gradually improving.
- The PMDS process is viewed as a money making scheme or a sense of financial reward entitlement and remains a challenge as some officials expect to receive bonuses on a continuous basis even if their performance is only effective (i.e. a score of 3).
- There are reported incidences of lack of communication between some supervisors and subordinates when completing performance agreements and during the mid-term review and annual assessment period. .
- Subjectivity, favouritism and inconsistent allocation of performance assessment scores by supervisors are said to be rife because some performing SMS members are sometimes not recognised whereas those perceived to be non-performers are rewarded.

- Some team members are assessed or rated unevenly on similar tasks contracted on the work plan and performed by the whole team.
- Subordinates SMS members over rate themselves for performing work that is expected of them without sufficient motivation for the sake of receiving performance bonuses and some supervisors validate such practices.
- There are subordinates who rate themselves effective while there have performed above expectation to avoid confrontation or offensive comments by their supervisors.
- Lack of time dedicated to attend to PMDS processes and workshops by SMS members. Some SMS members cited their busy schedules and others choose not to attend because they find the workshops not beneficial, hence they delegate attendance to subordinates at MMS level to attend.

4.5 PROCESSES AND PRACTICES THAT ENHANCE OR HINDER THE IMPLEMENTATION OF THE PMDS

This section deals with process and implementation issues identified during the study that either enhances or hinder the implementation of the PMDS.

4.5.1 Supervisor and subordinate adherence to the PMDS process

According to the PMDS practitioners who participated in the study, supervisors and subordinates are always provided with information through circulars, documents, templates and guidelines to adhere to the PMDS process. The findings revealed that adherence to the PMDS process is uneven because some SMS members ignore the information provided. In addition, other SMS members attested that adherence to PMDS guidelines is sometime a fruitless exercise as some supervisors use it to punish or frustrate certain SMS members and/or officials below who are less favoured. According to the interviewed participants, the inconsistent adherence is perpetuated by the lack or weak consequence management in departments.

4.5.2 Departmental policies contributing towards the effectiveness of the PMDS

Participants were requested to specify whether the current departmental policies used contribute towards the effectiveness of the PMDS.

In the Department of Basic Education (DBE) some participants agreed that the current policies used contribute to the effectiveness of the PMDS and the implementation of legislation such as the Skills Development Act, however, few participants disagreed with the view. When assessing compliance with the PMDS framework it was found that most of the PAs were signed within the required period. Fifteen per cent (15%) of the SMS members' PAs and work plans had no PDPs attached. The PDPs that were reviewed mostly identified uniform

individual gaps such as strategic capability and leadership, risk identification and management, policy development and implementation. The responsibility to identify or initiate training interventions in all PDPs was not indicated, however, the timeframes were indicated for the financial year in question. In few instances, signature pages of annual performance assessments were not signed by supervisors, though there were initials at the bottom of the pages. This highlighted a lack of quality assurance by supervisors and the PMDS unit. In some cases, the annual performance assessment reports reflect the signature of the supervisor and not that of the supervisee and no reason(s) were provided. In addition, some supervisors just ticked next to the subordinate's scores and it is difficult to determine whether the ticks represented the supervisors' agreed scores.

In the Department of Health, the PMDS practitioners indicated that the function of determining whether policies contribute towards the effectiveness of the PMDS is handled by the Strategic Planning, Monitoring and Evaluation unit. They argued that the current policies, for example, probation, skills development, training and development complement the PMDS though they are implemented separately from the PMDS policy. The PMDS practitioners further reported that the department is in the process of integrating all policies. However some SMS members stated that they are not aware of other policies and relied only on the PMDS policy.

A review of compliance with the PMDS policy framework revealed that PAs, work plans, and annual performance assessments included the signatures of supervisors and supervisees. In instances where subordinates were supervised by more than one supervisor it was clearly explained and reasons were provided. The PAs, work plans and annual performance assessment reports were properly quality assured by superiors and further by the PMDS unit. The rating for the KRA's activities achieved were substantiated and PDPs were clearly captured (i.e. indication of achievement of activities or outputs - explaining- timeframe for completion, quantity of projects and activities, quality, value for money, risk or challenges experienced and proposed solutions). The view is that the PMDS is implemented and managed properly and it is effective in assisting the department to achieve its objectives.

