

PERFORMANCE MANAGEMENT AND SERVICE DELIVERY IN THE DEPARTMENT OF
WATER AFFAIRS AND FORESTRY (DWAF)

by

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DECLARATION

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I declare that **PERFORMANCE MANAGEMENT AND SERVICE DELIVERY IN THE DEPARTMENT OF WATER AFFAIRS AND FORESTRY (DWAF)** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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DATE

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ABSTRACT

The challenge of satisfying the demand for basic services in the current dispensation has intensified. It is anticipated that once this initial challenge has been overcome, the tide will turn and secondary services such as transfer of ownership of forestry plantations will become the new challenge. The quest for efficient and effective service delivery is paramount, regardless of whether services delivered are basic or not. This research investigation puts performance management (which focuses on individual and organisational performance), as a necessity for service delivery.

The focus was on service delivery within the Chief Directorate: Forestry in the Department of Water Affairs and Forestry. The findings demonstrated that the presence of performance management and other supporting systems does not guarantee automatic improvement in service delivery. The distinction is how effective an organisation can apply performance management in conjunction with a complete set of functional policies, systems and instruments to improve its impact on service delivery.

KEY WORDS

Performance management

Public service delivery

Measuring instrument(s)

Supporting systems

Functional policies

Strategic objectives

Balanced Scorecard

Batho Pele principles

Impact

Results orientated

ACRONYMS

BBBEE. Broad Based Black Economic Empowerment.

BSC. Balanced Scorecard.

CAS. Corporate Assessment Solution .

CSFM. Committee on Sustainable Forestry Management.

CSS. Customer Satisfaction Survey.

DG. Director General.

DLA. Department of Land Affairs.

DME. Department of Minerals and Energy.

DPSA. Department of Public Service Administration.

DWAF. Department of Water Affairs and Forestry.

FFMC. Forestry Functional Management Committee.

FMUs. Functional Management Units.

FOSAD. Forum of South African Directors-General.

KFAs. Key Focus Areas.

LRA. Labour Relations Act.

MTEF. Medium Term Expenditure Framework.

MTSF. Medium Term Strategic Framework.

NFAC. National Forestry Advisory Committee.

NFDRS. National Fire Danger Rating System.

NVIS. National Veld Information System.

PERT. Programme Evaluation and Review Technique.

PFM Forums. Participatory Forestry Management Forums.

PMDS. Performance Management and Development System.

PSC. Public Service Commission.

PSSC. Public Service Staff Code.

PSR. Public Service Regulations.

ROCE. Return on Capital Employed.

ROE. Return on Expectation.

ROI. Return on Investment.

SADC. Southern African Democratic Countries.

SFM. Sustainable Forestry Management.

SFSR. State of the Forestry Sector Report.

SWOT. Strengths, Weaknesses, Opportunities and Threats.

UNFF. United Nations Forum on Forests.

WPTPS. White Paper on Transforming Public Service.

**PERFORMANCE MANAGEMENT AND SERVICE DELIVERY IN THE
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CHAPTER 1

PURPOSE AND SUMMARY OF STUDY

1.1 Introduction

South Africa is part of the new borderless world, the so-called “global village” where there is an ongoing search to improve quality and productivity (Smit & Cronje 2002:46). In search for improved quality and productivity the public service introduced several initiatives. Examples include The White Paper on Human Resource Management (1997) and the *Batho Pele* White Paper on Transforming Public Service (hereafter referred to as WPTPS:1997), with the ultimate goal of improving service delivery. This has opened opportunities to facilitate and measure service delivery through the adoption of a Performance Management and Development System (hereafter referred to as PMDS).

Performance management is one of the “back-office operations” of the South African government which came into being as a result of the Public Service Management Framework (1999) to support service delivery mandates. In short, the aim of performance management is to generate a positive impact on productivity and service delivery by consistently monitoring and measuring performance. There is a need to instil a culture of performance management, complemented by service orientated and results orientated cadre, who are driven by the desire to deliver qualitative, effective and efficient service to clients. While the employer is expected to provide adequate support and resources to employees, the client will seek value for money on the services rendered.

The focus of the study will be on organisational performance in relation to improved service delivery in line with the requirements of the *Batho Pele* principles. The role of performance management as a pre-condition for organisational performance and improved public service delivery will be explored. For example, how has the organisation managed to progressively raise service standards as a result of the introduction of performance management? The overall contribution of individual performance to this effect will also be taken into consideration.

1.2 Stimulus of the study

The investigation into performance management is influenced by the constant political and public scrutiny of the level of public service delivery by government departments. The media report on Cabinet's review of public service delivery (Sunday Times, 2005:4), has had a small measure of influence on this study. However, it should be noted that the Cabinet Report was not available for public scrutiny at the time this mini-dissertation was compiled and as such, does not serve as the main focus of the research investigation.

The researcher acknowledges that a topic similar to this one, yet different in focus, was done previously, namely: The effect that a performance and development system can have on customer service delivery: a case study by J. Phillips (i.e. a dissertation completed in 2002 for an MBA programme at Milpark Business School, Johannesburg). The afore-mentioned research was directed at customer service staff (call centre agents) of the Bonitas Medical Fund.

The findings by Phillips (2002:103) indicate that firstly, employees at Bonitas need to feel that their own needs are being met within the organisation before they will become enthusiastic about meeting the needs of members. Notably this study focused on performance management in the private sector. However, the public service is guided by the underlying principles of *Batho Pele* and service delivery will always take place because of the level of accountability and responsiveness expected from public servants.

Another aspect highlighted by Phillips (2002:10), is that members of Bonitas may resign from the scheme if they do not receive the desired results. In contrast, recipients of public services seldom have a choice of receiving better services elsewhere. Circumstances will force them to accept whatever service comes their way.

Thirdly, Bonitas seem to be driven by "competitiveness" and the ability to sustain "growth of membership" (Phillips 2002:12). This is different in the public service where organisations are driven purely by the desire to project a positive public image and build public confidence in the quality of services rendered.

Fourthly, the research conducted by Phillips (2002:5) appears to have been done in an environment where there is no formal PMDS. This assumption is deduced from part of his synopsis which reads "The research conducted, confirmed that the absence of a formal PMDS does have an impact on the quality of the customer service".

It is clear that the environment or circumstances between the two aforementioned proposals differ and more in particular, the current investigation has been conducted in an environment

where PMDS already exists. In addition, the current research topic focuses on the public sector which is regulated by unique legislation such as *Batho Pele* (WPTPS), Public Service Regulations, Labour Relations Act, etc. Amongst other things, they provide a framework for public service employees in terms of a code of conduct and expectations of the employer in rendering services.

The emphasis is on promoting accountability and responsibility that comes with delegated powers. There is, protocol that must be maintained to ensure quality control over services rendered to clients. For example, it is a general requirement that organisations must produce and publicise annual reports on how their entities are run, their budget allocations and how much it costs to achieve objectives set out in their strategic plans in terms of PSR 2001, PART III J.1 to J3.

Provision is also made for reporting dissatisfaction regarding services rendered to authoritative bodies such as the Public Protector, Public Service Commission or the relevant Minister as a political Head of Department. Political pressure also plays a significant role as the government of the day has to maintain public confidence in the quality of services provided. A clear distinction can thus be made between the two sets of environment in which the research was conducted.

A gap exists in terms of the areas identified above and this prompts further research investigation to be conducted from a public service perspective. A previous report by the Parliamentary Monitoring Group (2003:12), as produced by the Public Service Commission also urges that measuring service delivery by way of a Customer Satisfaction Survey (hereafter referred as CSS) should be an integral part of a performance management system based on service delivery indicators. However, a Balanced Scorecard approach will be given preference in this research study in order to measure service delivery of the department in a holistic manner.

1.3 Problem statement

This evaluation study is intended to explore the correlation between PMDS and public service delivery. Whereas service delivery will always take place because of the level of accountability and responsibility or responsiveness expected from public servants, the question is how effective and efficient is the service delivery that takes place, and does it render clients with the best possible value for money?

Government departments are expected to progressively raise standards of services delivered in order to ensure client satisfaction. Criteria for measuring success should be clarified and obstacles timeously identified so as to seek solutions so that public service delivery is not stalled. PMDS is one of the instruments that can enable organisations to do just that. The Department of

Water Affairs and Forestry (hereafter referred to as DWAF) introduced and phased in PMDS during April 2001 as stated in the Public Service Regulations, 2001.

Initially, the current PMDS system ran parallel to the old system of notch profiles, merit and promotability assessments as prescribed by the Public Service Staff Code (hereafter referred as PSSC). It is the researcher's opinion that the old system mostly rewarded employees for individual efforts instead of service delivery outputs. Performance measures and standards were also not clarified. The general focus was more on processes and not results, which the researcher seeks to question, as to whether departments had a good picture of how they were actually performing or not.

Performance management brought about a new dimension from the aforesaid to a more systematic approach where individual and organisational performance has to be aligned and measured, especially in terms of service delivery. The PMDS was eventually implemented on a full scale in DWAF effective from 01 April 2003. The need now is to investigate the role of PMDS towards facilitating service delivery requirements within DWAF.

1.4 Research aims and objectives

Mouton & Marais (1992:42) state that research goals provide a broad indication of what researchers wish to attain in their research. In this study, research goals will be seen in the same context as research objectives.

The aims of this study are to:

- ❖ Examine whether existing policies, procedures and systems support initiatives for organisational performance as well as service delivery.
- ❖ Establish the extent to which DWAF has introduced PMDS and whether it has brought any significant improvement regarding service delivery in the department.

The above aims to provide answers to the following questions (objectives):

- ❖ What is the current status of the department in meeting service delivery requirements as a result of performance management?
- ❖ What gaps exist from performance management perspective to enable DWAF to progressively raise standards of service delivery?
- ❖ What are the current initiatives towards enhancing service delivery in the Department?

