A STRATEGIC FRAMEWORK FOR INTEGRATED EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEMS IN THE PUBLIC SERVICE

[EPCM Steering Committee]

Mr Leon Pretorius

11 June 2009
OVERVIEW OF PRESENTATION

• Background to Project
• Objectives of draft Strategic Framework
• Progress
• Overview of draft Strategic Framework
• Focus of discussions
Chapter 4 of the SMS Handbook (the SMS PMDS) has standardised an employee performance management system for the Senior Management Service in the Public Service.

For salary levels 1 to 12 the legal and regulatory framework assigns authority over departmental performance management systems for employees to each executive authority, resulting in different PM systems for the various institutions and spheres below the SMS.

This decentralisation and fragmentation of PM systems has brought about unintended challenges, compounded by the little direct authority the MPSA has over performance management in departments and hence to deal with non-compliance.
Evidence from departments indicate that the commitment from line managers to performance management, i.e. people management as such, needs to be strengthened to ensure the improved functioning of performance management systems.

The Cabinet and the Public Service Commission have also on a number of occasions over the past few years expressed serious concern with the poor state of affairs concerning the implementation of the framework for the evaluation of HoDs, as well as the SMS PMDS on which this evaluation is based.
In 2008 the dpsa initiated a project to develop a strategic framework for integrated employee performance management and development systems in the Public Service.

The main purpose of this strategic framework is to provide a basis for integrating elements of organisational performance with individual performance within the Public Service context.

It is intended that this integration will largely be achieved through a revised assessment methodology and tools for SMS members.
OBJECTIVES OF THE STRATEGIC FRAMEWORK

• To provide a framework for policies, processes and tools to ensure that the performance management of Heads of Department and the SMS is fully integrated with relevant frameworks that govern the performance management of organisations within the public service;
• To provide a framework for norms and standards for performance management of employees at levels 1 -12 in the Public Service;
• To improve the credibility, effectiveness and outcomes of performance management of employees in the Public Service;
• To establish credible mechanisms for accountability of individual employees within the Public Service; and
• To improve substantive compliance with performance management systems through simplification of procedures, protocols and instruments.
PROGRESS

• Between October 2008 and May 2009 the Project Steering Committee held a number of consultative meetings, while the progress was also shared with a reference group of selected departments and provinces.

• Initial progress was also shared at the national HR Learning Forum in Polokwane in February where the thrust and outline of the strategic framework was shared with participants.

• The strategic framework and assessment methodology will be further refined and consulted, including the G&A cluster, FOSAD and stakeholders at the political and administrative levels of Government.

• Following approval of the draft strategic framework, including the assessment methodology and instruments, consultative workshops will be conducted with departments nationally and provincially, before piloting can commence.
The following slides highlight the integrated nature of planning and employee performance management systems and practices, as well as the main elements of the proposed new methodology and approach to the assessment of employee performance.
INTEGRATED PERFORMANCE MANAGEMENT

- Election mandate
- Medium Term Strategic Framework
- New or revised policies and priorities
- Medium Term Budget Policy
- Policy

Accountability and Reporting
- Annual reports
- Audit reports
- Year-end evaluation
- Impact evaluation
- Implementation and In-year monitoring
- Department Annual plan and Budget
- Department Strategic Plan and MTEF
- Government Annual Programme of Action and Budget

Planning and Budgeting
- Individual performance plans or performance agreements
- Quarterly performance reviews of individuals
- Annual performance appraisal of individuals

Delivering value to citizens

Performance monitoring & evaluation
### External Environment

<table>
<thead>
<tr>
<th>External Monitoring &amp; Evaluation of Compliance &amp; Progress</th>
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<tbody>
<tr>
<td>Parliamentary Monitoring &amp; Evaluation of Compliance &amp; Progress</td>
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<tr>
<td>National Planning Framework Monitoring &amp; Evaluation of Compliance &amp; Progress</td>
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<tr>
<td>National Treasury/Provincial Treasury Monitoring &amp; Evaluation of Compliance &amp; Progress</td>
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### Inputs

- Parliament President/PM
- Portf Com. Clusters
- FOSAD

### Outputs

- Annual Performance Reports, Quarterly Reports

### Framework

- **Governance & Management**
  - Governance & Mgt Structures & Processes
  - Strategic Planning & Processes
- **Programme Performance**
  - Financial Planning & Processes
- **Financial Performance**
  - Strategic Control Processes
- **Employee Performance**

### Performance

- Operating platforms and soft issues
  - Service Delivery
  - Impact
  - Outcomes
  - Outputs

### Resources

- Mandates
  - Constitution
  - MPSA: PS Act
  - MF: PFMA
  - Dept Specific

### External Monitoring & Evaluation of Compliance & Progress

- physical
- human
- financial

- Governance & Management
- Programme Performance
- Financial Performance
- Employee Performance

- Internal Systems Throughput Processes

- Governance & Mgt Structures & Processes
- Strategic Planning & Processes
- Financial Planning & Processes
- Strategic Control Processes

- Operating platforms and soft issues

- External Monitoring & Evaluation of Compliance & Progress
What is currently measured by the SMS PMDS

Programme Performance

KRA 1
KRA 2
KRA 3
KRA 4
KRA 5
KRA 6
KRA 7

Employee Performance

5 of 11 Competencies:
  e.g
  • SC&L
  • PM&E
  • P&PM
  • Fin Mgt
  • Ch Mgt
Proposed Performance Management Framework for the SMS PMDS
What needs to be measured by the SMS PMDS

