



**the dpsa**

Department:  
Public Service and Administration  
REPUBLIC OF SOUTH AFRICA

# Understanding Organisational Performance

**HRM&D Steering Committee**

**12 June 2008**

# Objectives

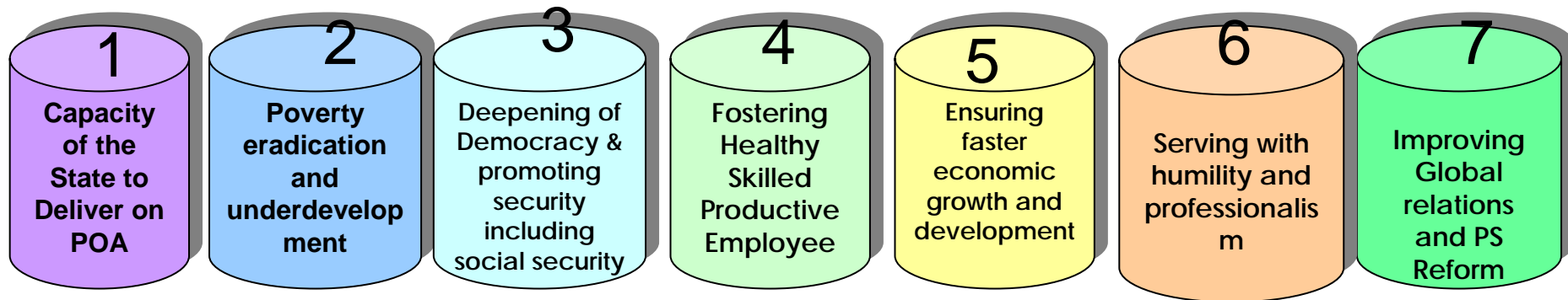
*“If you don’t know where you are going, any road will take you there. Where there is no purpose or plan it is like a ship without a sail or destination.”*

*Munroe*

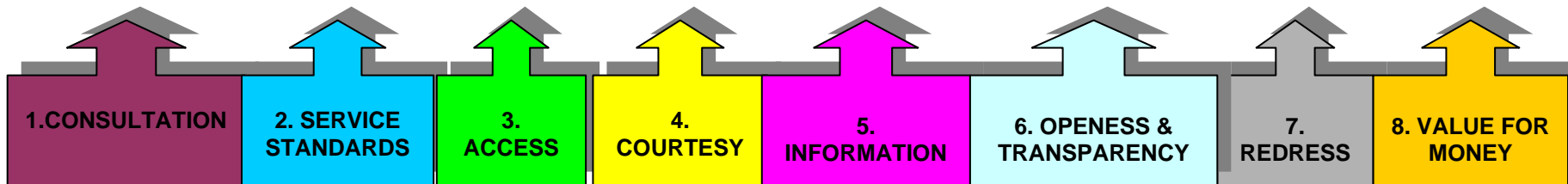


**Policy Interface  
Misalignment  
DPSA (Formulators) vs Line Depts  
(Implementers)**

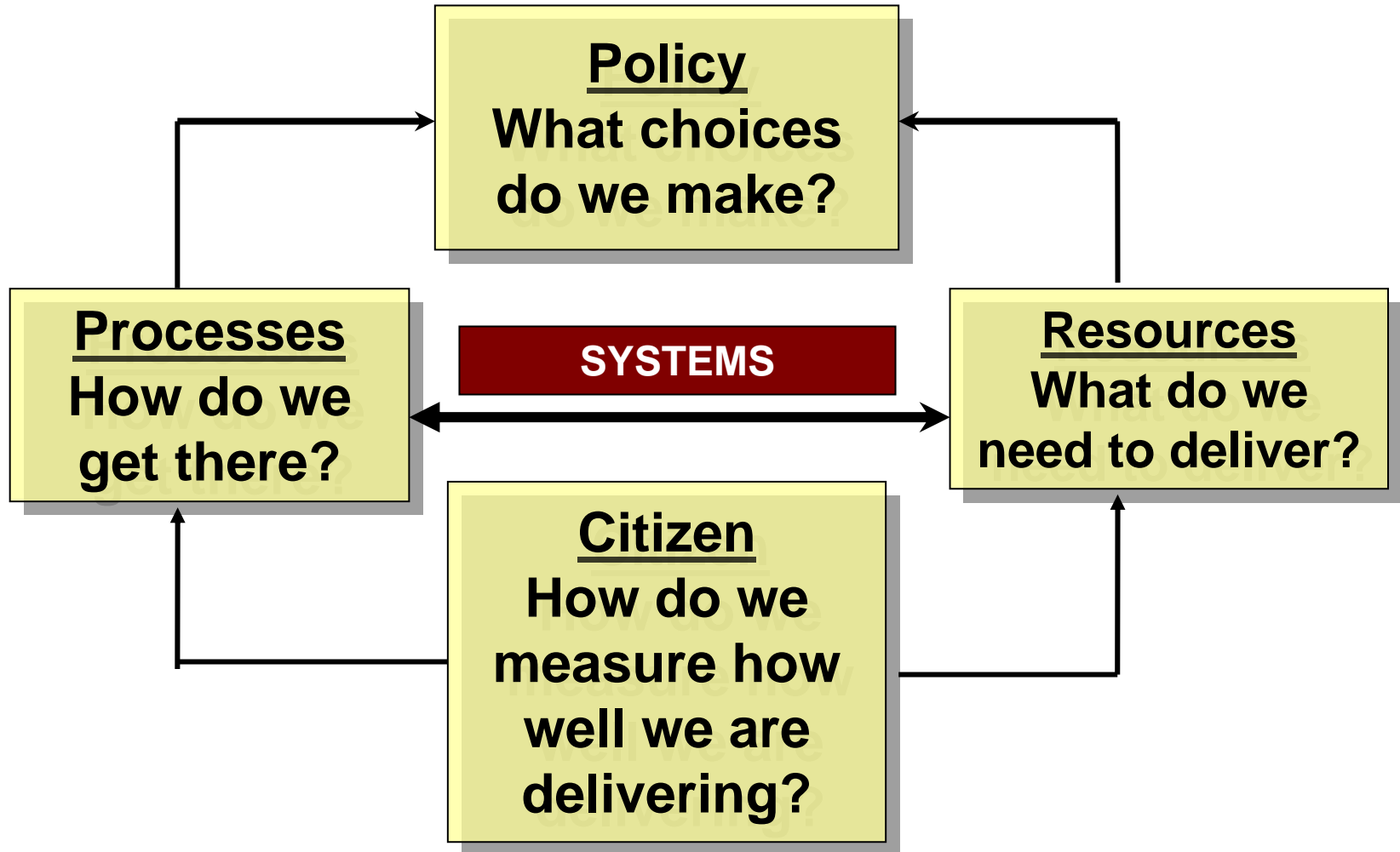
# People's Contract 2004-2014



Batho Pele principles (BP) are the guiding platform for DPSA service delivery



# Key Questions



# Strategic Planning Process

Cutting edge Human Services Organisations (HSOs) assess their performance by addressing the following **four** areas:

**Policy** – Through Future Strategic Planning :

**Where** is the organisation going and **what** choices do we make?

**Processes**- Service Delivery vehicle: **How** do we get there?

**Resources**- Effective and Efficient utilisation: **What** do we need to do to perform successfully ?

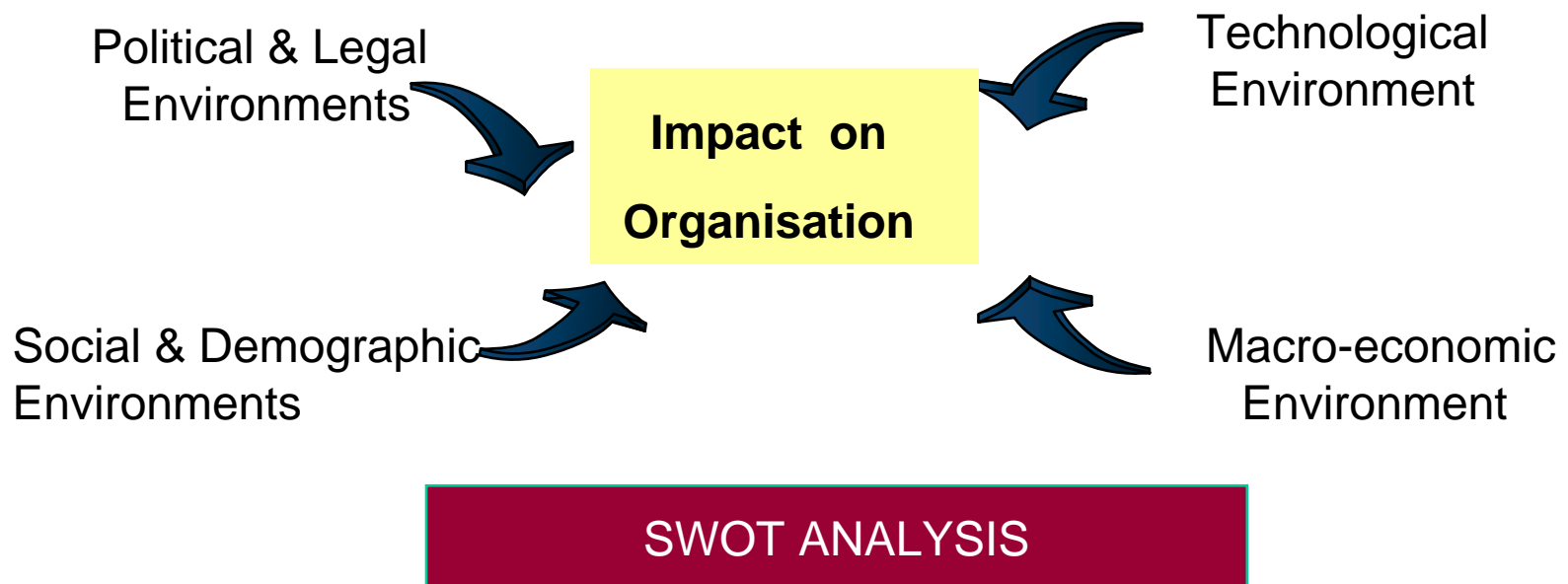
**Stakeholder/Citizen Satisfaction** – Citizen Surveys: **How** do we measure how well we are delivering services?