- ❖ Why can service delivery improvement not be sustained without a formal, integrated and completely functional PMDS in place?
- ❖ How do missed targets, unfulfilled outputs and key performance indicators impact on service delivery requirements?

Having discussed the research aims and objectives, focus will now shift to the demarcation of study.

1.5 Demarcation of study

Research should be manageable in order to focus on a specific problem, taking into account available time, finance, sample size and the abilities of the researcher (Brynard, 1997:11). This study will focus on establishing whether performance management in the department had significantly contributed to progressively raising standards of service delivery between 01 April 2003 and December 2005. This covers the period when PMDS became fully effective in DWAF and the penultimate time when this research investigation was conducted.

An analysis (content) will be made of the Strategic Plan and the Annual Report, official and unofficial documents in the department, articles as well as newspaper reports to determine the extent of service delivery and performance by the department, and which can be attributed to performance management.

DWAF as an institution has four core business areas, namely: Water Resource Management, Water Services, Forestry and Corporate Services (Multi-year Strategic Plan 2002/3 – 2004/5:3). While the three core areas perform regulatory work for the department, Corporate Services act as a strategic business partner to support the department's line functions. It renders direct services to its client base, whereas the others depend on institutions such as local authorities to carry the primary responsibility of providing services such as free basic water supply.

The researcher will limit the investigation or evaluation study to the Chief Directorate: Forestry as an organisational unit considering the feasibility and complexity of services rendered by DWAF. The Chief Directorate thus represents a unit of analysis in this investigation. According to Auriacombe (2001:44-45), a unit of analysis refers to the what of study. The what can represent an object, phenomenon, entity, process or event. She maintains that identifying the unit of analysis is another form of focusing "within a broad domain".

1.6 Sequence of study

This resembles a research plan in which the researcher indicates what he plans to do and how he plans to set about doing it (Mouton & Marais, 1992:176). This study will then be divided into five chapters which will be outlined as follows:

Chapter one will focus on the introduction and overview of the study. Aspects discussed are: the stimulus of the study, problem statement, research aims and objectives, definition of key theoretical concepts, methodology and research techniques, etc. This will form a foundation for the research proposal and the overall investigation.

Chapter two will mainly deal with the literature review based on distinguished opinions and views from various sources, and from different researchers and authors whose work is significant in this particular research field. Henning (2004:27) indicates that a literature review is often a separate chapter in a research report in which the researcher synthesises the literature on his/her topic and engage critically with it. The arguments should partly answer the central points (i.e. the aims of the study). In this way, various models and theories that can be used to understand performance management and development as well as initiatives to support organisational performance and service delivery will be considered.

Chapter three will deal with the exposition of the instrument that can be used to measure organisational performance. The researcher will also provide extra commentary on theoretical aspects provided by distinguished authors and researchers in this regard. By exploring the instrument, the researcher will adapt and design a balanced scorecard to be used later in Chapter 4 to establish how service delivery is and was sustained in DWAF.

The researcher has conducted field work, mainly content analysis as part of **Chapter four**. This was combined and followed by the interpretation of results of the research findings. Henning (2004:127) states that before you begin with an analysis, data are transcribed, which simply means that text from interviews, observational notes or memos are typed into word-processing documents. A Balanced Scorecard (hereafter referred to as the BSC) was used to review performance of the department in a holistic manner, focusing on the following perspectives; namely: finance, customer perspective, internal business, learning and innovation.

Chapter five will outline the recommendations and conclusions of the research findings. Huysamen (1994:209) states that this section may begin with a summary of the main findings. The agreement or disagreement with the findings of previous research projects should be discussed. The concluding chapter contains recommendations as to how shortcomings (if any) can be rectified, gives pointers to areas where action of some kind should be taken, and

provides an indication of areas for further research in the particular field (Brynard & Hanekom, 1997:69).

1.7 Definition of key theoretical concepts

The following key concepts will be used frequently in this research study and it is important to understand them within the context used by the researcher, namely:

Balance Scorecard (BSC): is a tool which enables an organisation to measure its performance in a holistic manner focusing on the following four perspectives, namely: stakeholders/customers, finance, internal business as well as learning and innovation. Kaplan (2000:3) states that with the BSC, public sector organisations typically opt for an operational excellence strategy – accomplishing their mission objectives at lower cost, with fewer defects, and in less time. The BSC, in particular, has a great value in the way it forces public sector managers to make choices and define carefully their mission and targeted constituents (Kaplan, 2000:4).

Batho Pele: means putting people first. It is an initiative to get public servants to be service orientated, to strive for excellence in service delivery and to commit to continuous service delivery improvement.

Performance: implies the action of *doing* things – using things, attending to conditions, processing, communicating, and achieving results (Langdon, 2000:12). All performance, first of all, produces an output (O), tangible work in the form of some product, service, or knowledge. Outputs are the variables we see from work groups, jobs, core processes, and business units. The outputs which the business entity decides to produce at business unit level must be capable of being traced throughout the business from that level through the process, individuals, and work groups.

Performance Management: Swanepoel, Erasmus, Van Wyk & Schenk (1998:404) describe performance management as an approach to manage people. Such approach entails planning employee performance, facilitating the achievement of work related goals and reviewing performance as a way of motivating employees to achieve their full potential in line with the organisation's objectives. Performance management should be aiming to clarify the organisation's needs for business performance and setting up a process which ensures that it is delivered. This can only be done with a high level of strategic alignment of all processes involved in the management and development of people throughout the whole organisation (Lockett, 1992:25). The United States Office of Personnel Management (2003:1), summarises

performance management as the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organisational effectiveness in the accomplishment of agency missions and goals.

Performance standards: Smit & Cronje (2002:393) state that a performance standard is a projection of expected or planned performance. Over a period of time, the difference between planned and actual performance is monitored to compare actual performance with the projected standard. They further indicate that performance standards enable management to distinguish between acceptable and unacceptable performance. Standards help one to measure the extent to which one is meeting one's set objectives (*Batho Pele Handbook* ...year of publication unknown: 2).

Strategy: Swanepoel, et al. (1998:209) indicate that a strategy has the following characteristics: it is long-term and future orientated; it focuses on matching or creating the necessary fit between the organisation (its internal environment) and its external environment (which is competitive and constantly changing), and it is concerned with the mission and objectives of the organisation as a whole and thus with its success within this environment of competition and change.

Strategic planning: Van der Waldt and du Toit (1998:285) state that strategic planning enables public managers to evaluate, select and implement alternatives for rendering effective service. The main purpose of strategic planning is to improve the productivity and effectiveness of an institution by analysing community needs, formulating institutional objectives and identifying steps to achieve these objectives.

1.8 Contribution of the research to the field of Public Administration.

From the background given, the researcher believes that there has not been any scientific study undertaken in the department on the proposed topic. The proposed research study will give effect to the basic principles and values of public administration as set out in Section 195 of the Constitution in relation to effective and efficient service delivery.

Furthermore, the study will contribute to the current theories and debate on the mainstreaming and institutionalising of public service delivery to determine organisational performance by government institutions. The investigation study shall seek to determine the extent to which performance management can influence organisational performance in order to enhance public service delivery.

1.9 Methodology and research techniques

Mouton & Marais (1992:ix) state that research methods and techniques deal with specific techniques or methods that ought to be used in order to produce valid research findings. The researcher used empirical data such as the departmental strategic plan and the annual report, official and unofficial documents in the department, articles as well as newspaper reports in order to do content analysis on documents. All the information collected were documented carefully and analysed to formulate conclusions based on the research.

The information was spread on a BSC to measure the organisation's performance in terms of service delivery. In order to eliminate biases, the researcher opted to "complement this with a strong theoretical base (also termed the authority argument) and a coherent convincing argument based on both empirical evidence, and the researcher's understanding and logic. It is in this articulated interpretation that the understanding and explanation of the phenomenon lie – not in the presentation of organised and rearranged data" (Henning, 2004:7).

1.10 Reference techniques used in the research

The researcher has used the augmented Harvard reference method in this study. An attempt was thus made to refer to sources of information used in the body of this research topic through paraphrasing, quotations and in the list of reference or literature review. A list of sources has been provided in alphabetical order, using but not limited to, surname of author, initials, year, title of publication or article, and place of publication, depending on the source.

1.11 Ethical considerations and dissemination of information

The researcher attempted to observe good ethical principles in undertaking this study. Brynard and Hanekom (1997:4) state that a researcher should at all times and under all circumstances report the truth, and should never present the truth in a biased manner. Permission to conduct the research was sought from relevant authorities (such as Chief Director: Forestry – Addendum 1) in DWAF as well as consent to use their sites as highlighted by Henning (2004:73).

Huysamen (1994:184) indicates that interested parties often claim access to information obtained during research. He argues that regardless of how well such requests are intended, it would be unethical to disclose such information to them, especially if the measuring instrument is still in a developmental stage. The findings in this study lead to recommendations and conclusions which form part of Chapter 5.

CHAPTER 2

OVERARCHING CONDITIONS NECESSARY FOR EFFECTIVE PERFORMANCE AND SERVICE DELIVERY.

2.1 Introduction

A very significant aspect of performance management is that it is not a single track activity. It is in fact diverse, more of a life cycle of a public organisation in the sense that it underpins every business activity of such public organisation. There is always a strong business reason why a public organisation has to carry out an activity, mainly to produce outcome(s) or deliver a particular service – which can be regarded as an end product.

The end product should be measured against four elements, namely: quantity, quality, cost or risk factors and time. For example, a product or service delivered only to meet a deadline but which is of poor quality, will leave clients not getting value for money. This view is supported by Hussey (1999:3), who maintains that customer expectations continue to rise, requiring more attention to service and quality.