In the Department of Human Settlements, participants confirmed that they rely mostly on the DPISA directives and resolutions as most internal policies are outdated. They stated that the department is in the process of reviewing internal policies and the envisaged new policies should address gaps and challenges experienced with old policies. In spite of this view, some participants commended the PMDS unit specifically on its ability to refer SMS members to prescripts and to manage an effective registry and records of PMDS submissions.

With regard to compliance with PMDS policy framework, the study found that PAs and annual performance assessment reports had signatures of both supervisors and supervisees and in

instances where a supervisor did not sign, reasons were clearly provided. Some of the participants alleged that some subordinates refused to sign performance agreements due to disagreements regarding their KRAs. This was despite the fact that KRAs and targets are sourced from the operational plan. Annual performance assessment reports were properly quality assured by superiors and the PMDS unit. The reports were signed and stamped by the PMDS unit and also signed by the Chairperson of the moderating committee. The scores allocated to KRAs and CMCs were sufficiently substantiated. A signed moderation committee letter was attached to each SMS member's performance assessment report. PDPs clearly identified competencies to be developed, proposed actions, timeframes and expected outcomes and development interventions. This department is implementing the PMDS well but needs to finalise relevant internal policies to ensure full compliance.

In the Department of Rural Development and Land Affairs, participants indicated that there is no internal PMDS policy hence they rely solely on the SMS Handbook. Challenges related to compliance include the fact that most of the PAs received do not provide for the mediation process as per the SMS Handbook. Some annual performance assessment reports received do not make provision for supervisors' motivation and assessment of potential by the supervisor including assessment of the subordinate's core competencies. Some of the SMS members' motivations on the annual performance assessment reports were not linked to the KRAs and CMCs in the PAs. When changes are made to a work plan, an amended work plan is sometimes not attached and in cases where an SMS member is assessed by more than one supervisor, no reasons are provided. The Annual Performance Assessment calculator template has no provision for signoff by the supervisor and subordinate including the date of agreement by the parties.

In the Department of Water and Sanitation, the study discovered that there is no internal PMDS policy for SMS members hence the PMDS unit utilises only the SMS Handbook. Some of the PAs and performance assessment reports were not properly quality assured and signed off by supervisors. This implies that these individuals had not entered into PAs for the financial year under review because their PAs were not valid. Most PDPs were blank and some might have been completed just for the sake of compliance. It can be concluded that some supervisors do not pay attention to PDPs and developmental needs and comments made by their subordinates. There is a likelihood that this level of negligence and noncompliance is cascaded down to other levels below the SMS. Some PMDS documents were also not signed or stamped by the HR unit to indicate the date received or captured. Some annual performance assessments were not linked to the KRAs as reflected in the PAs/work plan's, particularly at level 13. Instances where an SMS member was contracted for 6 KRAs and one KRA was not achieved due to departmental constraints or dynamics beyond an SMS

member's control, the PMDS practitioners advised that such a KRA must be removed and weightings must be adjusted. These findings indicate that the department is struggling with the implementation of the PMDS. A policy would not be effective under such circumstances, training and implementation of penalties would also be required.

In the Department of Transport it was found that not all performance assessment reports are quality assured by supervisors and the PMDS unit. However, KRA and CMC scores are motivated and justified. There were instances of inconsistency in terms of the sequencing of KRAs and CMCs and KRAs weights in the PAs and annual performance assessments. For example, a KRA would be weighed 40% in the PA and then 30% in the annual performance assessment report without any clear explanation. There was overall compliance with the submission of personal development plan (PDP).