# Strategic planning

- Deciding “*what the organisation might do*” – identifying environmental opportunity using the PESTEL model
- Deciding “*what the organisation realistically can do*” – identifying competencies, skills and resources
- Deciding “*what the organisation wants to do*” – managerial strategies and objectives
- Deciding “*what that organisation should do*” – responsibility to social partners namely, citizens, customers, clients and subject in line with political mandates

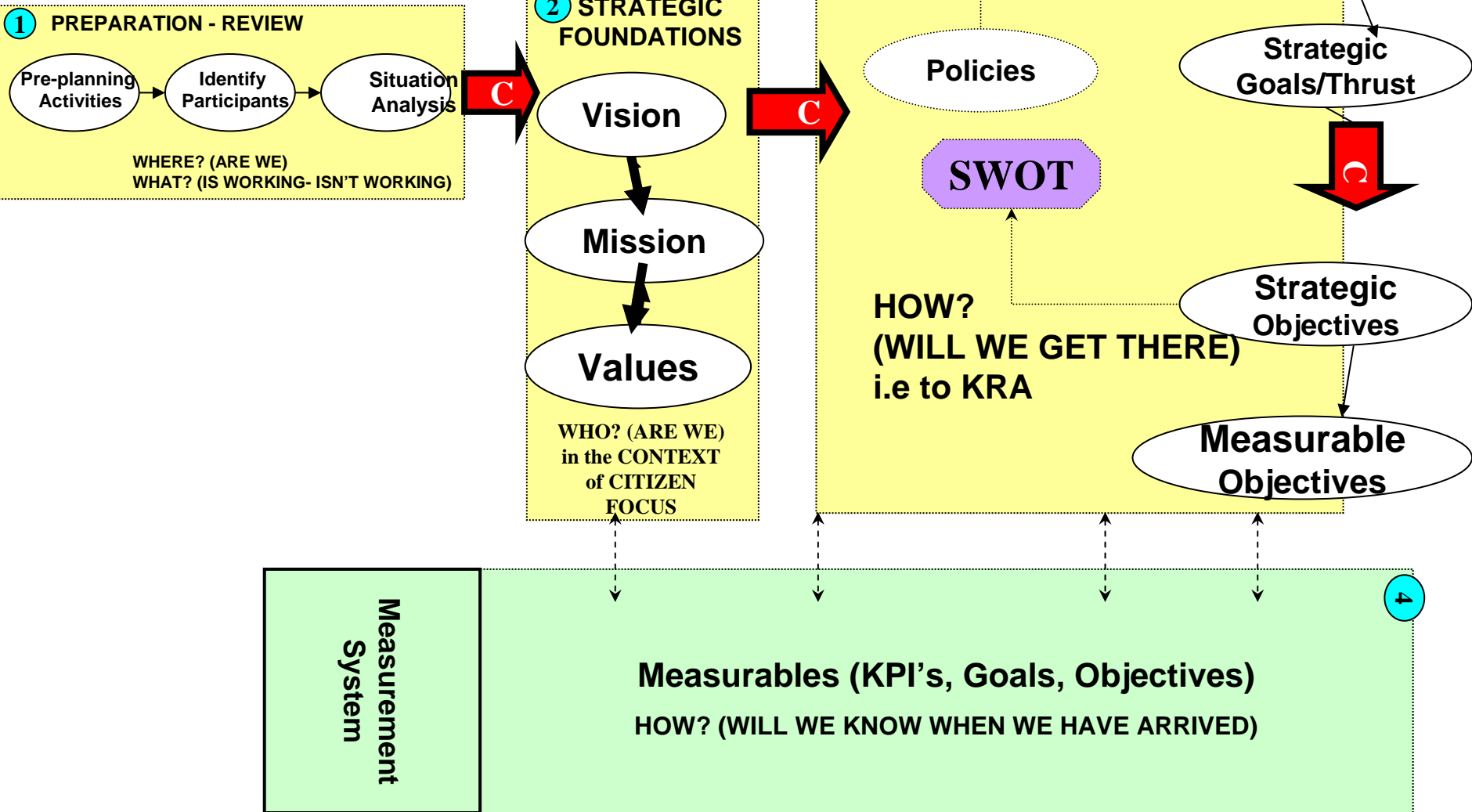
# Analysis is an important component in strategic planning

PESTEL analytical model, used to identify factors that can influence the content of planning and KPIs.

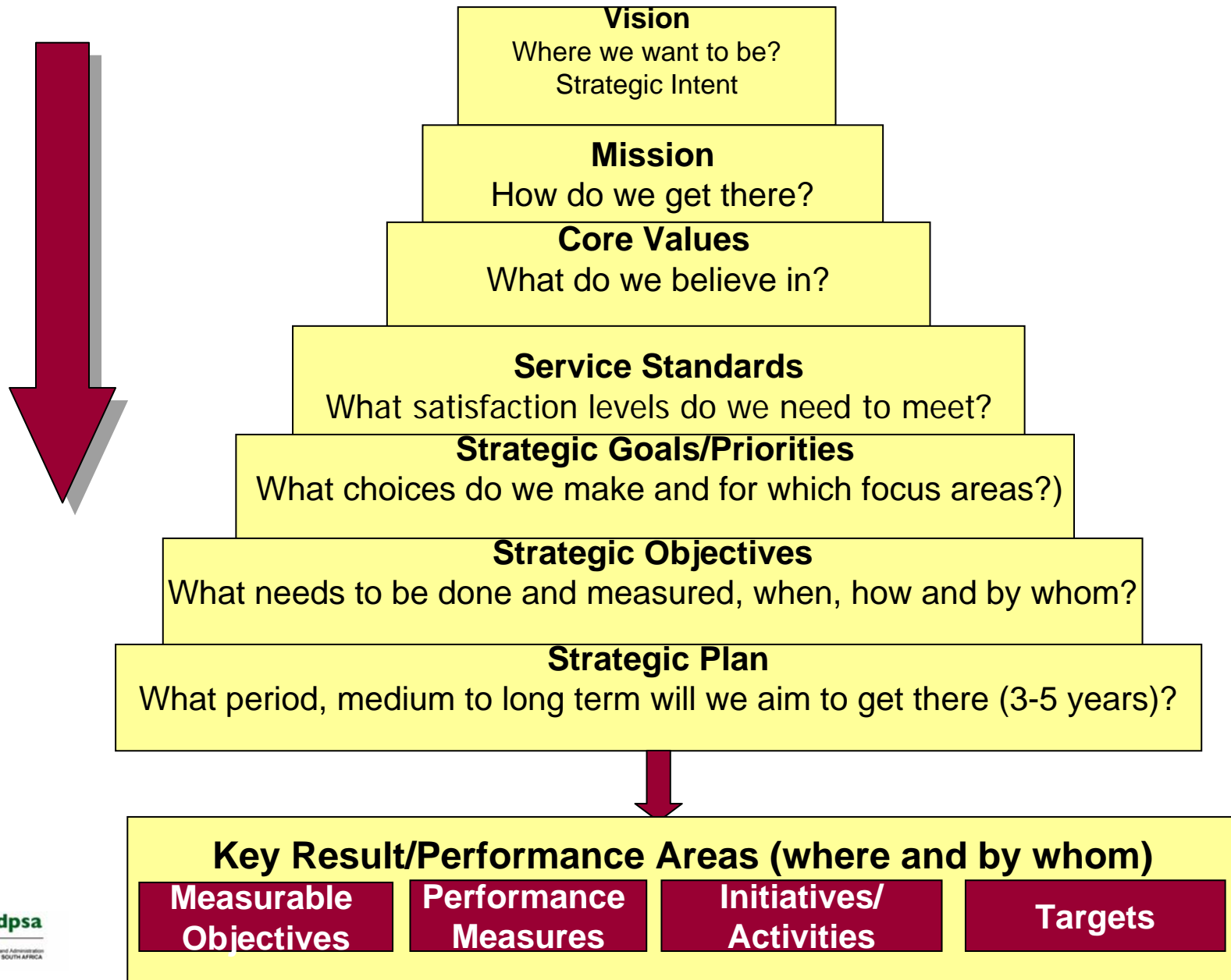




# Strategic Planning Model



# The Process for Translating a Mission into Strategic Objectives



# Strategy planning concepts

- Vision: Defines where the organization wants to see itself in the future
- Mission: Defines the purpose or broader goal for being in existence or in the business. It serves as an ongoing guide without a specific time frame
- Strategic goals: Areas of organization performance critical to the achievement of the mission; they describe the strategic direction, and can be thought of as the outcomes to be achieved by the organization
- Strategic objectives: Are more concrete and specific than goals, and must describe high-level outputs or results of actions. These would normally describe high-level outputs or 'results' of actions that the department intends taking, and should link directly to the strategic goals

# Strategy planning concepts (2)

- Measurable objectives: Identify very specific things that the department intends doing or delivering in order to achieve the strategic objectives, and ultimately the strategic goals. There must be a direct causal link running from a measurable objective to one or more of the strategic objectives. Measurable objectives must be SMART, i.e. **s**pecific, **m**easurable, **a**chievable, **r**elevant and **t**ime-bound
- Initiatives: The measurable objectives unpacked for **actioning** through specific programmes, projects, actions, tasks