Thus, it is important to explore and understand the processes around performance management and how it relates to ensuring qualitative, efficient and effective service delivery in organisations. The researcher shall therefore give an exposition on the approaches and dimensions of performance management, the relationship it assumes with development, learning and competence, aligning performance to organisational needs, the dynamics between performance management and strategy, service delivery and *Batho Pele* as well as the challenges thereof. All these are necessary conditions to ensure that effective performance takes place.

2.2 Performance management – an overview

Performance management has in many instances been given various meanings and interpretations. In order to give an explicit view of the concept, an exposition thereof is essential. The following definitions are acknowledged in this mini-dissertation:

2.2.1 Performance as a concept

According to Langdon (2000:13), performance is the actual work that is done to ensure that an organisation achieves its mission. In his view, all performance produces an output (O), tangible work in the form of a product, service, or knowledge. He also regards feedback as an essential element of performance. Feedback in relation to performance tells us: (1) that we have finished an assigned task or work, and (2) how we fared along the way.

Firstly, feedback is necessary to tell us that we have arrived at the output and achieved the consequence. The second type of feedback helps us to correct or adjust our actions so that we produce the desired output and achieve the consequence properly. In summary, performance encompasses inputs, conditions, process elements, outputs, consequences, and feedback.

Performance is the outcome of actions on the job, as well as the very actions that produce that outcome (Lefton, Buzzotta, Sherberg & Karraker, 1977:4). Performance involves inputs (the actions people put into the job) and outputs (the consequences of those actions). Performance is always tied to results and behaviour, with the latter either active or passive. In other words, whether it is through do-something or do-nothing, it can affect results either way.

Fletcher (1993:11-14) reveals two distinct ways in which people obtain results, namely the *grind-it-out mode and the high-performance mode*. He uses an example where people worry about meeting a deadline with regard to the first mode. In the second mode, people take delight in the unexpectedly good results that they achieved and wish the work could have continued. He contends that no one can operate in grind-it-out mode for long without a serious drop in performance. It is simply not a sustainable route to high performance.



He also laments that most organisations unwittingly keep employees in the first mode through various pressures, tight deadlines, management sanctions, etc. Often these result in personnel being exhausted and burnt out. Employees will respond by putting enormous effort into producing the required result. However, as soon as the goal is reached, productivity declines until the next deadline approaches.

Fletcher (1993) seems to believe in the second mode which enables organisations to achieve much higher, more sustainable performance with less effort and less stress. It involves helping people find a way to do their work that is consistent with their high performance patterns, that is, their best ways of working. In his understanding the first mode should be used as the last resort. The second mode recognises that people have unique abilities and limitations and high performance experiences occur within the realm of the personality plausibility. He contends that people can be managed in order for them to produce outstanding results. In summary, Fletcher (1993) believes that people will produce results if they are allowed, supported, and encouraged to work in the way that they work best.

Langdon (2000), Lefton, *et al.* (1977) and Fletcher (1993) recognised that performance should yield results or outputs. The results or outputs should be measurable to determine what was achieved. A distinction would then be made about the quality of the output/result. Through high performance patterns an output or result of high quality should be able to be achieved and

sustained and will make people aim for better than expected results as highlighted by Fletcher (1993). The following illustration is used by Fletcher (1993) to demonstrate the *grind-it-out mode* and *high-performance mode*:

Table 1. *Two ways of getting results*

| | |
|---|---|
|  Grind-It-Out Mode |  High-Performance Mode |
| Aims for predetermined results | Aims for better than expected results |
| Hard grinding effort | Easy and flowing |
| Exhausted and relieved when it's over | Energised and wistful when it's over |

Source: Fletcher (1993:11-14)

2.2.2 Understanding performance management

Williams (2002:1) gives a historic background of the era of performance management. In his view, performance management as a philosophy or a system came into prominence in the late 1980s and early 1990s. Although he maintains that there is no single approach to performance management (Williams, 2002:8), he also positions performance management as a system for integrating the management of organisational and employee performance.

Managing performance is a continuous process in which organisations clarify the level of performance required to meet their strategic objectives, convert them into unit and individual objectives, and manage them continually in order to ensure, not only that they are being achieved but also that they remain relevant to and consistent with overall strategic objectives (Lockett, 1992:14). He also states that the essence of good performance management is managing the 'what', 'where', and 'when' but leaving the 'how' to the person doing the work. Through performance management, it is possible to link individual and organisational performance to strategic goals.

This study shall consider performance management as articulated by Williams (2002:8). In other words, performance management includes both organisational and employee (individual) performance although, for the purposes of this study, more emphasis will be placed on organisational performance to determine the level of service delivery. It has already been

highlighted in Chapter 1 that the relationship between and the contribution of individual performance and organisational performance cannot be ignored.

It is the researcher's contention that individual performance is a foundation for organisational performance. Hence, for purposes of this investigation performance management will cover the two aspects invariably. The argument is derived from the fact that an organisation cannot on its own, turn strategies into actions or deliverables. Strategic goals of an organisation can only be achieved by involving individual employees and beyond that, manage their performance in order to realise the strategic intent of the organisation.

The ultimate strategic goals of an organisation especially in the public sector environment, is to deliver public services. It is on this basis that the relationship between performance management and service delivery is apparent. However, there is a need to investigate the extent to which service delivery can improve as a result of performance management. Various theories and models of performance management shall be explored in this chapter to inform the basis for the investigation.

The following table (i.e. 2) represents Spangenberg's Integrated Model of Performance as adapted from Williams (2002:21). It assumes that there is a connection between performance at an organisational and individual level. In other words, performance from an organisational perspective has a direct link with the individual aspect of performance.

Table 2 Spangenberg's integrated model of performance.

| Organisation | Process/ function | Team/ Individual |
|---|--|--|
| <ul style="list-style-type: none"> • Vision • Mission • Strategy • Organisational goals set and communicated | <p>1. PERFORMANCE PLANNING</p> <ul style="list-style-type: none"> • Goals for key processes linked to organisational and customer needs | <ul style="list-style-type: none"> • Team mission, goals, values and performance strategies defined • Individual goals, responsibilities and work-planning aligned with process/function goals |
| <ul style="list-style-type: none"> • Organisation design ensures structure supports strategy | <p>2. DESIGN</p> <ul style="list-style-type: none"> • Process design facilitates efficient goal achievement. | <ul style="list-style-type: none"> • Teams are formed to achieve process/ function goals • Job design ensures process requirements reflected in jobs; jobs logically constructed in ergonomically sound environment |
| <ul style="list-style-type: none"> • Continual organization development and change efforts • Functional goals (in support of organisational goals) managed reviewed and adapted quarterly • Sufficient resources allocated • Interfaces between functions managed | <p>3. MANAGING PERFORMANCE (AND IMPROVEMENT)</p> <ul style="list-style-type: none"> • Appropriate sub-goals set; process performance managed and regularly reviewed • Sufficient resources allocated • Interface between process steps managed | <ul style="list-style-type: none"> • Active team building efforts' feedback, co-ordination and adjustment • Developing individual understanding and skills; providing feedback • Sufficient resources allocated |
| <ul style="list-style-type: none"> • Annual review, input into strategic planning | <p>4. REVIEWING PERFORMANCE</p> <ul style="list-style-type: none"> • Annual review | <ul style="list-style-type: none"> • Annual review |
| <ul style="list-style-type: none"> • Financial performance of organisation | <p>5. REWARDING PERFORMANCE</p> <ul style="list-style-type: none"> • Function rewards commensurate with value of organisational performance and function contribution | <ul style="list-style-type: none"> • Rewards commensurate with value of organisation performance, and: for team – function and team contribution; for individual – function/team performance and individual contribution |

Adapted from Williams (2002:21) - Source: Spangenberg 1994 30-1

Performance management as a practice involves planning in advance how well work will be done and how it will be managed. Spangenberg (1994:29) as quoted by Swanepoel *et al* (1998:405) states that performance management can be regarded as an ongoing process that involves the planning, managing, reviewing, rewarding and development of performance.

Whittaker (2001:149) states that performance management should be looked at from three perspectives, namely employee, customer and business perspective. *Employee perspective* focuses its attention on the performance of the key internal process driving the organisation. Employee buy-in is important to maximise the organisation's achievements. *Customer perspective* considers the organisation's performance through the eyes of a customer, so that the organisation retains a careful focus on customer needs and satisfaction.

The *business perspective* has two separate sets of measures; "the *outcomes* or social/political impacts and the *business processes* needed for organisational efficiency and effectiveness". It is clear that one cannot measure organisational performance while overlooking on individual performance. The latter has a role in contributing towards organisational effectiveness.

In general, performance management involves planning (i.e. role clarification and objective setting), development of the organisation's assets (i.e. employees) and monitoring performance progress through quarterly reviews and annual performance appraisals. The illustration in table 3 also highlights the importance of development, which is vital to turn employees into future assets and equip them to acclimatise to the ever-changing work environment and its demands. The development process may be seen as a necessary input to equip employees with the necessary skills and know how to do better work and deliver work of high quality (i.e. output).

Employee's performance should be managed to get the best output possible, which should help in attaining the organisation's strategic objectives. This will then make it possible to recognise and reward excellent performance through performance appraisals. A distinction is then made on the different phases of performance management, as categorised by Plachy and Plachy (1988:i), namely: performance planning, performance review and performance appraisal. Once again, there are similarities between the main phases or components by Plachy & Plachy (1988) and the model illustrated in table 2. In the same way, the role of development in performance management must not be underscored.