4.5.3 Department's capacity to roll out PMDS effectively

The findings show that PMDS units in the selected departments are extremely incapacitated in terms of person power to rollout the PMDS effectively. The PMDS practitioners reiterated that senior management are aware of the under-staffing challenges and the negative effects on the quality of work and their well-being but seem not keen to address the issue. Instead some senior managers hide behind budget constraints. The SMS members agreed with the PMDS practitioners' sentiments and highlighted that despite insufficient staff complement, PMDS practitioners are always available to assist.

The SMS members further suggested that senior management should improve the PMDS Units' capacity. In the same vein, some participants stated that the need for PMDS unit staff improvement was even confirmed by the Auditor-General's report.

During the study, the departments' PMDS staff complement ratio were as follows: in Basic Education there were 10 practitioners responsible for 750 officials, Health had 6 officials for 1834 employees, Human Settlements 3 for 600, Rural Development 6 for 5400, Transport 2 for 650, and Water and Sanitation 6 for 7000.

4.5.4 Contribution of PDPs towards employee and departmental performance

The study explored whether PDPs contribute towards improved employee and departmental performance. In the Department of Basic Education, there is no evidence that PDPs contribute towards employee and departmental performance because PDPs and training needs are not given much attention. In addition, the HRD unit does not provide feedback to SMS members or even the PMDS unit regarding progress made on training related issues.

In the Department of Health, there are mixed feelings regarding whether the department ensures that PDPs are linked to KRAs and contribute towards employee and departmental

performance. According to most participants, the department pays considerable attention to PDPs and interventions are put in place to correct or reinforce officials' capabilities and competencies. In contrast, others mentioned that they are not aware of any mechanisms or interventions put into place to ensure that the PDPs intended purpose is achieved. Some participants asserted that this view may be attributed to the fact that certain SMS members have been performing the same routine tasks and they have reached a level where they excel in these tasks - implying that they do not need training. This could mean that PDPs in some Directorates are completed just for compliance reasons.

In the Department of Human Settlements, participants stated that it is difficult to tell because after identifying developmental needs, the HRD unit does not do much with the information. Other participants indicated that training is not prioritized despite budgets being available. The problem often lies with some SMS members who do not understand what is expected of them when completing PDPs, as some of their counterparts provide a 'shopping list' of training needs that are not relevant to their current jobs and this makes it difficult for HRD to process. On the contrary some participants highlighted that in their directorates they check PDPs in relation with upcoming training opportunities that can add value to them and their subordinates.

In the Department of Rural Development, participants indicated that it is the responsibility of the HRD unit to determine whether PDPs contribute towards employee and departmental performance. However, the HRD unit does not provide feedback to the PMDS unit. This implies that the PMDS and HRD units work in silos instead of complementing each other. Most participants reiterated that PDPs are just completed but not prioritized and have low impact on official and departmental performance.

In the Department of Transport, participants mentioned that it is difficult to determine if PDPs contribute towards individual and department performance because most SMS members do not take the PMDS seriously or have lost interest because of its inconsistent implementation, lack of consequence management and interference by organised labour. In addition, others indicated that despite budgets being available, training is not usually prioritised. Nevertheless, the study found that the department has developed a performance improvement plan which was made available. Whether this plan will be implemented effectively remains untested.

In the Department of Water and Sanitation the study found that PDPs are incorporated into PAs and work plans as a way to boost individual performance, but due to financial constraints it is difficult to implement. PMDS practitioners said PDPs are requested every month of February separately from PAs and work plans. The reason was that it works for them to deal with PDPs because of a high number of SMS members and officials between levels 1 and 12

below. This confirms the findings made earlier where PDPs were not attached to SMS members' PAs and work plans.

Some SMS members indicated that they do not identify developmental needs or attend certain training because they add no value and is a waste of resources because they are left with few years to retire from the Public Service. However, most participants reiterated that the department should invest more on the training of MMS members to groom them for SMS positions.