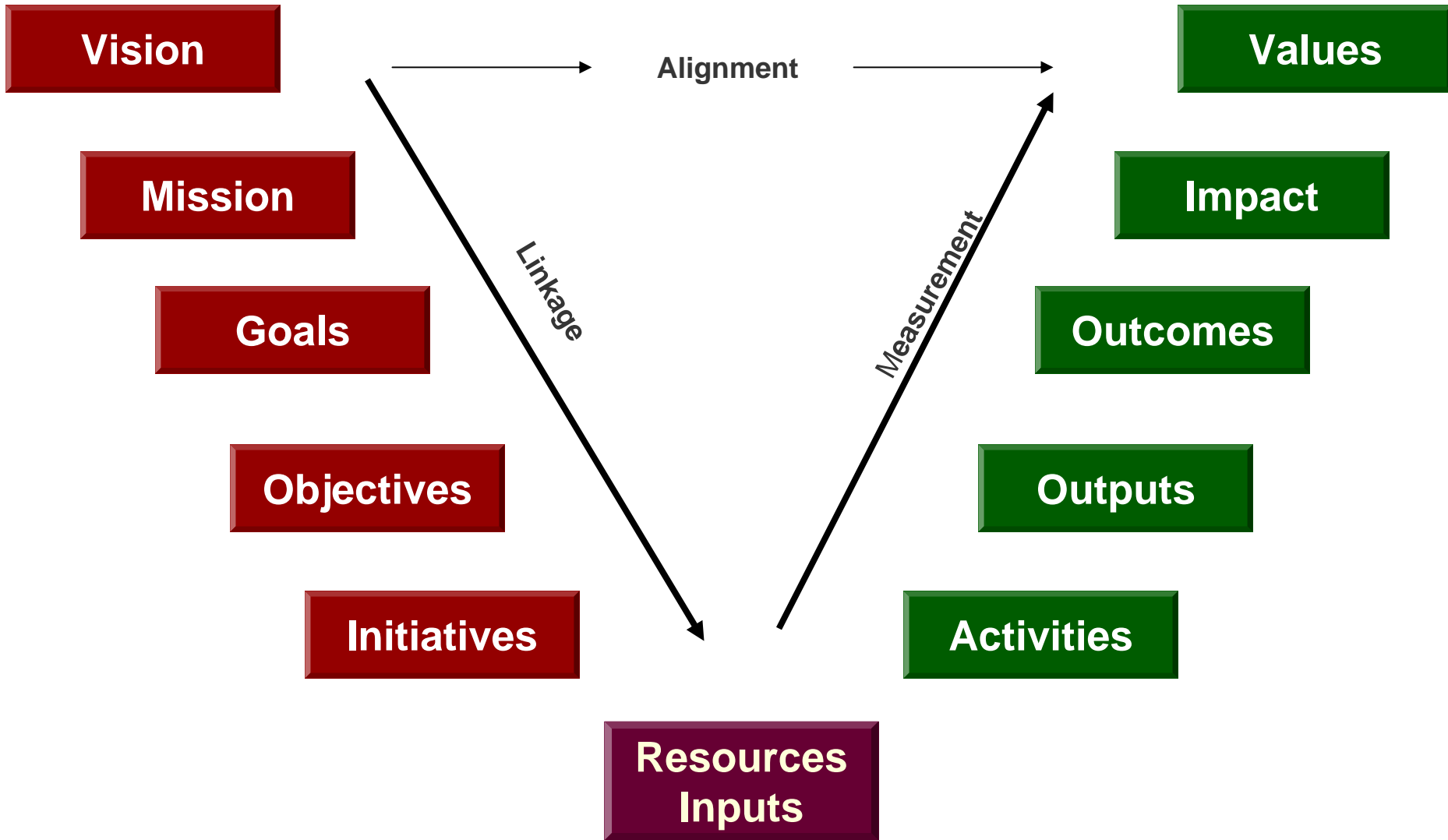
# Strategy implementation concepts

- Input: A resource allocated and consumed by the organization (e.g. R1.5m for a project; 2 employees)
- Activity: Actual work and tasks performed in line with the planned objectives and initiatives (e.g. present seminar)
- Output: A tangible result of activities in the form of goods and/or services delivered to customers or clients, internal or external (e.g. quarterly presented 12 training seminars)
- Outcome: The expected, desired, or actual results to which outputs of activities have an intended effect (e.g. 90% of SMS members have signed PAs on time)
- Impact: The direct or indirect effects produced by the outcomes as they relate to strategic objectives (e.g. improved performance management in the province)
- Values: Reflect what the organization aspires to, esteems, values and considers worthwhile to achieve for clients & society