2.2.3 The relationship between development, learning and performance

Mathis (1997:314) as quoted by Jain (2004:64), contends that "development can be thought of as bringing about capacities that go beyond those required by the current job; it represents efforts to improve an employee's ability to handle a variety of assignments. As such, it can

benefit both the organisation and the individual's career. Employees and managers with appropriate experiences and abilities enhance the ability of an organisation to compete and adapt to a changing competitive environment”.

Development is associated with a longer term and more complex arrangement for learning (Pepper, 1992:5). According to Fogg (1999:286), developing skills is an essential requirement to meeting growing and ever changing demands which must become management priority. Gutteridge, Shore and Leibowitz (1993:3) indicates that the development process links current job performance and future development. It begins with the current job and then relates to future goals and plans for reaching those goals.

Development is normally twofold, focusing on imparting new skills and on the other hand addressing improvement of current skills levels. Development should not only focus on “people's skills, but developing their attitudes and approaches as well” (Kourdi, 1999:264). The arguments presented by Jain (2004), Pepper (1992), Fogg (1999) and Gutteridge *et. al* (1993) centre around two aspects, mainly the benefits development brings to the employee's career, and organisational competitiveness. The focus is on job requirements and future capabilities.

Once a training need or performance gap has been identified, it is important to compile an individual development plan. Development plans can be informed by performance assessments done either on a quarterly basis or as part of annual appraisals. The type of intervention to be offered should thus be linked to functional areas of employees and business strategy. Hodges (2002:2) indicates that training programmes should focus on Return on Investment, (hereafter referred to as ROI) and Return on Expectations, (hereafter referred to as ROE). The following are the different components for a programme evaluation (Hodges, 2002:2).

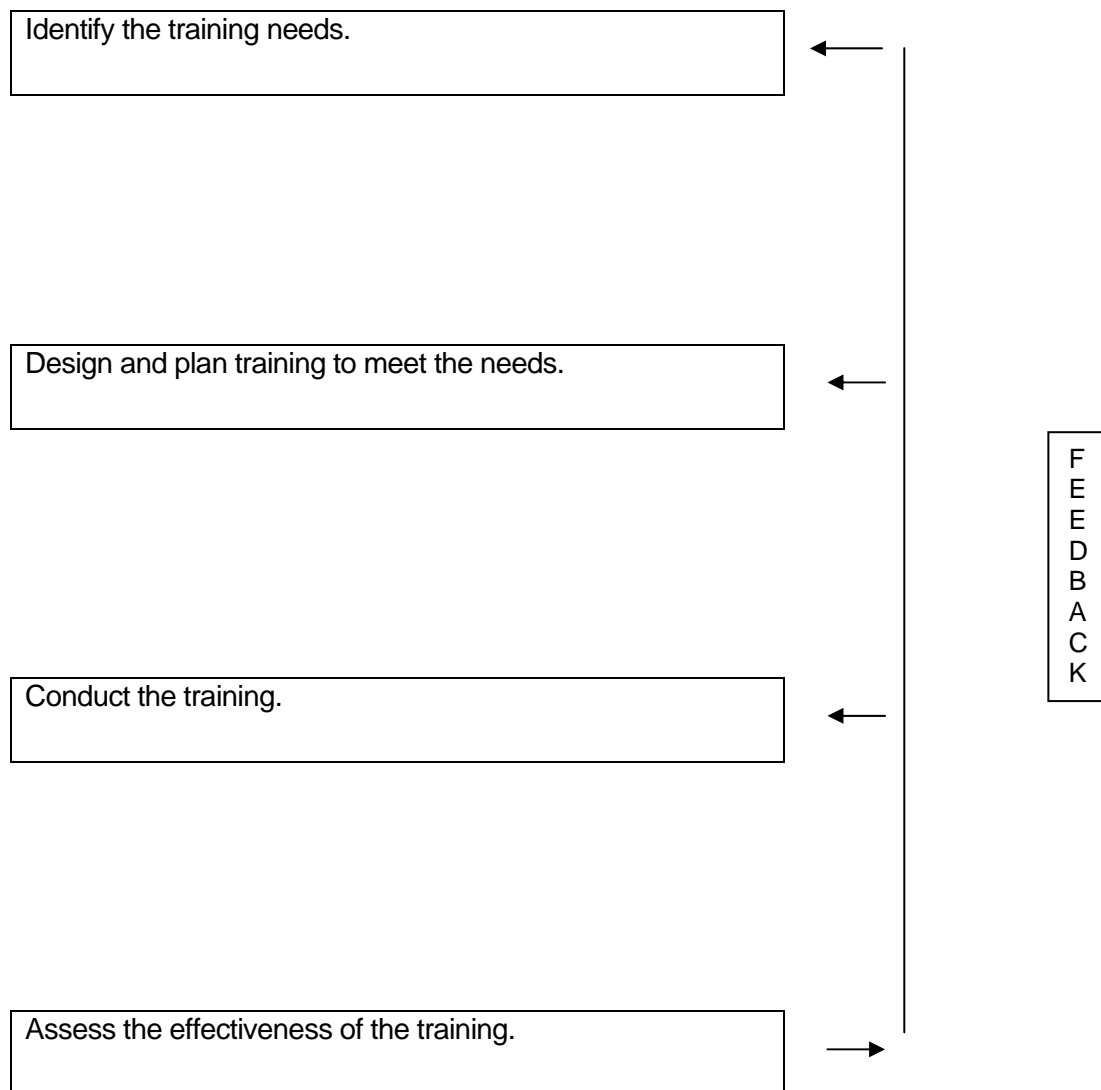
- **A needs assessment** with clear definition of the objectives of a programme addressing the question “What do they need?” In the same context, Buckley and Capple (1991) see the process of identifying training needs as vital to establishing whether there are any mismatches between the job demands and the knowledge, skills, attitudes and experience of the job holder.
- **Formative evaluation** asking the question “Will it work?” i.e. the programme. It is the researcher's opinion that misdirected training will result in more confusion to employees and a waste of resources. It is important to use appropriate techniques and also ensure that the training programme is aligned to appropriate unit standards.

- **Reaction evaluation** from participants of a programme to determine if they were satisfied with the learning event. “Often they are asked if they expect that they will be able to successfully use the knowledge or skills taught”.
- **Learning evaluation** to determine the extent to which the programme has met its learning objectives. “The evaluator tests the students to determine the extent to which they acquired the knowledge or skills specified in the programme objectives”.
- **Performance evaluation** to determine the extent to which the programme has met its performance objectives. The evaluation will determine the extent to which programme participants have been able to apply or transfer the knowledge gained in skills acquired, to the job.
- **Impact evaluation** to determine the degree to which the programme has met its business objectives and expectations of clients. Things to look at can vary from measuring output increases, cost savings, time saving, quality improvement, and ROI and ROE. This can form part of quarterly performance progress reviews to determine the impact of training and performance improvement as a result of training interventions (Hodges, 2002:2).

The question is what if performance is not happening after attending the training programme? The last two components above are critical evaluation measures to determine ROI and ROE. Hodges (2002) attributes the possibility for poor performance to lack of reinforcement from supervisors, and a lack of proper systems or other resources they need to do the job. It is thus important that supervisors and line managers enforce the last two components to ensure performance improvement interventions are effective. One such form of intervention is training.

Buckley & Capple (1991) use the following illustration for a systematic approach to training:

Table 3 *Systematic Approach to Training.*



Source: Adapted from Buckley & Cappelle (1991)

According to Buckley and Capple (1991), the first block makes a distinction between the “nice to know” and the “need to know” type of training intervention. This is where emphasis has to be made that only training that is linked to functional areas of individuals agreed in terms of performance agreements can be accorded. The second block looks into the training content of the plan. It should be designed in such a way that it addresses the needs identified through the first block.

The third block is the implementation of the plan designed to address the training needs identified. Afterwards, it will be possible to determine how effective the training has been. In comparison, the approach by Buckley and Capple (1991) and Hodges (2002) is not entirely different in the sense that they both focus on providing training that will address needs identified and will eventually seek to establish if the training provided was beneficial.

2.2.4 The relationship between performance and competence

Lockett (1992:19-20) indicates that an individual's measurable performance cannot exceed their competence. He further argues that lack of competence (i.e. applied skill and knowledge), is a barrier which may prevent people from reaching a higher level of performance. People cannot perform as well in areas where they have little ability or potential as they can in areas where they have higher levels of skill and knowledge. Competence forms part of a person's capacity to perform.

Effective managers and effective organisations balance the need to maximise current performance with the need to develop capability for the future. “Performance management therefore, needs to apply to two concepts – *performance*, i.e. the achievement of agreed targets, and *competence*, the development of the skills and knowledge required to survive in the current and future business environment”.

Plachy and Plachy (1988:xiii) indicate that employees who do not perform to expectations are not necessarily “bad” employees who intend to cause trouble; more often than not, they are employees who do not understand job requirements or who do not know how to fulfil them. The importance of competence amongst employees must therefore not be underscored.

The contention by Lockett (1992) as indicated above highlights the need to address skills development to avoid obsolescence and to discourage complacency by employees. The future competitiveness of the organisation and its ability to deliver quality services to its clients therefore depend on the level of competence exhibited by its employees.

It is therefore the researcher's position that project management becomes essential in promoting the competitiveness of the organisation. The relationship between project management and performance management is discussed in the following section.

2.2.5 The relationship between project management and performance management

Van der Waldt and Knipe (1998:74) describe project management as a set of principles, methods, tools and techniques for the effective management of objective-oriented work in the context of a specific and unique organisational environment. While performance management has already been explored extensively in the previous sections above, the focus shall be on the relationship it assumes with project management.