4.5.5 Subjectivity, objectivity and fairness during SMS member' performance assessments

According to participants there is no special mechanism to minimise subjectivity. While it is difficult to manage, often supervisors are reminded by the PMDS unit during MANCO meetings and performance assessment panels to follow PMDS guidelines. However, there is a view that performance assessment in the Public Service is often blurred by personality, ethnicity, loyalty and favouritism.

The general view held by most participants is that objectivity cannot be guaranteed in the PMDS process. According to participants, there is perceived favouritism by some supervisors which results in some supervisees being awarded performance bonuses whilst others who may be deserving are not. This perception tends to be heightened in instances where there is a disagreement between parities during the drafting of agreements and extends to review and performance assessment stages.

Interestingly, in the Department of Health, some participants explained that the PMDS unit has developed performance standards that indicate the basis of performance assessment and what constitutes effective performance or performance above effective, which is not the case in some departments. According to them, the performance standards are supported by strategic plan, annual performance plan and operational plan to help minimise supervisors' subjectivity and inconsistencies during performance assessment. Participants across the other participating departments proposed that in order to minimise subjectivity does not influence the performance assessment, the departments must ensure that PAs are realistic and supervisors must be trained and held accountable for managing performance with honesty and integrity.

4.5.6 Supervisor' inability to provide reasons when reducing scores

The analysis on the quality of review and annual assessment documents submitted revealed that supervisors usually do not provide motivation/justification for their scoring partly because

of the design of the template but mostly due to pure negligence. This is particularly important in cases where the supervisors allocate scores lower than their subordinates.

In the Department of Basic Education, some participants alleged that supervisors do not provide reasons when reducing scores because of fear of being bullied or sabotaged by their subordinates. Sometimes supervisors simply do not award bonuses to any of their subordinates to the detriment of those who may be deserving. For an example, if three of ten subordinates were awarded performance financial rewards, the remaining seven might go on a 'go slow'. This practice was also reported in the Department of Water and Sanitation. Favouritism, social relations or affiliations were indicated as challenges being faced, as some supervisors hold on to assessment reports and submit them at the last minute as a way to punish, reward their favourites or avoid conflicts with certain officials.

In the Department of Health, some participants were not aware of any cases whereby performance assessment scores were reduced by supervisors. The only case some participants were aware of was when the moderation committee compared assessment reports against the annual performance report's deliverables and the MPAT report and proposed a reduction of scores. It was the same with the the Department of Human Settlements where participants stated that there hasn't been a case where supervisors reduced scores without providing reasons.

The Department of Transport also had no cases of assessment scores being reduced by supervisors. However, concerns were raised on limited support from the moderation committee and other SMS members in terms of ensuring that the PMDS is implemented effectively. Most participants raised two paramount challenges experienced, namely, a) lack of confidentiality by some moderation committee members because they have a tendency to disclose decisions to officials before such are announced officially; and b) the internal policy also poses a challenge as it does not compel supervisors to motivate their agreed scores.

In the Department of Rural Development and Land Reform, participants revealed that the major challenge is that most supervisors avoid PMDS responsibility and that some supervisors are even not involved with what their subordinates are busy with. In most cases, supervisors don't engage to avoid conflict with their subordinates. According to SMS members some of the supervisors are alleged to have less time for PMDS due to workload.

Overall there are departments that do not hold supervisors accountable for their scoring during annual assessments. These are the same departments where other implementation weaknesses have been identified including the lack of relevant and updated internal policies. Some of the challenges experienced between supervisors and employees impact on the moderation process in those departments. Literature stresses that in order to conduct and

implement PMDS effectively, the panel or moderation committee consisting of supervisors from different branches or directorates is essential⁸⁹⁹⁰. The view describes the ideal state, but in practice large moderation committees may not be effective if panel members have unresolved issues from their branches. The fundamental responsibility of the moderating committee is to identify and discourage unfairness and subjectivity as they should apply their minds objectively and fairly.