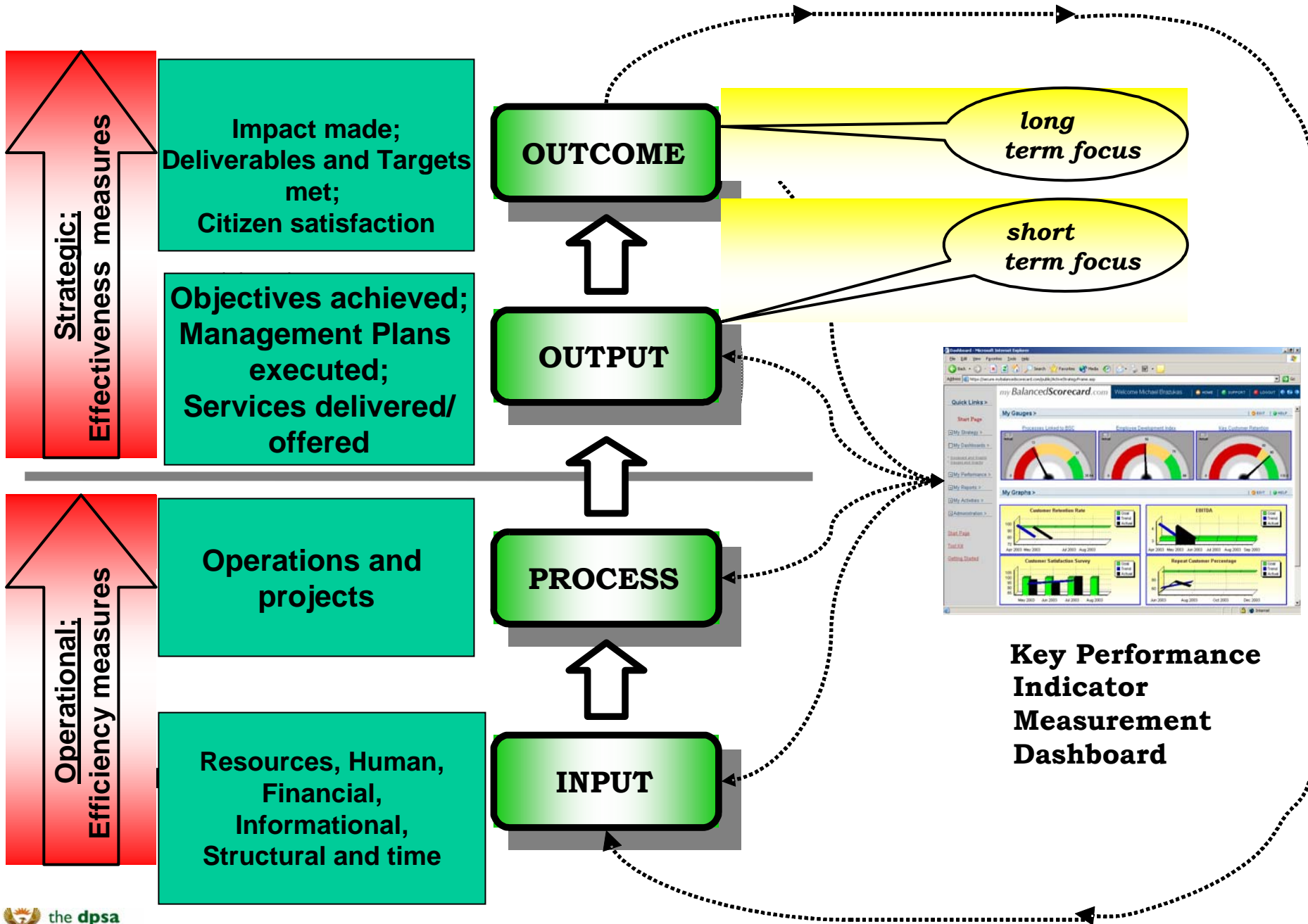
# Strategy Formulation

# Strategy Implementation

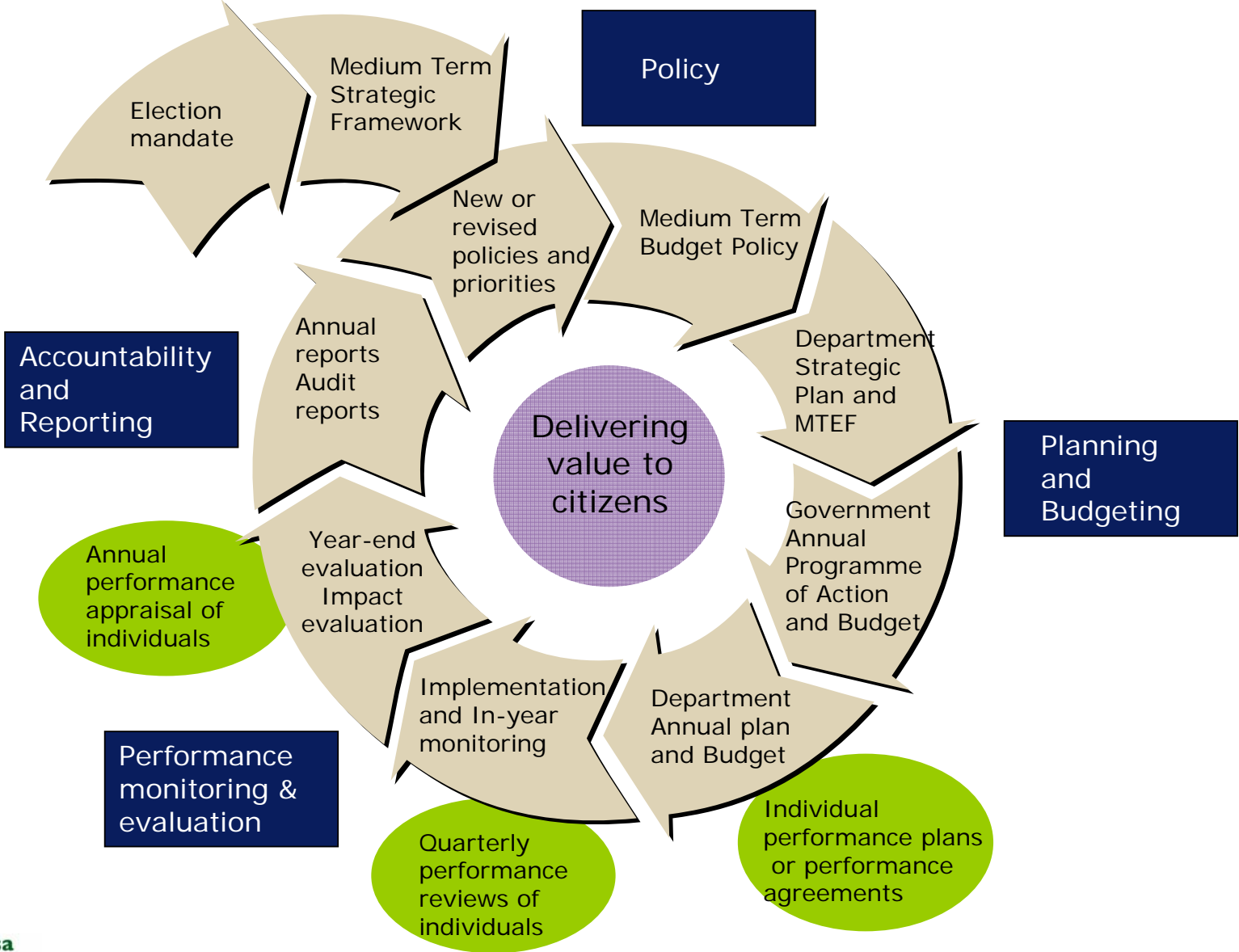
Top-Line: Return



Bottom-Line: Investment

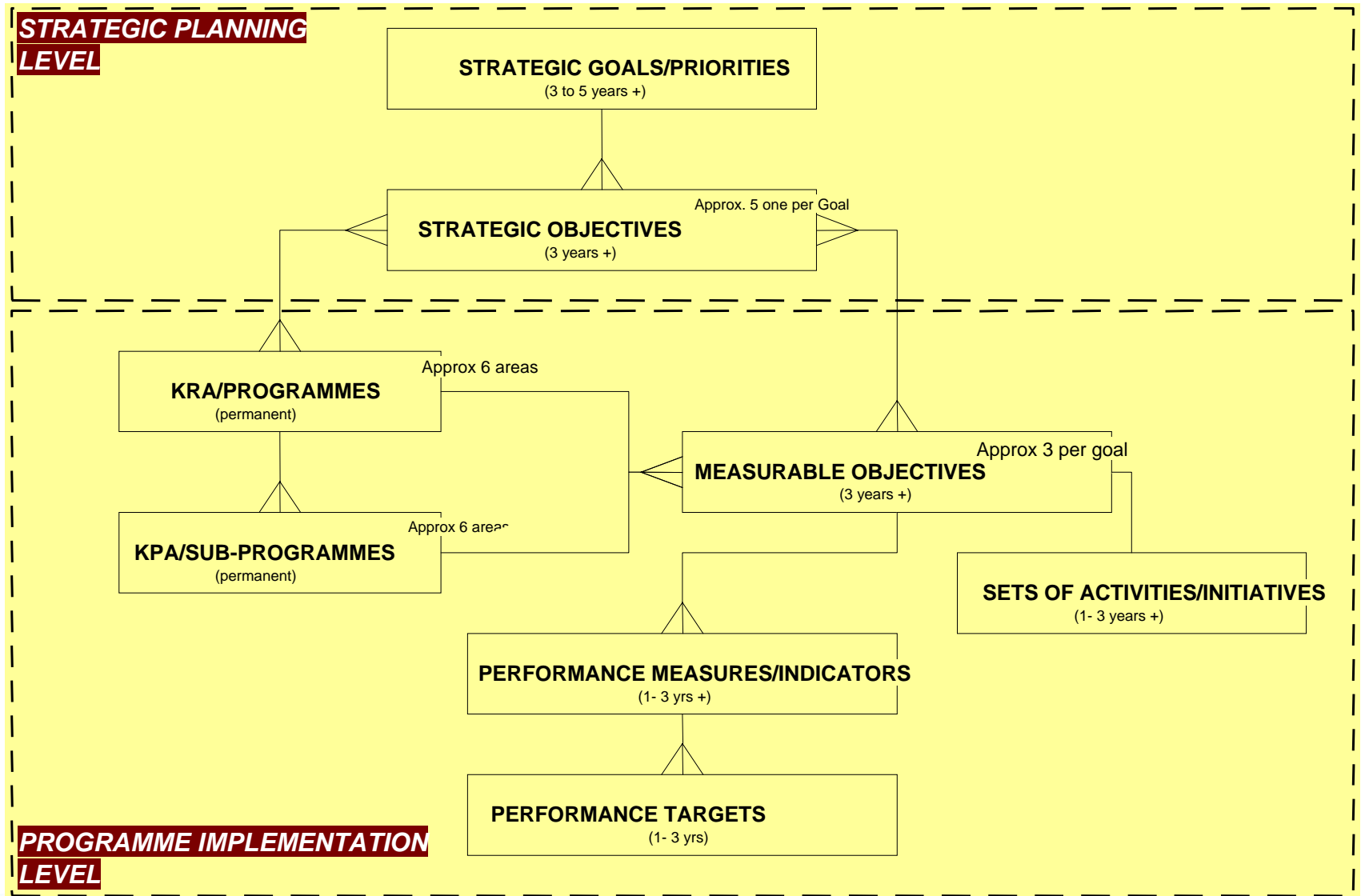


# Integrated planning and performance





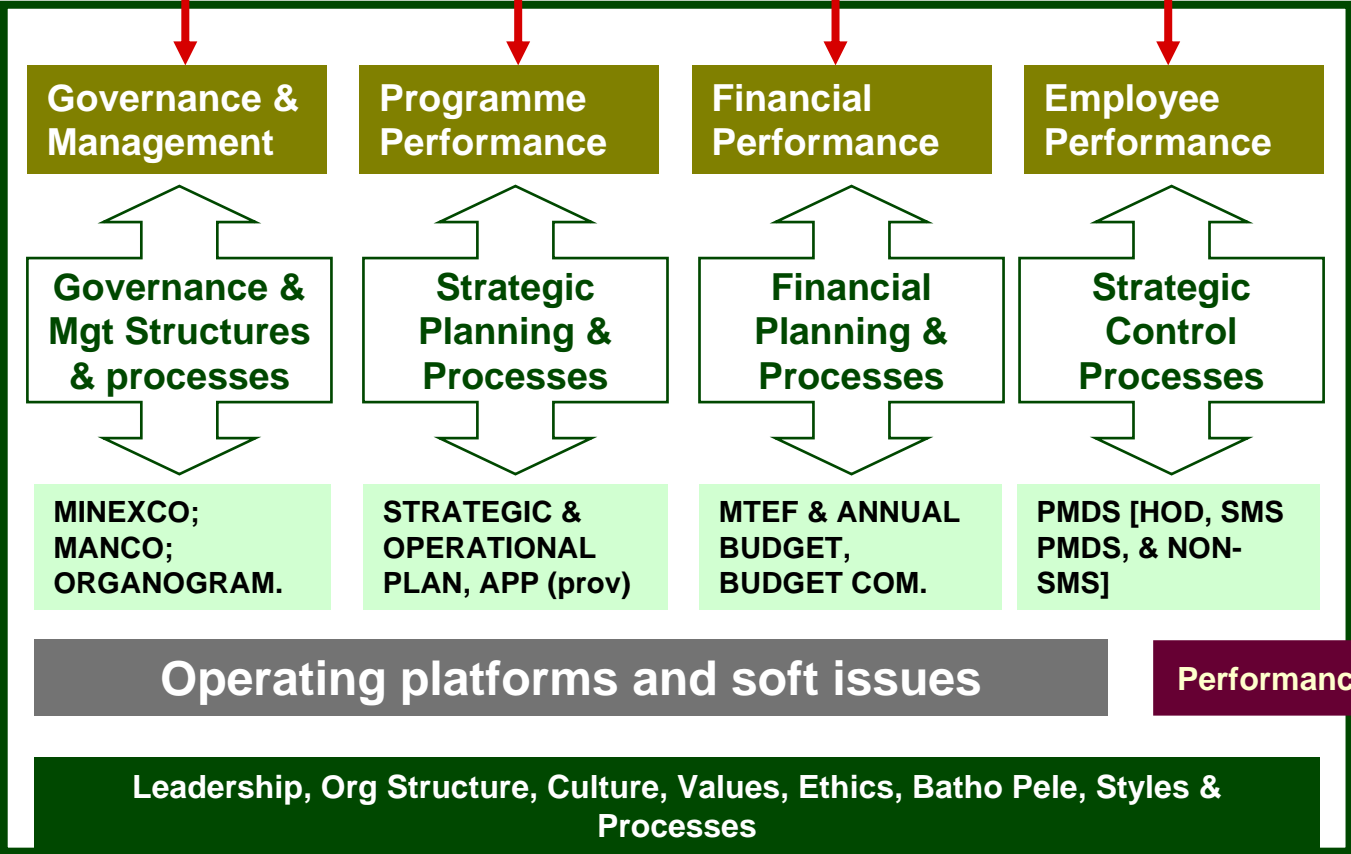
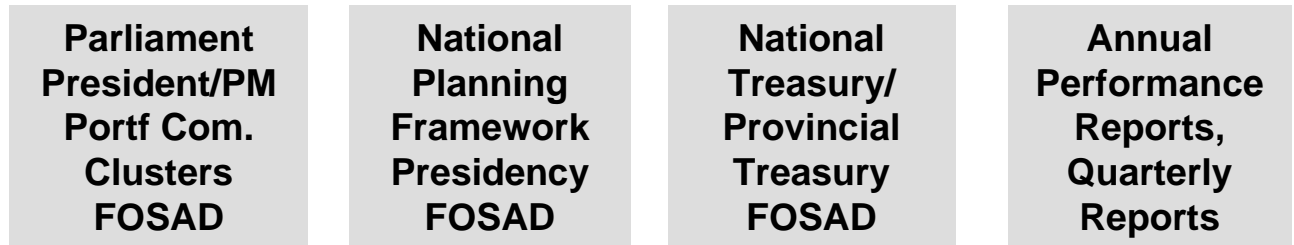
# KPI/Programme Performance Measurement