It is the researcher's opinion that project management techniques are useful in order to minimise setting ambitious deadlines which are unrealistic and detrimental with regard to performance achievements. The most useful technique in estimating deadlines and targets that have a scientific basis is the Programme Evaluation and Review Technique (hereafter referred to as PERT).

The table below provides a frame of reference to facilitate an understanding and practical utilisation of PERT.

Table 4: *Understanding and utilising PERT*

| | |
|---|--|
| <p>According to Van der Waldt and Knipe (1998:84-85), PERT makes constant evaluation possible because it is always visible and can be illustrated in graphs. Furthermore, it is also a useful method which produces measurable results.</p> <p>It measures both tangible, physical results such as financial statements, as well as the degree of change in attitudes and perceptions, e.g. the transformation process. Other aspects which can also be measured using PERT, include cost effectiveness, organisational capacity and operational systems, as well as determining whether work has been completed within existing policy guidelines and regulations.</p> | |
| <p>Steps followed to estimate uncertain activities</p> | |
| <p>Step 1. make three estimates:</p> <ul style="list-style-type: none"> • M = most likely duration (e.g. 3 weeks). • O = most optimistic duration, 5% deviation (e.g. 1 week). • P = most pessimistic duration, 5% deviation (e.g. 11 weeks) | <p>Step 2. Use the following formula to calculate E (estimated duration).</p> <ul style="list-style-type: none"> • $E = O + P + (4 \times M) / 6$, i.e. where 4 represents the average number of weeks in a month. • $E = 1 + 11 + (4 \times 3) / 6$ • $E = 12 + (12) / 6$ • $E = 24 / 6$, which amounts to 4 weeks. |

Source: Adapted from Van der Waldt & Knipe (1998)

2.3 Approaches on performance management

Lockett (1992:31-35) gives his perspective on performance management practices which in his opinion, focuses on “one aspect of a performance management process (normally performance appraisal) and then claim to operate a full performance management system”. He states that the work on IPM/IMS survey highlighted that the main thrust in the area of performance management for most organisations has been in performance related remuneration, an increasingly important trend in the 1980s and 1990s. Government has, however in the last few years taken an initiative towards “a competence based approach to performance and development”. These two approaches are explained by Lockett (1992) as follows:

2.3.1 Remuneration driven performance management system

Lockett (1992:31-35) outlines the merits and demerits of the above-mentioned system as well as preconditions for this system to work effectively. According to him, there must be effective measures of performance – quantitative and qualitative – as well as clear statements about the behaviour required to influence those measures. There must also be a clear sense of organisational mission with a set of critical success factors underpinning it and what performance it requires before it can design the necessary incentives to achieve it. The remuneration driven system has both advantages and disadvantages as outlined below.

Advantages of remuneration driven performance management system

- Involves measurement and is likely to be less ambiguous than other processes.
- Provides clear incentives to employees to achieve results and thus enhances motivation levels.
- The potential for directing individuals towards business objectives is high.
- Is effective in ensuring that appraisals are carried out promptly, (Lockett, 1992:31-35).

Disadvantages of remuneration driven performance management system

- Focuses on short-term business issues at the expense of long term capability issues.
- Individuals often focus their attention on their own set of accountabilities to the exclusion of the work of others, thus working against effective team-building. As such, if the system is not well designed, it could bring about unforeseen consequences as people work hard to maximise their income.
- It can be expensive if it is not designed correctly. Organisations need to ensure that they are not just paying more for an unspecified benefit – otherwise the return on the performance remuneration programme may not equal the costs of implementing the programme (Lockett, 1992:31-35).

Plachy and Plachy (1988) contend that “traditionally reward systems have failed to improve work performance”. This is mainly because “employees receive nearly automatic pay increases to the maximum of their pay range so long as they do not get fired”. It is clear that the remuneration based system can become the downfall of organisations if not well designed and managed to

benefit the organisation in the long-run. Lockett (1992) points out that there are cost implications and this is supported by Plachy and Plachy (1988).

It is the researcher's opinion that organisations must consider it important to reward excellent performance in line with achievements that contribute towards strategic objectives. The focus should be on the value added in the course of fulfilling an organisation's mandate. In this way, the balance is kept between the costs incurred in maintaining the well being of staff members and the return on expectations (e.g. maximum productivity levels, high level of service delivery and improved customer satisfaction). Organisations must aim for long term benefits to remain competitive and sustainable in the labour market without disadvantaging themselves.

2.3.2 Development based performance management system

The central aim of performance management is to develop the potential of staff, improve their performance and through linking an employee's individual objectives to business strategy, improve the company's performance, Incomes Data Services (1992:1) as quoted by Williams (2002:19).

Lockett (1992) maintains that over the last decade, this approach has been encouraged through various government sponsored initiatives, and bodies such as Management Charter Initiative have used the approach as a basis for training, assessment and appraisal. A distinction should be made between competence and competency.

Competence "relates to what people need to do to perform effectively in their current role", while competency "relates to the potential to transfer those skills to other areas". In his view, both factors are critical in relation to management of performance. Competence is a necessary condition of performance. People can only perform well if they have the necessary skills and knowledge to do the job.

Competency is a key capability factor. People can only develop new skills if they possess the personal characteristics which can be transferred into higher quality work. It is clear from the argument presented by Lockett (1992) that over the years, organisations have battled with the holistic implementation of performance management. If only performance appraisal is given priority, then the purpose of performance management and development systems is defeated.

A balanced approach is ideal in a sense that during performance appraisals “the rating errors” will be minimised or avoided. Swanepoel, et al. (1998) advocate “total objectivity” during performance appraisals. This implies the practice of conducting performance appraisals with little or no influence on factors not directly related to the employee’s actual performance or work related behaviour.

This ties in with the contention by Plachy and Plachy (1988) that change in human performance starts with a focus on required results instead of the behaviours that produce those results. Actual performance thus becomes a primary requirement, whilst work related behaviour becomes a secondary requirement.

2.4 Why the concept performance management?

In order to understand the concept performance management (especially in the public service), it is important to trace its origins and how it links with service delivery. According to Future Watch (2004:52) “Legislation, policy and regulations drive the delivery of public services. Inappropriate policies and regulations can produce red tape that severely hampers public service delivery.” The following are key aspects to be considered in this research study:

2.4.1 Mandatory requirements regulating performance management and service delivery

The Public Service Management Framework (1999) provides for a number of legislations or Acts which make it possible to regulate the business activities of government departments and other statutory bodies responsible for public service delivery. The following are important with regards to performance management and service delivery:

White Paper on Transformation of the Public Service 1997

Van der Waldt and Du Toit (1998:384-5) highlight the following guidelines emanating from the WPTPS, namely: (i) service orientation and the delivery of high quality services, (ii) responsiveness to the needs of the public, (iii) objective-orientedness and productivity, (iv) holistic, integrated and well-coordinated service delivery, and (v) honesty and transparency. These are just a few guidelines that directly relate to service delivery.

Public Service Regulations 2001

According to the Public Service Regulations (hereafter referred to as PSR) 2001 as amended, Chapter I PART VIII, it is required that the Executing Authority should determine in consultation with their departments, a system that links individual performance to organisational goals. The

first deadline for full implementation was 1 January 2001. However, the Department of Public Service Administration later decided that in order to allow compliance by departments, the implementation date be shifted to 1 April 2001.

Chapter 1, PART V. A.1 (a) of the PSR indicates that remuneration in the public service shall aim, within financial constraints, to support efficient and effective service delivery and provide appropriate incentives for employees. Furthermore, PART V. A.2 (d) requires that in determining an employee's salary, an executing authority shall take into account the employee's performance.

Skills Development Act 1998

In relation to the Skills Development Act, emphasis should be placed on employee development. The key feature of performance management is that it is developmentally orientated and hence provision is made for employees to have Personal Development Plans to help them improve current skills levels or acquire new skills in order to be competitively sustainable.

Skills Audits to determine gaps between the job requirements and the incumbent links up with development requirements of performance management system by Williams (2002), Lockett (1992) as well as Plachy and Plachy (1988).

Labour Relations Act 1995

The Labour Relations Act 1995, Schedule 8 makes provision for dealing with incapacity and poor performance by employees. In a way, it is not possible to solely dismiss an employee based on a work plan or performance agreement but it may be used as proof of incompetence. In general, management of poor performance shall be informed by the Labour Relations Act and other relevant Collective Agreements.

The connection is made between what happens if training interventions are unsuccessful and the level of competence of employees does not improve. It has already been indicated that competence is a necessary condition for performance. If all possible avenues of remedying underperformance have been undertaken, it is only fair for employers to invoke incapacity procedures as contemplated in the Labour Relations Act.

***Batho Pele* White Paper on Transformation of the Public Service 1997**

The *Batho Pele* White Paper on Transformation of the Public Service lays down the norms to ensure that the eight principles of *Batho Pele* are put into practice. The *Batho Pele* concept and

all its principles should also be considered here. Further investigation should focus on how it links with performance management and this shall be elaborated on in paragraph 2.4.2 below.

2.4.2 Linking performance management to *Batho Pele* principles

Batho Pele is an initiative adopted in the public service through the Department of Public Service and Administration in 1997. It is a Sesotho adage meaning 'People First' WPTPS (1997). According to Du Toit (2001:105), the principles of *Batho Pele* provide very specific guidelines to public servants in terms of which they must have regard for the rights of those whom they serve.

Batho Pele is a deliberate strategy to instil a culture of accountability and caring by public servants (Rapea, 2004:98). The emphasis is on the needs of clients, especially the general public as recipients of public services. Underpinning this legitimate right is the fact that taxpayers' money is involved and thus, the client has to receive value for money in return in terms of the quality of services rendered.