4.6 IMPLEMENTATION OF POOR PERFORMANCE INTERVENTION MECHANISMS BY THE RESPONSIBLE MANAGERS/SUPERVISORS AS PROVIDED IN THE LEGISLATIVE AND POLICY FRAMEWORK

This section provides a generalised response to how departments are dealing with the poor management of the MPDS and the role of managers and supervisors in the process.

The study attempted to understand whether PMDS Units held supervisors and subordinates accountable for poor management of PMDS process. The PMDS practitioners affirmed that poor management of the PMDS process is not tolerated, hence mechanisms such as disciplinary action are put in place to address poor management of the PMDS. A checklist is also provided to both supervisors and subordinates to guide them on what information is required and supervisors must confirm that alignment of KRAs, CMCs and weights and PDPs are precise and the motivations for performance assessments are plausible before they can sign off on documentation.

Before establishing disciplinary action, poor performance letters or warning letters are sent to supervisors and supervisees reminding and informing them of the implications. If there is no response, the Branch Heads must initiate corrective measures. If there is no improvement, the matter is then escalated to the Labour Relations units for punitive actions to be taken against the supervisors and/or subordinates. Additionally, the DPSA, 2008 Directive effecting amendments to the PMDS for senior managers was cited by participants to complement their disciplinary actions. The DPSA directive proclaims that for any SMS member who fails to submit any PMDS documents on time, that SMS member, whether he/she qualifies for the performance financial reward or not, should not be rewarded with a performance incentive and disciplinary action must be taken by the relevant authority.

Some practitioners said in most instances subordinates cannot be blamed because most of them comply but some supervisors decide not to engage with the contents of their PMDS

⁸⁹ Kalashe, X. (2016). *Employee perception on the implementation of the Performance Management System in the Amatola Water Board–Eastern Cape*. Doctoral dissertation, Stellenbosch University: Stellenbosch.

⁹⁰ Paile, N. J. (2012). *Staff perceptions of the implementation of a performance management and development systems: Father Smangaliso Mkhatswa case study*. Doctoral dissertation, University of South Africa: Pretoria.

documents on time. Most SMS members stated that in some departments disciplinary action is initiated quickly for officials who are less favoured.

With respect to poor performance by individual SMS members on agreed KRAs, the study identified less than 5 cases. The poor performance was dealt by the departments in line with the PMDS, but two cases were also dealt with in terms of the employee health and wellness programme.

4.7 TO ESTABLISH IF INDIVIDUAL PMDS OUTCOMES AND REWARDS ARE COMPARABLE WITH ORGANISATIONAL GOALS

The study sought to establish whether individual PMDS outcomes and financial rewards are comparable with organisational goals. **Table 3** below reflects, per department, overall spending by a department in relation to the percentage of targets achieved, performance incentives paid and audit outcomes for the 2015/2016 year.

Table 3: Spending, targets achieved and performance incentives paid⁹¹

Department	Overall expenditure by March 2016	Performance against planned target by March 2016	Performance incentives paid: levels 2 - 12	Performance incentives paid: levels 13 and above	Audit outcomes
Basic Education	97.7%	73.3%	29.7%	55.2%	Unqualified with findings
Health	99.4%	59.5%	29.7%	4.1%	
Human Settlements	98.3%	76.7%	62.7%	2.8%	
Transport	99.7%	90%	57.4%	12%	Audit not finalized by legislated date
Rural Development	99.1%	53.4%	35.11%	4.97%	Unqualified
Water and Sanitation	98.8%	41.8%	33.1%	0	Unqualified with findings

Information depicted in **Table 3** above does reveal that the department with the most implementation challenges with regards to the PMDS reflects low performance against planned targets in the 2015/2016 financial year. The Department of Water and Sanitation recorded well below 50% achievement of planned targets despite spending 98.8% of their

⁹¹ Public Service Commission. Internal data on Departmental Profiles for 2015/2016.

allocated budget. The AG also gave them an unqualified audit opinion on the finances which means they fairly managed their budget well. This clearly shows that their biggest problem is in the management of performance at the individual and organisational level. The challenges in the Department of Water and Sanitation clearly do not only affect the PMDS but a range of other governance and organisational issues including resolute leadership committed to the success of their departments.