# EXTERNAL ENVIRONMENT

**INPUTS**

**OUTPUTS**



SOCIETY  
CITIZENS



# Understanding Performance Management

# Performance Management System

Difference between Managing Performance (process) and Performance Management (event)

A performance management system is an authoritative framework for planning, managing and measuring performance – of both the organization and the employees

This includes the policy and planning frameworks, as well as the elements in the performance cycle, including - performance planning and agreement, performance monitoring, measurement, review, assessment, control and corrective measures

# Performance Planning

Cutting edge human services organisations (HSOs) assess their performance by addressing the following **four** areas:

**Policy** – Through future strategic planning : Where is the organisation going and what choices do we make?

**Processes**- Delivery vehicle: How do we get there?

**Resources**- Effective and efficient utilisation: What do we need to do to perform successfully ?

**Stakeholder/Community Satisfaction** – Customer surveys: How do we measure how well we are doing?

# Organizational Performance Management

Total system which is made up of numerous sub-systems  
i.e. tools/instruments make up subsystems

Organizational performance reflects the extent to which an organisation uses its resources efficiently, to produce outputs that are consistent with its goals and objectives and relevant for its clients and stakeholders

Organizational performance comprises the actual output or results of an organization as measured against its goals and objectives and intended outputs and service delivery targets

# Performance Measurement

Performance measurement is the on-going measuring, monitoring and reporting on the outputs or results of programme accomplishments, in particular progress towards pre-determined goals and objectives and service delivery targets

Performance measurement is done by measuring dimensions of performance, based on performance information relating to various aspects of the organization

Performance measures may address inputs, types or levels of activities conducted (process), the goods and services delivered (outputs), and/or the results and effect of those outputs (outcomes and impact)

# Performance indicators

The concepts - “performance measures” and “performance indicators” are often used interchangeably

The National Treasury, in its “*Framework for Managing Programme Performance Information*”, noted that for the sake of consistency the concept “**performance indicator**” is used

**Performance indicators** therefore are required to measure dimensions of performance, in relation to inputs, activities, outputs, outcomes and impact

The challenge is to determine those indicators that measure what is important, appropriate and measurable



# KPI's

## Key Performance Indicators (KPI's)

- KPI's are **quantifiable measurements** i.e. Performance Levels or Standards agreed to beforehand, that reflect the critical success factors of the department which is the sum total of the performance within a programme against measurable objectives)
- **Evidence demonstrating achievements/artefacts** of performance against measurable objectives
- KPI's are used to observe **progress** made and measure the **actual results** compared to **expected results**
- Performance is measured according to the relevance of the situation in terms of:

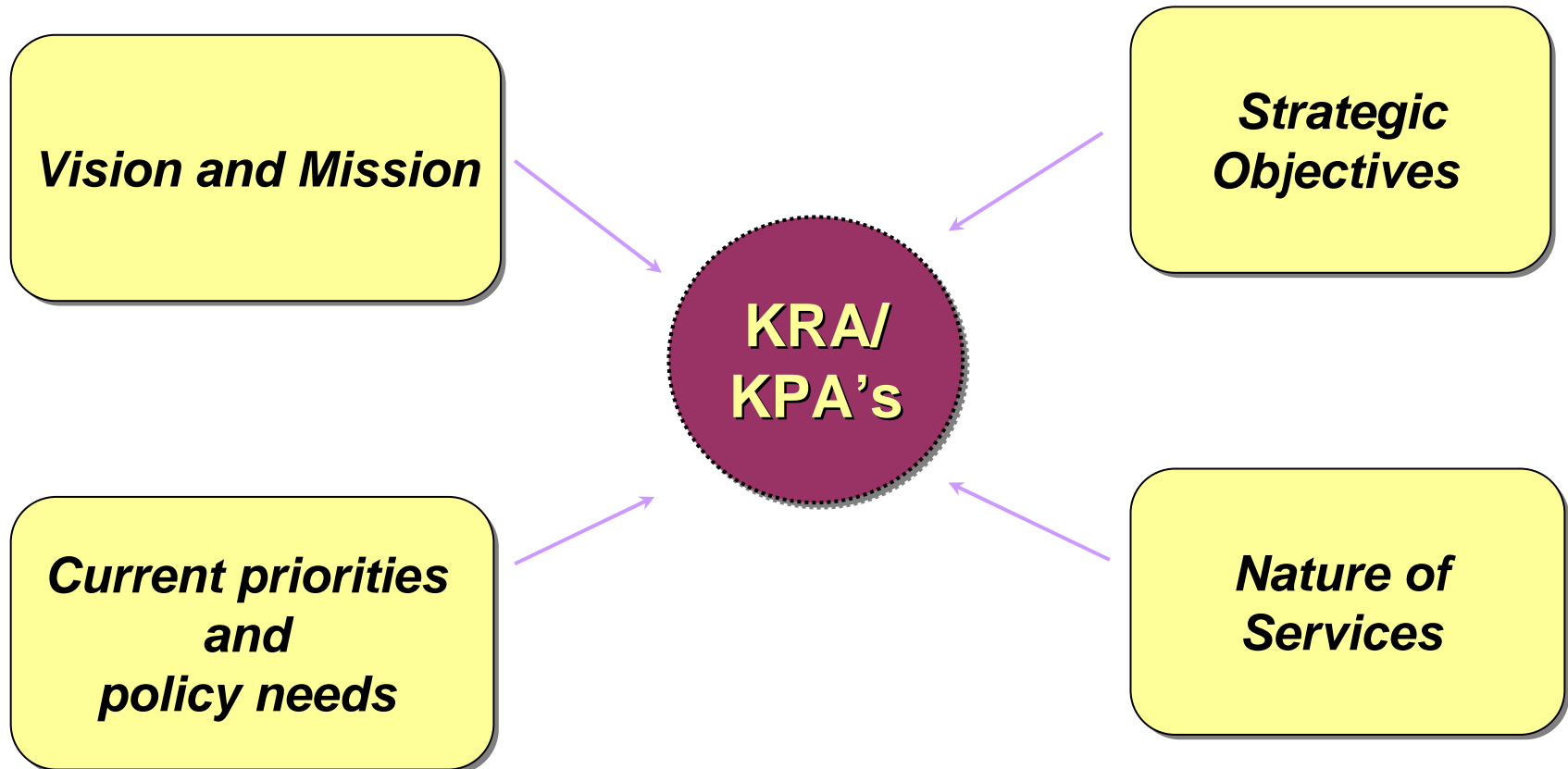
Quantity	- e.g. Cost
Timeliness	- e.g. Efficiency
Quality	- e.g. Effectiveness

# Types of direct performance indicators

- **Quantity** indicators: number of inputs, activities, outputs
- **Quality** indicators: quality against set standards
- **Time** indicators: completion, response, frequency, waiting
- **Cost** indicators: to determine economy and efficiency
- **Distribution** indicators: distribution of capacity e.g. geography, demographics, urban- rural
- **Accessibility** indicators: distance to service, language, disabled
- **Adequacy** indicators: outputs relative to need or demand

# KRA/KPA's

Main goals / objectives to be fulfilled by a specific job function during a specific period



# Types of performance indicators



Organizational perspective

# 5-year Strategic Plan

Vision

Mission

MTEF budget

Values

# 1-year Operational Plan (APP)

Strategy Formulation

Annual budget

Strategy Implementation

Goals

Outcomes

Impact

Objectives

Performance indicators

Outputs

Initiatives

Performance targets

Activities

Individual perspective

HoD

SMS PMDS

PMDS (1 – 12)