According to Du Toit (2001:109), essential to have 'guiding principles' for public officials on how to 'conduct their work within a particular framework or environment in which they work'. Rapea (2004:98) maintains that the driving force behind *Batho Pele* is to ensure that public servants 'become service oriented, strive for service excellence, and commit to continuous service delivery improvement'.

The general guidelines for ensuring that public servants conduct their business activities in a way that promotes the *Batho Pele* spirit are spelt out through the following eight national principles:

- **Consultation.** Citizens are regarded as the custodians of services and the reason why the public service exist. Thus, citizens or any other recipient of public services should be 'consulted about the level and quality of services' they receive. Room should also be made for them to have a choice regarding services offered to them to generate adequate satisfaction levels. See also section 152(1)(e) of the Constitutional Act 108 of 1996.

It has already been indicated by Phillips (2002:10) that in the case of Bonitas members, they may resign if they are not satisfied with the level of service offered by the scheme. However, it may prove difficult for recipients of public services as their choices are limited because public service providers tend to enjoy a monopoly through legislation regulating preferred suppliers. The choice may go as far as what their needs are in terms of priority and not who the supplier should be. Once a supplier is allocated, it becomes virtually impossible to choose the same service elsewhere within that area.

- **Service standards.** Recipients of public services should be told about the 'level and quality of public services' to be received so that departments can be held accountable for promises they make. The performance of organisations can thus be measured accordingly.
- **Access.** All recipients should be guaranteed equal access to services provided by the public service.
- **Courtesy.** Recipients of public services should be treated with respect and consideration.
- **Information.** Full, accurate information should be made available to recipients of public services with regard to the type of services they are entitled to.
- **Redress.** A full explanation must be provided if a promised standard of service was not delivered and a new date of delivery be given to remedy the situation.
- **Value for money.** All public services rendered should provide the best possible value for money.
- **Openness and transparency.** All public service activities should be open to scrutiny and officers in charge should be made known to the public (Van der Waldt 2004:89-90).

Although the *Batho Pele* White Paper places much emphasis on serving the public interest (i.e. citizens), especially those previously disadvantaged, this research will not be limited to that but will focus mainly on Forestry stakeholders in general. It is the researcher's opinion that the *Batho Pele* initiative applies equally to these clients (WPTPS 1997).

The then Minister of Public Service Administration Dr Zola Skweyiya, recognised that standards of service cannot be raised overnight (WPTPS 1997). Several initiatives have therefore been put in place to raise the bar on the standard of services to be rendered. This includes, but is not limited to the performance management and development system, the key focus of this research.

One of the grey areas which were identified in the WPTPS as an impediment to the vision of the public service was the rule bound systems which were encouraged by inward-looking, inflexible attitudes. However, the establishment of the Public Service Management Framework (1999) makes it possible to address this. Departments have since been encouraged to develop policies, directives and guidelines customised to suit their own needs and environment. This by anticipation should promote service delivery requirements.

The DPSA Report (2004:75-76), which focuses on *Batho Pele* Implementation in the public service, already reflects on the shortcomings of the current performance management system as implemented by various departments, especially the focus on individual performance rather than institutional (organisational) performance. The research investigation shall take into cognisance the role of individual performance but, emphasis shall be placed on organisational performance and its influence on service delivery. Hence, the focus of the research shall seek to investigate the significance of the PMD System in considering the findings by DPSA and the extent to which progress has been made after the introduction of PMDS and the release of the *Batho Pele* Report.

According to Rapea (2004:98), the starting point is to integrate *Batho Pele* into departmental strategic plans as the driver of strategy. Furthermore, he states that the best link between performance management and *Batho Pele* is the development of realistic, measurable performance indicators. Furthermore, it involves the allocation of responsibilities to teams and individuals for development of their performance contract (Rapea, 2004:99).

The manner in which *Batho Pele* principles can be integrated into operational plans has been simplified through a tangible belief set that guides behaviour, namely: *We belong, We care, We Serve*. Additional efforts to mainstream and institutionalise *Batho Pele* have been documented in the DPSA Report (2004:75-76). Emphasis is placed on the need to close the gap between individual and organisational performance and as a result, the process of developing a *Batho Pele* Service Excellence model has been reported to be underway. The following is a brief summary outline of the new belief set:

We belong

Focuses on people who deliver services to clients. The departmental strategy must articulate for example, how it is going to improve the skills of its employees, how excellent performance will be rewarded and how poor performance will be dealt with. In this case, employees like to feel that they are valued (Rapea, 2004:99).

We care

Focuses on internal and external customers. It is about caring for the people we render services to and treating them with dignity and respect. Against this backdrop, there is a significant difference between the findings by Phillips (2002:13), i.e. that Bonitas employees feel that their needs should be met first. Although public service employers can equally be expected to recognise the needs of their employees, the priority focus should be on the recipients of services as customers are the main reason for an organisation's existence.

We serve

The focus is on anticipating customer needs, offering integrated service delivery and going beyond the call of duty that is, putting people first. The expectation is that service levels have to be improved. It is also important to harness the benefits that come with a good performance management system in an organisation. This provides a good measure of what the process involves of enabling all stakeholders to identify with the bigger picture.

2.4.3 Benefits of effective performance management

Lockett (1992:15-16) indicates that effective performance management has the following benefits,:

In as far as top management is concerned, they would be able to get on with their job of setting objectives for the organisation whilst managing relationships with external bodies, that is, customers, politicians, regulatory bodies and shareholders and translating their requirements into objectives for the organisation.

With regard to managers, it will help them gain a full understanding of the organisation's mission, set targets and standards for their team and delegate work, freeing themselves to concentrate on strategic planning and the continuous improvement and development of their operations and team work.

For other people within the organisation – improved management of performance should result in clearer targets and the freedom to work autonomously to achieve these targets, with the right level of support from management, i.e. improved personal self-development.

For support functions, objectives which come from a centrally agreed business plan are more likely to give an alternative *raison d'être* rather than the pursuit of their own specialised agenda. Most line/staff conflicts can be traced to lack of shared objectives. These relationships need to be managed by a form of performance contract, so that professional competence can be focused on agreed business objectives and not dissipated on other side issues (Lockett 1992:15-16).

In as far as customers are concerned, clear performance management should enable the organisation to deliver its customer promise more consistently by converting customer needs into workable plans of action.

It is all fine to develop strategies, but without a workforce that is competent and able to translate the mission of the organisation into action and measurable results, the organisation cannot be

competitively sustainable and the continued existence of such organisation is questionable. In order for such organisation to become competitively sustainable, people employed within the organisation should be developed – in terms of existing competencies and future needs, and performance should be managed and monitored against the objectives of the organisation.

In short, all the planning efforts by any organisation should be translated into action and the best way of ensuring that this happens, is to manage performance of its workforce and to maintain strategic focus. A well managed performance management and development system ensures that all stakeholders in and around an organisation benefit immensely as highlighted by Lockett (1992).

2.5 Aligning performance with organisational needs

De Waal and Fourman (2000:44-45) contend that to make organisations, departments and teams work effectively, managers have to align and co-ordinate their activities. They state that the reality is usually that different people within the same organisation are pulling in different directions. The result is there is no synergy because efforts cancel each other. In contrast, there is maximum synergy when “everyone’s actions are aligned”.

To align an organisation with strategy takes clear articulation and communication of the vision and strategy and ensuring that people deliver on this strategy. It also takes an efficient infrastructure, consisting of a performance management process and information systems that monitor performance against the strategy and that keep everyone informed at all times.

This contention can be compared with an example of a soccer team with eleven players who have to compete with one goal in mind (i.e. to get a result by winning a match). This can only happen through a collective effort and any act of selfishness may not yield the expected results. The same applies to any organisation, its employees and its business activities. Without proper co-ordination, their efforts will cancel each other, hence the need for proper alignment of activities.

There are four performance levels, namely: business unit, core process, individuals (jobs) and work groups as identified by Langdon (2000:4-7). Business units are administered by chief executives whose job is to “run” the business and to ensure that every level of performance that follows is aligned to the business unit. The *business unit* provides the link between customers and their needs and the people whose work it is to meet those needs. To achieve these business needs, a second level of performance is needed, namely: *core processes*.

If the business units represent the “what” of business and performance alignment, then the core processes is the “how” of performance from a business performance perspective. The *core processes* demonstrate the interdependency among the many levels of performance – namely people and their systems and resources. When the interdependency is not understood, work is fragmented, resulting in wasted time and money, and worst of all, a forgotten customer. To achieve the core processes, we need *individuals*, who are assigned “jobs” – their performance – based on the core processes, which in turn are based on the business unit.

All jobs must be aligned to the business unit(s) and core processes. *Work groups* are needed in business because individuals must pool their individual work production with others to meet the needs of clients. Resources are always limited and need to be shared as well. Work groups are sets of individuals who are administratively organised to work in common process-related disciplines to produce outputs (Langdon, 2000:20).

In order to align the performance of the business, the output must link from the business unit to the other levels (Langdon, 200:12). Alignment refers to ensuring that all work in the organisation is direct, measurable, and in obvious support of the corporate strategy (Fogg, 1999:273). Normally, a top-bottom approach is followed. From the top of the organisation to the bottom, workers' strategic and operating activities must be aligned with the organisation's strategic plan.

De Waal & Fourman (2000), Langdon (2000) and Fogg (1999) take cognisance of the power of alignment. They contend that there is a direct inter-changeability of roles by an organisation, its business processes or activities as well as its employees. Each one of them has an input to make and combined, an output is generated and a value chain created.

It is the researcher's view that understanding how the four performance levels work, contributes to the strengthening and coordination of business decisions and activities. However, it is also necessary to consider various dimensions which can have an extreme influence on performance management processes within an organisation. This is important to ensure that an enabling environment exists in an organisation in order to promote effective performance management and service delivery.