The Departments of Rural Development and Land Affairs and Health are some of the departments that have properly implemented the PMDS, however both have struggled to achieve above 60% of their planned targets despite spending 99% of their allocated budget. This raises sharply the question of the effectiveness of the PMDS if proper implementation of the system would not guarantee good performance.

Departments of Transport and to some extent Human Settlements did manage to achieve most of their planned targets. Although they had some challenges in implementation, they have relatively managed to implement the PMDS policy in the department. This would suggest that that implementing the PMDS policy as expected does not on its own guarantee results. There are other contributory factors that must be managed well to ensure expected performance.

During interviews mixed views were expressed regarding the PMDS implementation and organisational outcomes. Some participants were of the view that the PMDS individual outcomes and financial rewards are comparable with organisational goals for the following reasons: it is good to motivate and build on staff morale; and SMS members PMDS financial rewards are also linked to the achievement of Branch performance and department performance. On the contrary, other participants felt strongly that some individual PMDS outcomes and financial rewards are not comparable and not contributing to the attainment of departmental goals and objectives.

The findings from interviews show that the factors related to individual outcome-rewards and organisational performance identified above have the potential to dent the effectiveness of the PMDS across Public Service departments. The following proposals were made by those who participated in the interviews:

- (a) In order to ensure a positive linkage between individual outcomes-rewards with organisational goals and objectives, the PMDS must go beyond financial rewards and focus more on the development and competitiveness of officials at all levels. If there are high performers, they must be identified, developed and prepared for the next position) in line with succession planning processes outlined in departmental policies instead of just being given money.

- (b) The PMDS financial rewards should be channelled or redirected to capacitating PMDS units with more specialist and practitioners and the development of people rather than awarding cash bonuses

The establishment of the PMDS practitioners' forum to share the challenges experienced and good practices. Such forum can also assist on how to deal with appeal processes. The PMDS practitioners proposed that the forum should be facilitated by the PSC because the DPSA often loses focus and does not understand challenges across departments. They (PMDS practitioners) claim that the DPSA only consults them when it wants to introduce new developments or to conduct workshops. According to them and other SMS members, this forum could help build or reshape a generic coherent PMDS units structure, which is currently dissimilar across the Public Service and reduce instances where departments implement PMDS differently.

- (c) In addition, most participants emphasised the importance of removing confidentiality around performance assessment scores. They are of the view that confidentiality encourages subjectivity, favouritism, inconsistency and difficulty to link individual outcome and rewards and organisational performance.
- (d) Lastly, the financial reward policy needs to be reviewed to consider non-monetary recognition. This non-monetary recognition could include a voucher, days off (non-recorded leave), competitive occupational certificate signed by the relevant EA and the President recognizing excellent performance or post best performing employees on the notice boards. They all concurred that these proposals could go a long way in ensuring that individual PMDS outcomes contribute to organisational goals and objectives and are comparable with rewards.

4.8 SUMMARY OF FINDINGS

This study has revealed that the PMDS is complex whose effectiveness is dependent on the collective effort of multiple stakeholders, including senior managers and PMDS practitioners.

The following is a summary of the key findings:

- In developing their strategic plans and APPs, departments are guided by government's commitment as set out in the NDP and the MTSF as well as other strategic documents relevant to their respective mandates. In addition, there is alignment between the departments' strategic plans and annual performance (APPs), and the branch operational plans and individual work plans for SMS members. However, in some departments SMS members' PAs are informed by the strategic plan and the APP, whereas in some departments the reference document for developing PAs is the branch operational plan which covers critical strategic and annual performance targets and other mandatory and emerging priorities.