HoD

SMS PMDS

EPMDS

Evaluation Framework

Appraisal Framework

Appraisal Framework

Performance Agreement

Performance Agreement

Performance Agreement

KRAs

CMCs

KRAs

CMCs

KRAs

GAFs

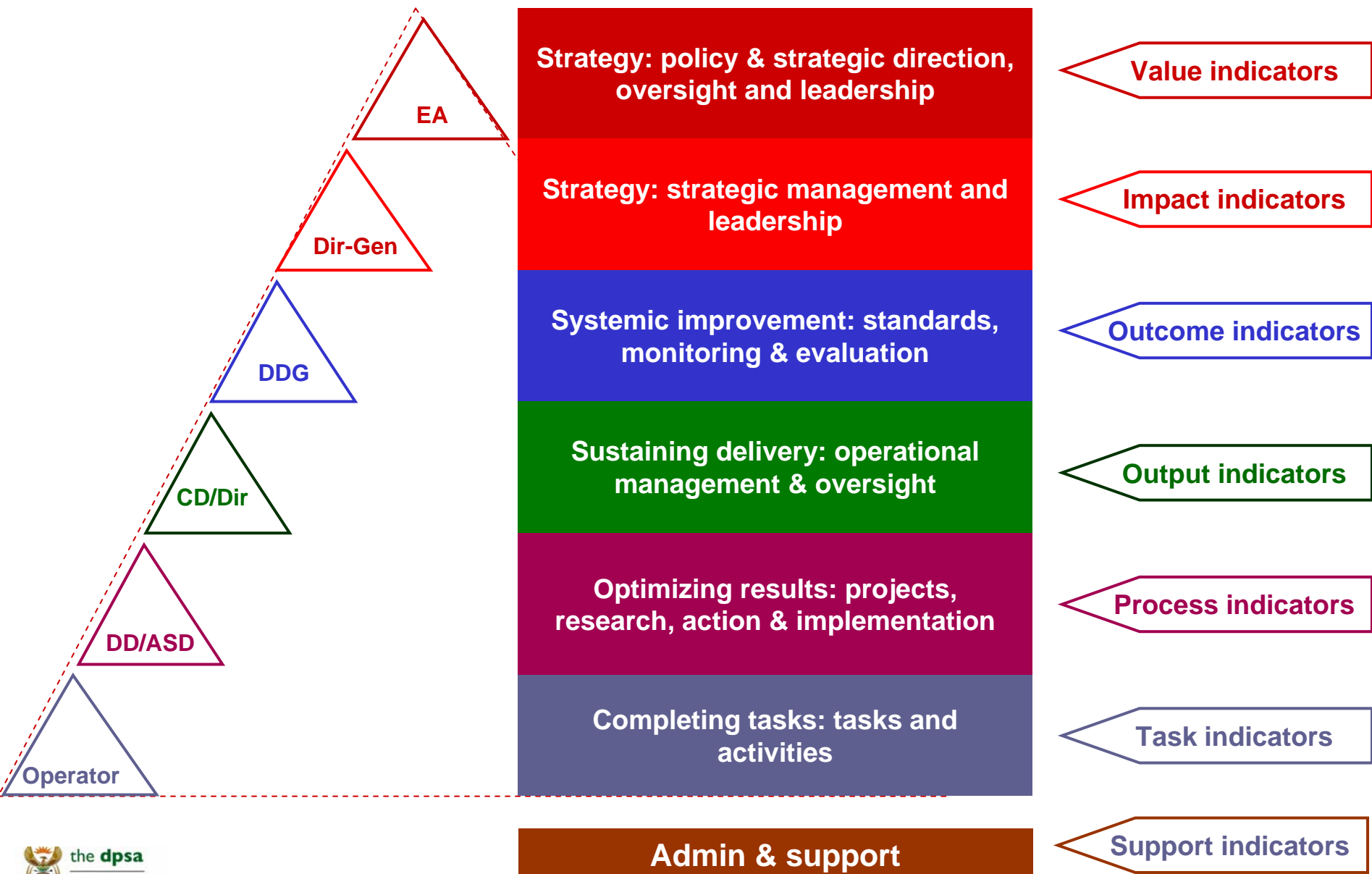


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REPUBLIC OF SOUTH AFRICA

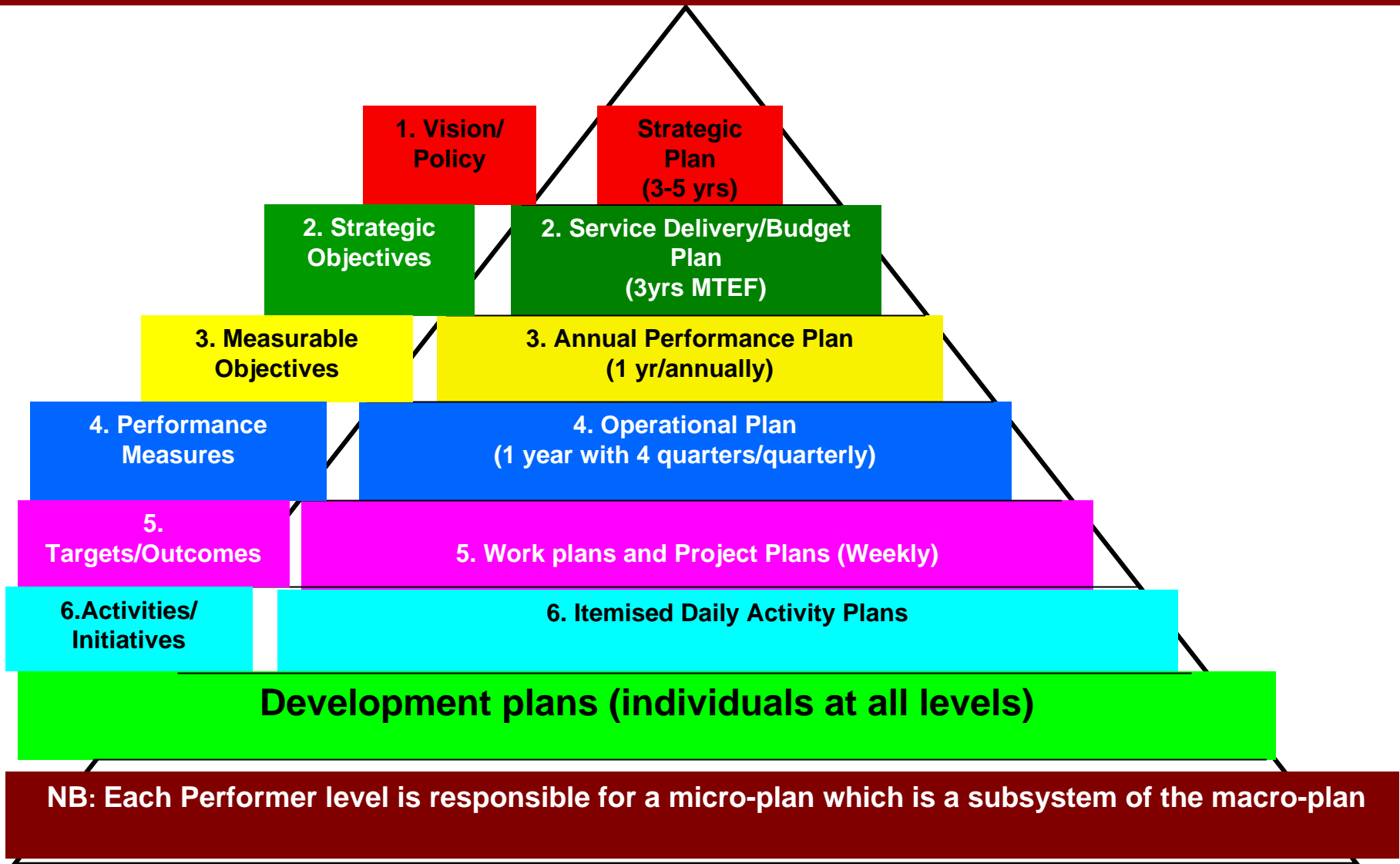
**Performer level**

**Responsibility**

**Dominant indicator types**



# Hierarchy of types and nature of Plans to Execute the Strategic Plan of a Department

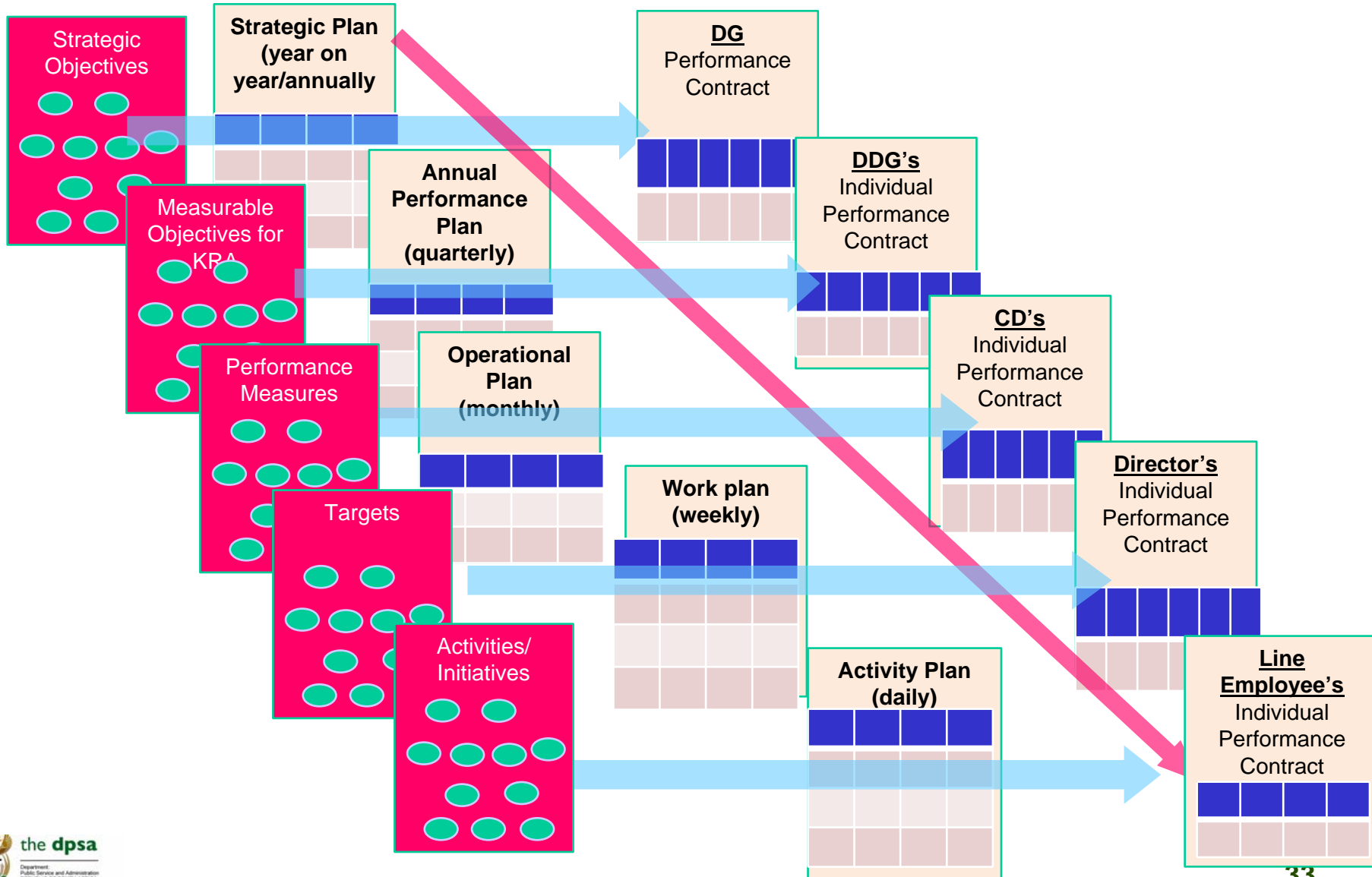


# HIERARCHY OF PLANNING

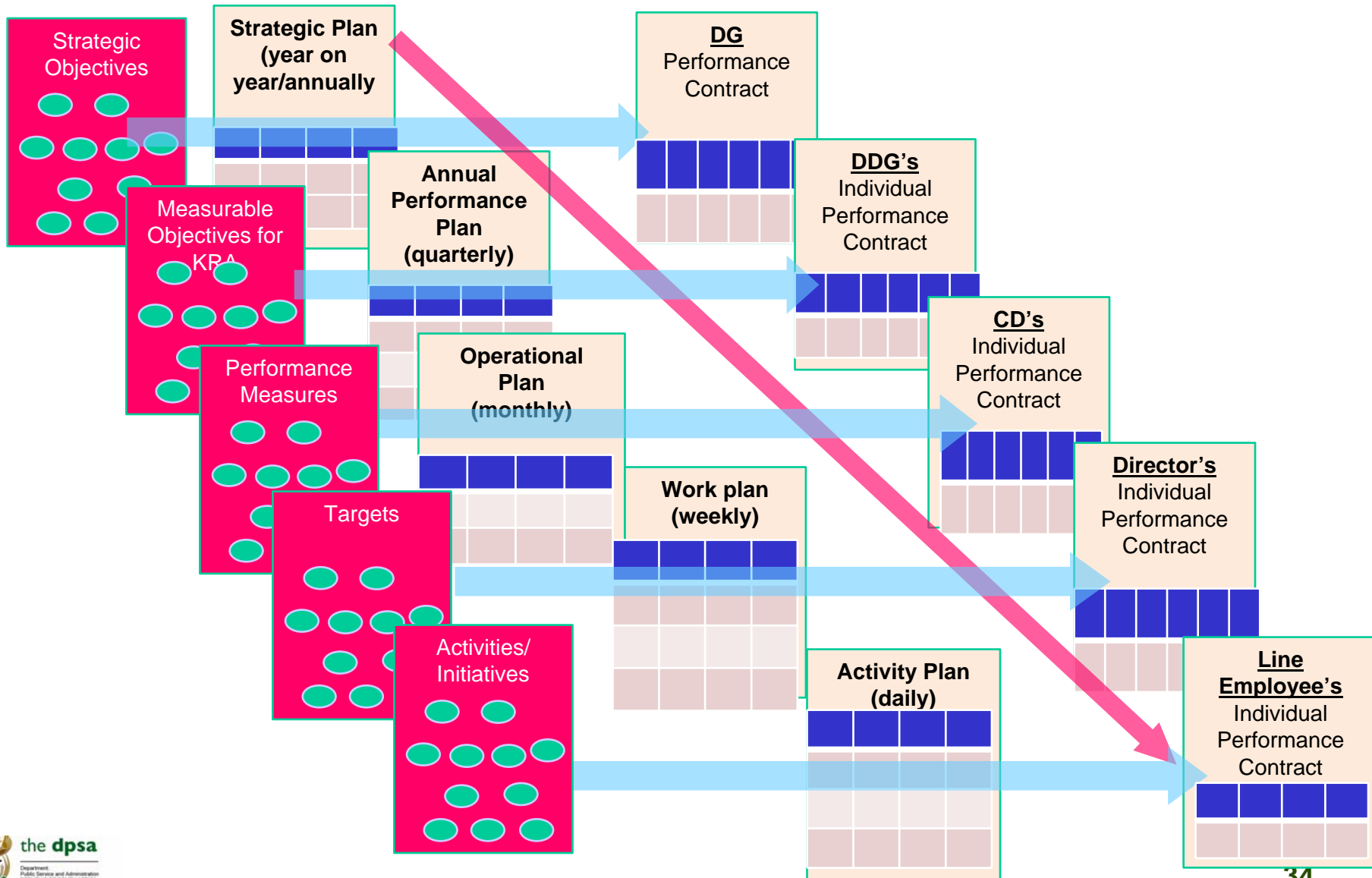
PERFORMER LEVEL	MANAGEMENT LEVEL
POLICY LEVEL	EA AND HOD
STRATEGY LEVEL	BRANCH/DDGs and CFO
OPERATIONS/BUSINESS LEVEL	DIVISION/CHIEF DIRECTORS
ENTITY LEVEL	DIRECTORATE/DISTRICT
FRONTLINE	UNIT HEADS/MIDDLE MANAGERS
ROUTINE LEVEL/ OPERATOR	WORKTEAMS



# Individual Responsibility Plan linking telescopic to microscopic golden thread



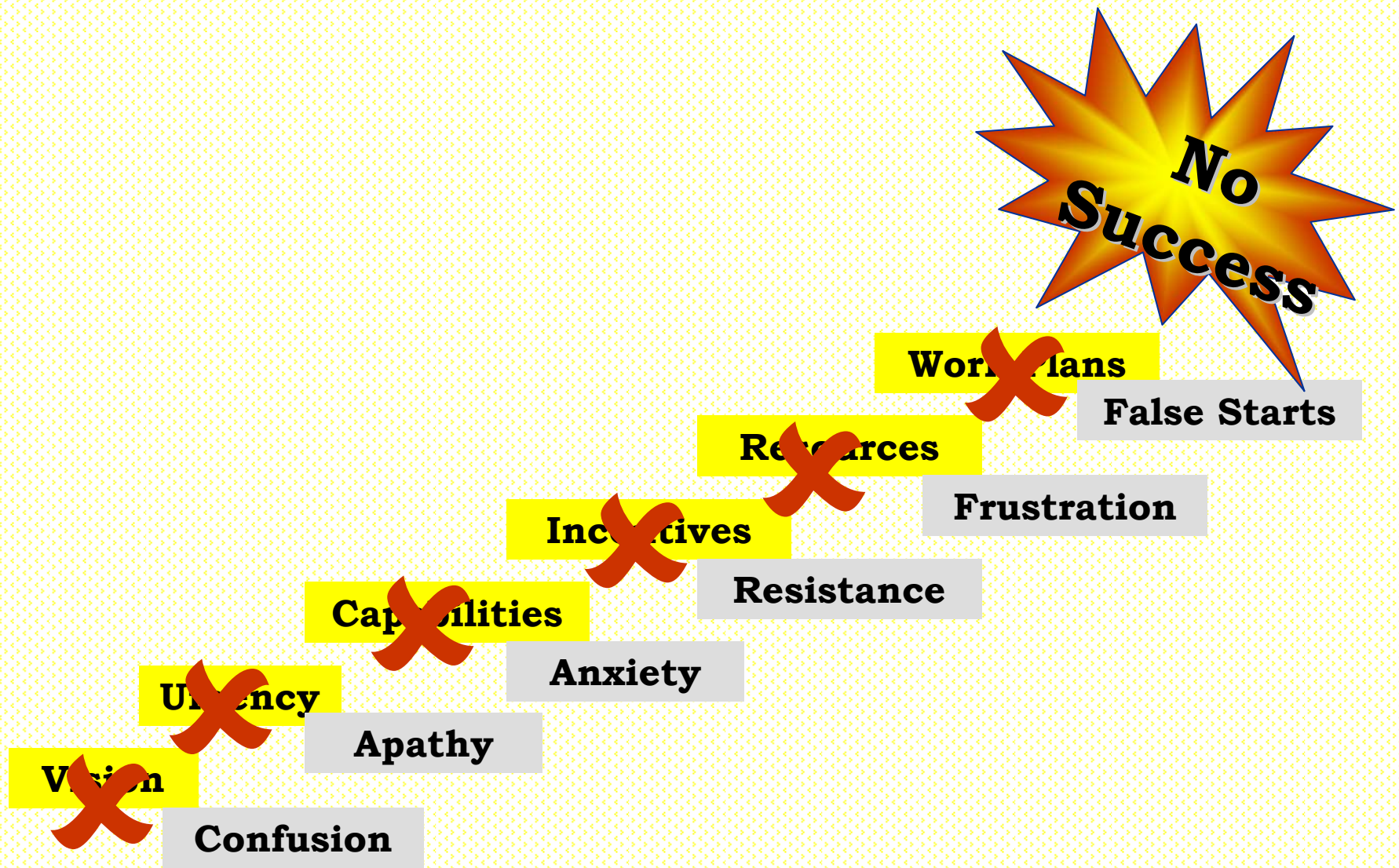
# Cascading of Plans/Windows over 3 years



# Implementation of A Strategic Plan

Sub-Programme KRA: HRD		Strategic Objective (SO)			Frequency of Reports	
<ul style="list-style-type: none"> <li>• <b>Sub-programme KRA/KPA Objectives</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Any one of the 5-7 dpsa strategic thrusts/goals/objectives applicable</b></li> </ul>	Weekly				
		Monthly				
Measurable Objectives (MO)		Performance Measures/Indicators			Quarterly	
<ul style="list-style-type: none"> <li>• <b>Any 1-3 measurable objectives used to measure outputs</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Indicators to measure the performance</b></li> <li>• <b>Name tangible deliverables completed</b></li> </ul>	6 Monthly				
		Annually				
Resources			Activities/Initiatives/Deliverables			
<ul style="list-style-type: none"> <li>• <b>List budget spent, funding received</b></li> </ul>			<ul style="list-style-type: none"> <li>• <b>List activities, projects and actions completed</b></li> </ul>			
Challenges						
<ul style="list-style-type: none"> <li>• <b>List obstacles which affected delivery</b></li> </ul>						
Targets						
Baseline	2008	2009	2010	2011	2012	