2.6 Dimensions of performance management

Effective performance management in an organisation depends on numerous factors. It is important to give an exposition of value drivers necessary to lay a solid foundation for the performance management process. It is the researcher's observation that the process shall be disorientated and incomplete if the following aspects receive inadequate attention:

2.6.1 Organisational culture and organisational performance

Williams (2002:40-41) highlights the importance of organisational culture and performance management. In his opinion, “organisational culture affects organisational performance” and “a ‘strong’ corporate culture facilitates goal alignment”. To emphasise this argument, he quotes Martin (1995:377) to highlight the characteristics that characterise a ‘strong’ culture, namely (i) consistency (ii) organisation-wide consensus, and (iii) clarity.

The three characteristics are embraced within what is termed as the integration perspective on organisational culture and revolve around a set of values. The meaning attributed thereto, assumes that consistency is one of the values which should be practiced by people at the higher level in carrying out the mission statement. The organisation-wide consensus is presumably generated by a variety of cultural manifestations. Clarity is seen within the context of what the organisational values are and should be, and what behaviours are preferable (Williams 2002:40-41).

The researcher thus supports the arguments presented by Williams (2002), as quoted in Martin (1995). The rationale is that strategic direction starts at the top and filters down to the last layer of ranking officials. This is attributed to the “corporate-culture school” argument that “it is the responsibility of senior managers to change them” (i.e. cultures).

According to the research by Kotter and Heskett as quoted by Williams (2002:44), ‘a culture is good only if it “fits” its context’. Williams (2002) further states that more research done in the UK (Ogbonna and Harris 2000), shows some measure of consistency with the Kotter and Heskett findings in that cultures which are ready to meet new challenges tend to be strongly associated with organisational performance.

The work of Kotter and Heskett (1992) is also held in high regard by Brown (as quoted by Williams, 2002:46). He articulates the argument that “the multi-faceted nature of performance is given greater emphasis today”. It is also the researcher’s opinion that the exposition and argument presented by Brown (Williams 2002:46) correlates with the statement in the introduction of this chapter that performance management is not a single track activity.

2.7 The four critical layers of performance

Performance has several layers to it, which also must be aligned with business (Langdon, 2000:8-9). There are four critical layers of performance, namely: behaviour, standards, support and human relations. According to Langdon (2000), all these are found in, and also influence

each of the four performance levels highlighted above and “each of these levels and layers must be aligned”.

Langdon (2000) describes *behaviour* as the act of doing things and it is also deemed the first layer of performance. Individuals behave or should behave in a certain way to accomplish their duties. They are expected to produce quality work, use resources effectively, and follow guidelines and processes to achieve desired results. All behaviour must rise to certain *standards*. The work produced can also be measured according to a certain amount, completed within a given time frame and according to a specified level of customer satisfaction.

Standards exist for a number of reasons. They protect the organisation and its people. They project the activity level, cycle time, cost, volume, and so forth needed to keep the organisation in business. Standards are an integral part of performance and should be aligned throughout the organisation. Thus the behaviour of employees in an organisation has a direct impact on its service standards. For example, employees who lack drive, passion and commitment to their work may lack initiative, fail to meet target dates and show very little regard for the importance of value contribution in whatever they do. Thus, the connection between the first two layers is clear.

The researcher firmly supports the view by Langdon (2000) that the next layer is the *support* provided by business. He maintains that without adequate support, desired behaviour and standards are difficult, if not impossible, to achieve. Every kind of performance needs support. Amongst the few examples used by Langdon (2000) is that processes need adequate and timely resources, and that business units need methods to keep on top of changing demographics, technologies, and shifting marketplaces. Bearing in mind the three layers of performance indicated above, the final layer which has a high impact on performance is *human relations*.

In his assertion, Langdon (2000) argues that executives, managers, and co-workers can affect performance behaviour by their attitudes, temperament, and prejudices. They may keep desired behaviour from occurring, prevent standards from being reached, and circumvent the support that is in place. From the above, the researcher’s position is that it takes more than just conforming to daily or routine instructions and carrying out operational activities to guarantee the achievement of the strategic objectives of an organisation. Behaviour, standards, support and human relations are essentially as important as having a well documented strategic plan.

2.8 Strategic planning and performance management

It is important to understand the connection between strategic planning and performance management. A strategic plan provides a framework for the organisation’s focus on achieving

set objectives over a specified period. In order to influence the organisation's success or failure in achieving these objectives, a performance management system is necessary to provide management with a degree of measurement with which to establish how well the objectives have been attained. It is the researcher's view that this can be done by identifying key milestones or performance indicators to measure progress, and a responsible person should be tasked with this responsibility.

It will now be possible to convert this into an individual performance agreement and work plan. This means that an organisation's strategy is matched with the competence levels of individual employees in order to realise its objectives. Costello (1994:3) as quoted by Williams (2002:15) indicates that performance management supports a company or organisation's overall business and/or organisational goals by linking the work of each individual employee or manager to the overall mission of the work unit.

2.8.1 Strategy as a concept

A strategy is a shared understanding about how a goal is to be reached (Whittaker, 2001:149). The management of organisational performance must relate to achieving today's targets to ensure survival whilst also making plans to prepare for tomorrow's challenges. (Lockett, 1992:19) and Kourdi (1999:247) indicate that a strategy goes right to the central vision and aspirations of the organisation, guiding its future.

A strategy is one of the emerging business trends today. Organisations are able to examine where they are currently, and preview how the future will affect their existence or whether they can sustain their competitiveness. In summary, Whittaker (2001) sees a goal in a strategy, whilst Lockett (1992) believes that survival can be maintained by planning to deal with tomorrow's challenges and Kourdi (1999) sees a strategy taking us to the future.

2.8.2 The essence of strategic planning process

Kourdi (1999:251) indicates that the purpose of the strategic plan is to produce results that realise the vision of the organisation. This means continuous improvement and development of the organisation, and continuous measurement of progress against the business plan. It is a live process where an attempt is made to improve things the organisation has control over. A manager's key responsibility within an organisation is the conversion of corporate strategy, customer requirements, shareholder's needs and all the other strategic issues into achievable action plans for their team (Lockett, 1992:20).

Strategic planning is normally done by top management in order to ensure the long term survival of an organisation. Managers from the various levels of the organisation will then give input in the form of tactical and operational plans to carry out the objectives of the organisation as outlined in the strategic plan. Since the strategic plan is future orientated, it must be clear to all layers of the organisation and they must be able to understand it so as to focus their energies towards the realisation of this plan.

In short, it focuses on the future and how to change the present, by seeking innovative ways, new technology, systems and processes which are relevant for the future. It is the researcher's argument that the following critical elements are essential to a good strategic management and planning process, and this is supported by Van der Waladt and Du Toit (1998:281-286), as well as Van der Waladt and Knipe (1998:15-23), namely:

- Clarify the institutional mandate in order to formulate a vision and mission statement.
- Perform an environmental analysis which entails scanning the internal environment for strengths and weaknesses as well as the external environment for opportunities and threats, commonly referred to as the SWOT analysis.
- Formulate long-term goals and choose strategies that will lead to achievement of those goals.

In retrospect, all public entities have to use the above pointers as reasonable guidelines in their strategic planning exercises. It is therefore important to look at how government departments are affected by this process in general terms. Section 2.8.3 below gives an exposition of the integrated strategic planning process in government and how performance management features in the process.

2.8.3 Government's integrated strategic planning process and performance management

This process centres around multiple pillars, which eventually inform performance at the individual level. According to Rapea (2004:99), management of performance begins with the departmental strategy, which is informed by the government programme of action set out by Cabinet. Central to the whole process is the President's annual state of the nation address in February each year, followed by the Premiers' state of the province address. For example, the State President made the nation's address on the 3 February 2006. This is the basis for other provincial leaders to prioritise service delivery areas to support the presidential mandate.

The state of the nation or provinces' address set out the programme of action which becomes a mandate for various national and provincial departments. It is on this basis that the departmental strategic plans are built around and eventually culminate into individual performance agreements and work plans. The stage is then set for service delivery and performance to be managed in line with the overall departmental strategic objectives. The following illustration (Table 5) outlines the government's integrated strategic planning process.

Table 5 *Government's Integrated Strategic Planning Process*

| PERIOD(S) | EVENT(S) |
|-----------------------------|--|
| September/October | <ul style="list-style-type: none"> • Departments develop medium term strategic priorities with measurable indicators. • Strategic plans submitted to the Presidency by end of October. |
| Mid November | <ul style="list-style-type: none"> • Cluster level integration, DGs. • Clusters develop relevant priorities and indicators. |
| Mid December | <ul style="list-style-type: none"> • FOSAD produces draft Medium Term Strategic Framework. |
| January | <ul style="list-style-type: none"> • Cabinet Lekgotla. • Cabinet approves the MTS Framework. |
| February | <ul style="list-style-type: none"> • President's state of the nation address. • Communication campaign to inform the South African public about the contents of the medium term priorities. |
| February/March | <ul style="list-style-type: none"> • Consultation with provincial and local government. • Premiers' state of province address follows. |
| March/April | <ul style="list-style-type: none"> • Departments start their planning and budgeting in order to submit their MTEF's to the Treasury by the end of June. • The MTS Framework approved in January informs the budgeting process for the next financial year well in advance. |
| Mid-financial year/year end | <ul style="list-style-type: none"> • Monitoring and evaluation. |

Source: Author & publication year unknown.

The above Table (5) highlights the critical importance of strategic planning by government institutions in order to prioritise services to be rendered in order to fulfil their constitutional mandates. It is thus essential to understand the process of strategic management as a holistic process and its key features.