- Some departments have various committees or units constituted to quality assure PAs and work plans and ensure their alignment with departmental strategic documents. The same committee is responsible for ensuring the adherence of KPAs and KPIs to the SMART principles and consistency between performance agreements and assessments documents. In some departments, ensuring alignments and overall quality of PAs and work plans is the responsibility of individual supervisors.
- The effectiveness of the PMDS is negatively impacted by a range of challenges, including non-compliance with basic administrative requirements such as contracting deadlines, inconsistent practices with respect to assessments, allegations of subjectivity and misuse of the system by supervisors as a punitive or reward measure. These challenges create an impression that the PMDS is flawed by design, when this is not the case. As Rakgoale⁹² explains, a well-designed PMDS will never succeed as long as it is inconsistently implemented by senior managers or supervisors.
- The PMDS units in the selected departments are extremely incapacitated in terms of person power and some senior managers do not take the system seriously and do not avail themselves to attend training. In addition, departments that are experiencing many challenges with the implementation of the PMDS did not achieve most of their performance targets, in spite of the fact that they had spent their budgets and had unqualified audit reports.

⁹² Rakgoale, E.K. (2011) *Improving the performance management and development system in the department of health and social development*. Unpublished Masters Mini-Dissertation. Turfloop Graduate School of Leadership: University of Limpopo. South Africa: Limpopo province.

CHAPTER 5: RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

It is an undisputed fact that SMS members play a fundamental role in the implementation of government policies and programmes and the same commitment should be demonstrated in the implementation of the PMDS process. Analysis of various PMDS policy documents received from selected departments has revealed that on paper, there is alignment between the MTSF, departmental strategic plans, operational plans, annual performance plans as well as SMS members' PAs and work plans. However the alignment does not automatically translate into improvement and alignment between individual and organisational performance due to various implementation challenges, including non-alignment between performance agreements/work plans with performance reviews and assessments, actual or perceived lack of objectivity and misuse of the system as punitive or financial reward system.

5.2 RECOMMENDATIONS

The following proposed recommendations are made with a view to address the challenges identified:

- a. Departments should review the capacity of their PMDS Units in terms of human resources and competency requirements in relation to their staff complement.
- b. Standards and indicators regarding KRAs need to be established so that the application of scoring is done scientifically and based on pre-established norms.
- c. Greater attention needs to be given to the actual monitoring of performance throughout the performance cycle.
- d. Due consideration must be given to the separation of financial incentives and the developmental focus of the PMDS. This however would require additional research before implementation.
- e. Consideration need to be given to the introduction of some form of group/peer evaluation (such as the 360-degrees system) as part of the PMDS system for the SMS.
- f. SMS members must be compelled to participate in awareness opportunities and/or training on the application of the PMDS.
- g. Non-compliance with the PMDS must be dealt with in terms of section 16 A of the Public Service Act, 1994.
- h. The DPSA as the custodian of the HRM framework should lead a change management process in terms of the newly introduced PMDS Policy Framework to deal with challenges raised regarding implementation, realignment of PMDS Units in departments (in relation to structures and capacity in relation to recommendation 5.2 (a) above, and the link between PMDS and organisational outcomes.

5.3 CONCLUSION

The findings of this study demonstrate that the PMDS cannot be invalidated on the basis that it is perceived to be a system for awarding employees performance bonuses regardless of their performance or contribution to the performance of the organisation. The PMDS is a vital system that enables departmental goals and objectives to be used to set objectives for branches, directorates, teams and officials so that departments can achieve their goals (Paile, 2012).

If the PMDS is implemented appropriately based on objectivity, sober commitment and accountability by senior managers and mechanisms and consequence management are in place to deal with deviations, discrepancies or inconsistencies, according to Ngubane (2013), it will enhance the performance of the Public Service and the professional development and growth of employees and their supervisors.

Since this study focused on the implementation of the old PMDS, it is important to note that the challenges identified in the report might recur during the implementation of the new Framework introduced by the DPSA for all levels in the Public Service, unless challenges related to the capacity of PMDS units and SMS members' attitudes towards the PMDS and capacity to implement the system are addressed. Training and Development will play a key role in ensuring the effective implementation of the new system as a means to improve employee productivity and organisational performance.