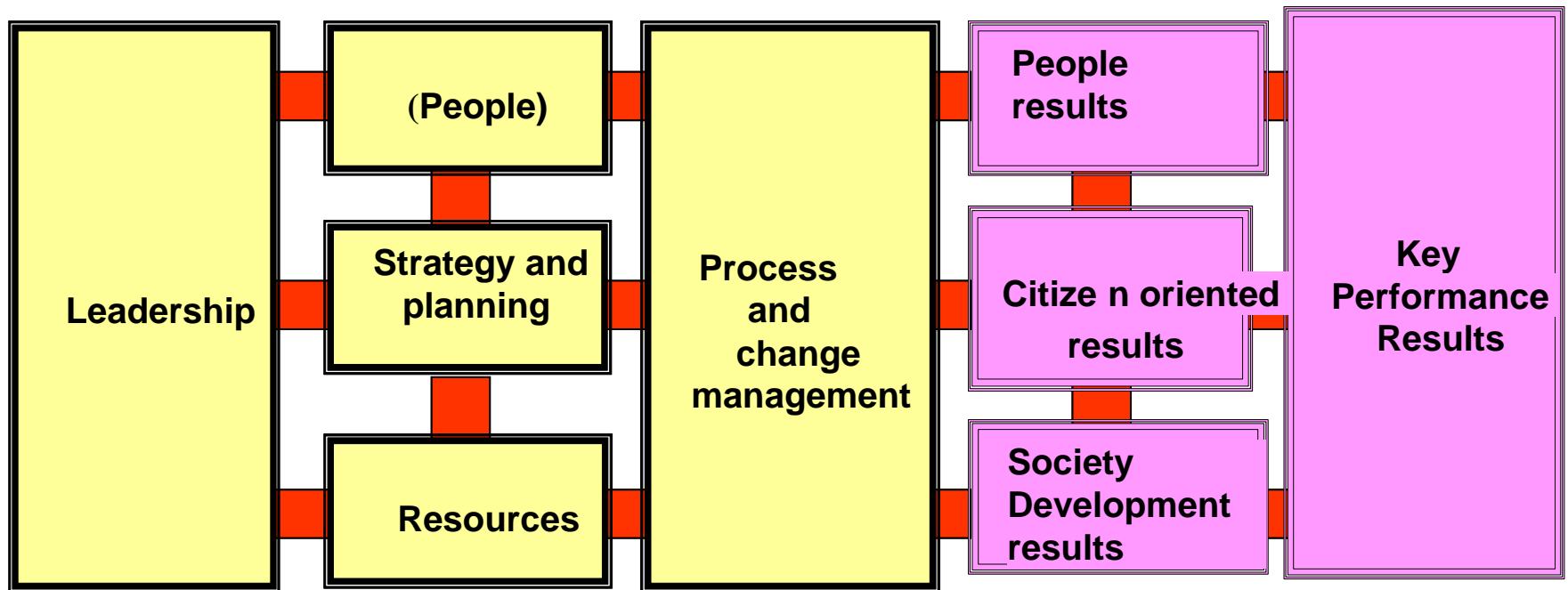
# Rollout Performance Success Factors



# KRAs at an organisation level

ENABLERS (internal)

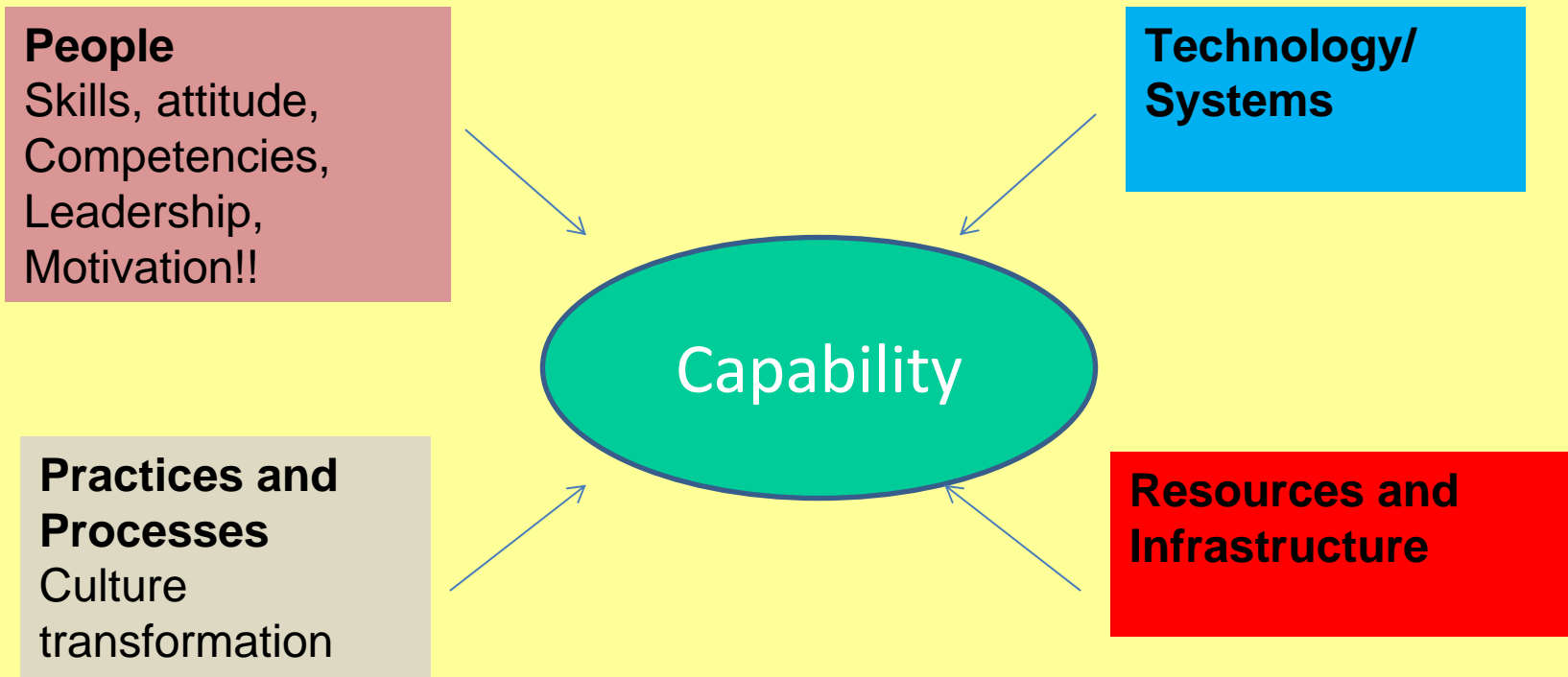
RESULTS (external)

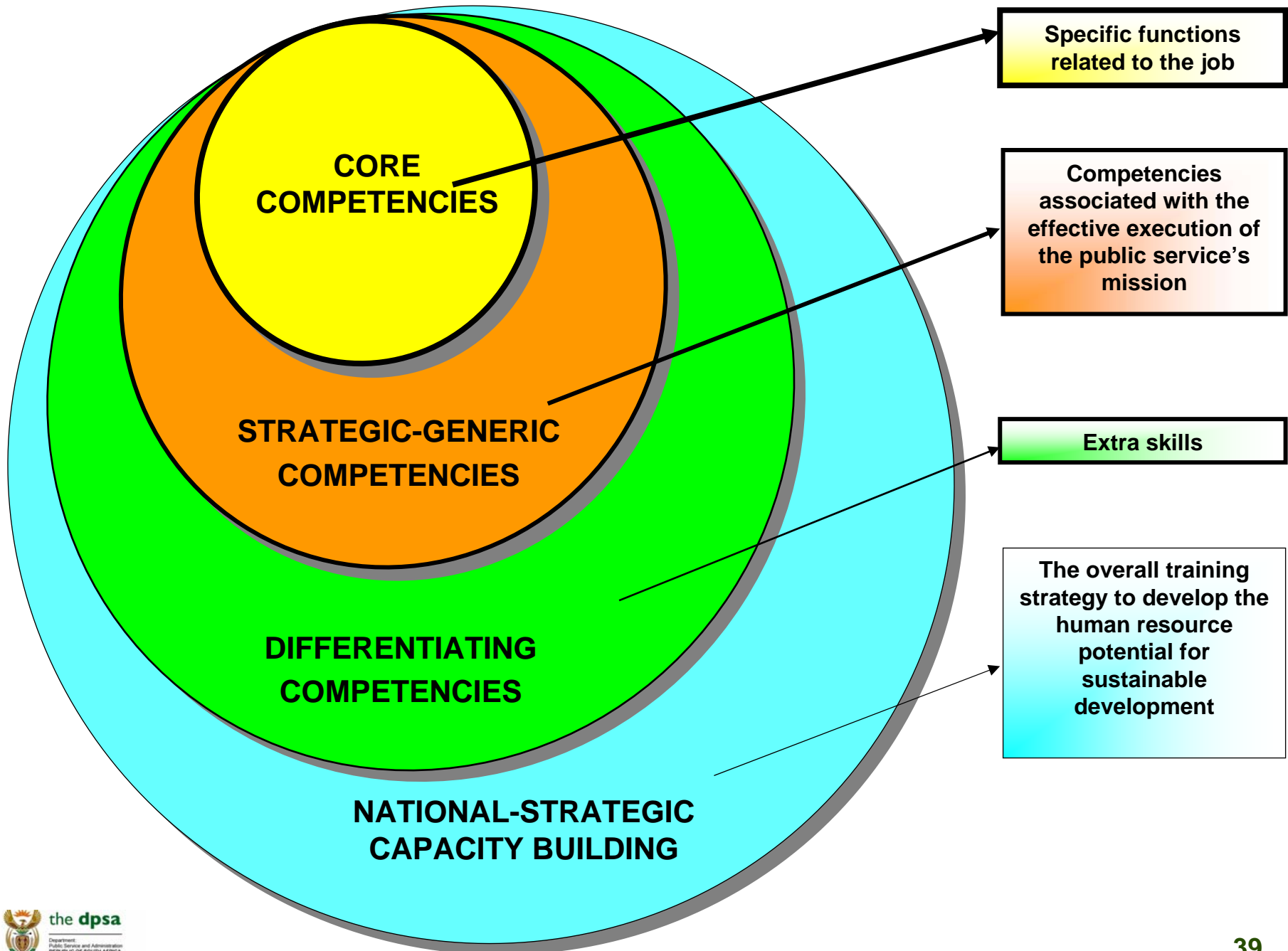


INNOVATION AND LEARNING

# Capabilities

Do we have the capacity to deliver and understand policy gaps? Do we have the combination of all distinctive elements for delivery?





**THANK YOU  
SIYABONGA**