**Governance & Management**
- Management processes:
  - Org Processes
  - Internal control points
  - Systems
  - External relationships

**Financial Performance**
- Responsibility manager:
  - Financial planning
  - Budgeting
  - Cash Flow
  - Audit results
  - In-year monitoring

**Programme Performance**
- Key Performance Areas:
  - KPA 1
  - KPA 2
  - KPA 3
  - KPA 4
  - KPA 5

**Employee Performance**
- Core Competencies:
  - SC&L
  - PM&E
  - P&PM
  - Fin Mgt
  - Ch Mgt
  (With process competencies)
Organisational Strategic Objectives

Strategic Plan / Operational Plan / Annual Performance Plan

A. Governance & Management
- Management processes:
  - Org Processes
  - Internal control points
  - Systems
  - External relationships

B. Financial Performance
- Responsibility manager:
  - Financial planning
  - Budgeting
  - Cash Flow
  - Audit results
  - In-year monitoring

C. Programme Performance
- KPA 1
- KPA 2
- KPA 3
- KPA 4
- KPA 5
- Deliverable 1
- Deliverable 2
- Deliverable 3
- Deliverable 4
- Deliverable 5

D. Core Management Competencies
- Core Competencies:
  - SC&L
  - PM&E
  - P&PM
  - Fin Mgt
  - Ch Mgt

- Process Competencies:
  - Kn Mgt
  - SDI
  - PS&A
  - Client O&CF
  - Communication
Governance and Management

This dimension focuses on the participation of the manager in the generic departmental management processes as well as the management processes institutionalised at the level of his/her component.

It is proposed that this dimension should represent 10% of the overall assessment and the elements listed below must be assessed and rated against the standards listed below. The weighting of the elements can be fixed.

<table>
<thead>
<tr>
<th>Management Processes and systems</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Processes</td>
<td>2.5%</td>
</tr>
<tr>
<td>Internal Control Points</td>
<td>2.5%</td>
</tr>
<tr>
<td>Systems</td>
<td>2.5%</td>
</tr>
<tr>
<td>External Relationships</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
B  Financial Performance

This dimension focuses on the execution of responsibilities attached to the role of a responsibility manager, the participation of the manager in the budgeting processes of the department and the actual management of his/her budget at component level.

It is proposed that this dimension should represent 10% of the overall assessment and the elements listed below must be assessed and rated against the standards listed below. The weighting of the elements can be fixed.

<table>
<thead>
<tr>
<th>Financial Management Process</th>
<th>Weight</th>
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</thead>
<tbody>
<tr>
<td>Financial Planning</td>
<td>2%</td>
</tr>
<tr>
<td>Budgeting</td>
<td>2%</td>
</tr>
<tr>
<td>Cash flow management</td>
<td>2%</td>
</tr>
<tr>
<td>Audit results</td>
<td>2%</td>
</tr>
<tr>
<td>In year monitoring</td>
<td>2%</td>
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</tbody>
</table>
This dimension focuses on the main deliverables to be contracted for the assessment cycle. These deliverables are cascaded from the departmental strategic plan and operational plan (annual performance plan).

Key Performance Areas must reflect the main areas of focus and should generally not be more than eight. For each KPA specific deliverables must be identified and relevant standards must be agreed on during the performance contracting phase.

It is proposed that this dimension may be weighted at 60% of the overall assessment and the different KRAs can be weighted differently to reflect their importance and complexity.
This dimension focuses on the actual behaviour displayed by the manager in achieving operational goals and managing resources. It is proposed that this dimension should represent 20% of the overall assessment. The elements must be assessed and rated against the standards that will be set in the assessment tool. The CMCs can be weighed differently to differentiate their importance.

When the CMCs are assessed and rated, the different process competencies must also be taken into account as these support the display of the desired behaviour.

<table>
<thead>
<tr>
<th>Core Competencies</th>
<th>Process competencies</th>
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<tbody>
<tr>
<td>1 Strategic Capability and Leadership</td>
<td>Knowledge Management</td>
</tr>
<tr>
<td>2 People Management and Empowerment</td>
<td>Service Delivery Innovation</td>
</tr>
<tr>
<td>3 Programme and Project Management</td>
<td>Problem solving and analysis</td>
</tr>
<tr>
<td>4 Financial Management</td>
<td>Client Orientation &amp; Customer focus</td>
</tr>
<tr>
<td>5 Change Management</td>
<td>Communication</td>
</tr>
</tbody>
</table>

Transversal processes where each process competency interact with and influence the success of each of the core competencies.
The strategic framework intends to provide a framework for norms and standards for performance management systems for employees at levels 1 to 12 in the Public Service.
Proposed Performance Management Framework for levels 1 - 12

PMDS Assessment Framework (1 -12)

- Governance & Management
- Programme Performance (KPA)
- Financial Performance
- Employee Performance (GAF)

Relevance and inclusion dependant on performer levels

Departments to design policy and instruments based on norms & standards in Strategic Framework
Issues for discussion

The following are suggested focus areas and issues for discussion
FOCUS AREAS FOR DISCUSSION

• Linking individual and organisational performance through a new assessment methodology
• Dimensions for assessment
• The rating scale and standards

• Implementation phases for SMS PMDS –
  – Consultation phase
  – Piloting phase
  – Implementation phase

• Norms and standards for levels 1 to 12
Thank you/Siyabonga