2.8.4 Understanding strategic management holistically

According to Hussey (1999:1), strategic management is the process by which the long-term aims, strategy and its implementation are managed. It is thus as much concerned with the human aspects of management as it is with markets, factories and finance. It captures both strategy and strategic planning and moreover, “the way in which strategy becomes the driving force of the organisation”.

Sometimes a strategy will deliver good results in the short term, but will leave the organisation weaker thereafter (Hussey, 1999:6). Hussey indicates that a strategy should not be expected to last forever. There is a point where a strategy has to be fundamentally changed or even abandoned. That is why the monitoring and evaluation of performance progress against strategic objectives must be prioritised. In this way, strategic plans are reviewed to make them relevant to key political or strategic goals of departments.

2.8.5 Strategy implementation difficulties

Mike Crosbie, Head of Strategy at UNISA’s Graduate School of Business Leadership indicates the following aspects which contribute towards strategy implementation difficulties:

- People cannot implement what they don’t know.
- People don’t implement properly what they don’t understand.
- People don’t implement what they are not committed to.
- People give up a strategy of which the implications have not been anticipated.

In order to counter the above, Crosbie (2003) indicates that employees should be partners in implementing strategy and that implementation must be addressed at the beginning of strategic planning and not later on. Flaws in the planning process such as failure to specify in detail the work required to execute strategic planning result in downstream problems with the implementation.

This assertion is supported by Hussey (1999:1) when he asserts that a strategy which is formulated without any thought about how it can be implemented is unlikely to succeed. In

addition, Nel (2004:18) highlights that often projects fail because strategic issues are overlooked or poorly analysed. Central to this is identifying the business issues that need to be addressed with a performance improvement strategy and what the underlying performance problems are. According to Nel (2004:18), a distinction has to be made between whether problems need to be solved at societal, process or people based level?

2.8.6 Critical elements for strategic success

Hussey (1999:11-15) emphasises that there are five elements that an organisation must have if it is to achieve lasting strategic success, namely:

- Analysis – information is collected and analysed at various stages in the strategic management process, and if this is neglected or done badly, the strategic decisions may be flawed. Hussey (1999) identifies four distinguishable points where analysis is required, namely (i) as a basis for strategy formulation; (ii) the evaluation of strategic options, i.e. how this option will fit in with the rest of the corporate strategy, the assessment of expected results and the financial analysis option; (iii) development of an implementation plan for the strategy and, (iv) reassessment of the option in the light of its outcome.
- Creative strategic thinking – an input towards excellence and setting a good strategy.
- Strategic decision process – looks at the process by which strategic decisions are reached which may be influenced by environmental factors and the culture of the organisation.
- Implementation - there might be a carefully thought-out strategy in place but if it is not implemented properly, management cannot identify shortcomings towards success. Implementation requires an intensive monitoring and control approach, so that it is possible to know whether the organisation is on track or on course towards realising its set objectives.
- Capabilities of decision leaders – if management is poor or inadequate, the strategic management is likely to disappoint, even if attention appears to be given to each of the four elements above. In essence, it is the researcher's opinion that the process of managing strategy is incomplete unless the leadership of the organisation is decisive on matters. Capabilities of decisive leaders should contribute towards minimising turnaround times of services to be delivered (Hussey 1999:11-15).

2.9 Concepts used in service delivery and performance management

Whilst performance management has been widely scrutinised in this chapter (i.e. from sections 2.2 to 2.7 respectively), it is also crucial to have a good understanding of what service delivery entails. This section will give an exposition of how service delivery links with performance management.

2.9.1 Service(s) as a concept

In order to understand the concept clearly, the meaning of the words *service* and *delivery* will be discussed. The Collins Paperback English Dictionary (1993) articulates the meaning of service in a number of ways, namely: an act of help or assistance, an organisation or system that provides something needed by the public: *telescopic phone*, availability for use by the public: *the trams are no longer in service* and lastly, a department of public employment and its employees: *civil service*.

The same dictionary defines services as work performed in a job: *your services are no longer required* and a system of providing the public with something it needs, such as gas or water. Practical general examples in the public service which are commonly known are health services such as Emergency Medical Services, health care services, etc. However, this mini-dissertation will not elaborate much on the details relating to services rendered by the Chief Directorate: Forestry. This has already been highlighted in Chapter 1. It is the researcher's argument that for these services to be rendered, the performance of employees has to be properly managed.

2.9.2 Deliverable(s) as a concept

Langdon (2000:12) describes outputs as synonymous with deliverables of performance. Furthermore, he contends that an output is the reason for the existence of a business or organisation. He further states that all output has a consequence, the result of the output being that which is delivered. He explains that to produce output and consequence we need reason and resources, called inputs such as materials, ideas, knowledge and equipment.

Both reason (or triggers) and resources are inputs because they are used to produce the output and achieve the consequence. First, we need the reason for doing the performance, which comes in the form of a request of some kind. For example, the business unit identifies a customer need. An order initiates a core process to deliver what the customer wants or a work group receives its assignment to meet this need. A manager asks individuals to do their part to produce the output. These are all (internal or external) client requests or triggers to start the performance.

2.9.3 Service delivery as a concept

Service delivery as a public service management issue has taken centre stage as the country and its state organisations strive towards providing a better life for all. More emphasis is put on the quality of services delivered to the general public and other clients receiving any form of service from government organisations. Hussey (1999:3) contends that customer expectations continue to rise, requiring more attention to service and quality.

2.9.4 Service standards as a principle

The WPTPS (1997) requires that service standards must be relevant and meaningful to the individual user. Service standards should be informed by a consultation process so that they must be expressed in terms which are relevant and easily understood. Furthermore, standards must also be precise and measurable, so that users can judge for themselves whether or not they are receiving what was promised. Service standards must be set at a level which is demanding but realistic.

This should be the central point in using performance management. In other words, organisations must aim for a level of service which is higher than that currently offered. This entails adopting a more dedicated, efficient and customer focused working culture. As standards are met, they should be progressively raised on an annual basis and reflected as an organisation's performance through annual reports. If not met, reasons should be given as to why it was not possible and a new target date be set in line with the principle of redress (i.e. *Batho Pele*).

2.10 An exposition on the linkage between service delivery and performance management

It is the researcher's argument that service delivery is dependent on how employee performance is managed. The basis for this argument rests on articulation of the meaning of services and deliverables. In the researcher's opinion, a service delivered is an outcome resulting from actions directed at making available tangible products for disposal purposes.

Since public services are collectively rendered through government machinery commonly known as departments, collective units (comprised of employees) within this machinery have to be managed effectively, efficiently and economically. It is on this basis that the collective units are expected to perform at a particular level to measure the type of service delivered against the recipients' expectations. The level of performance by collective units will ultimately represent the level of service delivery.

2.11 Challenges on performance management

Firstly, we need to change the view that management of performance is an annual event (Lockett, 1992:37-39). He laments that performance needs to be managed more closely and some people need to have more regular reviews than others. The less experienced or those who need considerable support for example should be reviewed more regularly. This is the elementary aspect of individual performance and if not adequately addressed, it may cripple performance at an organisational level because the latter depends on collective contributions made by individual employees.

The second part which Lockett (1992:37-39) finds equally unsatisfactory is the day-to-day crisis management where targets are set daily and feedback given in the manner of a Roman Emperor appraising gladiators – thumbs up or thumbs down. This means employees are distracted and begin to focus on urgent and operational issues with less value added towards strategic issues. It becomes clear that line managers cannot afford to separate performance management from strategic management in the day-to-day fulfilment of their functional responsibilities.

The third challenge that may be attributed to Lockett (1992:37-39) is to ensure that everyone's performance is managed in all areas of their work. He states that in his experience, the traditional management approaches have focused on two sets of performers, namely: high fliers (whose career development needs must be fulfilled); and poor performers (where the performance gap needs to be reduced). The more or less standard/mainstream performers representing the majority of people gain very little at all apart from insincere thanks and the possibility of a training course as a reward for loyal service.

High fliers, who meet their targets with ease, are immediately re-targeted with a more challenging set of problem-solving exercise and an overall review of the reasons for the apparent performance gap. The mainstream performers who are meeting their performance contract are treated to a little of both – support for those areas of their work that they find more difficult, raised targets for those areas that they accomplish with ease.

It is the researcher's argument that organisational performance suffers because of this traditional approach to managing performance. The collective efforts of each and every employee must be nurtured and redirected towards better service delivery in the interest of the general public and strategic objectives of the organisation. This is where the fourth challenge is derived, i.e. the human relations part of managers, starting with the issue of reinforcement, rehabilitating their

attitudes, temperament and prejudices in order not to affect performance behaviour of employees and that of the organisation negatively.

2.12 Summary

It becomes clear that effective performance management and efficient service delivery can be achieved through monitoring and evaluation of performance. Performance goals should be measurable, clear, achievable and aligned to individual careers, organisational objectives and legislative requirements. Performance measures should be quantified and include but not limited to quantity, quality, time, cost and risk in order to facilitate performance evaluation. Performance progress should be monitored and assessed on an ongoing basis against individual and organisational goals.

The researcher views performance management like the pulse of the organisation. Decision-makers should strategise and align their business and/or organisation processes in order to achieve a desired goal. In order to realise this goal, performance management will provide a good platform towards facilitating achievement of the intended results. In most government organisations, the intended results presuppose service delivery. It provides all the necessary mechanisms for this to happen. Hence, it is not an end to a means but a reciprocal approach or process with the ultimate goal of ensuring qualitative, efficient and effective service delivery.

The critical issues discussed in this chapter revolves around two distinct ways of getting results as illustrated in Table 1, section 2.2.1. In essence, the high performance mode is ideal in order for organisations to get better than expected results from employees. The chapter also gives an exposition of various models, cycles and perspectives on performance management. The South African public service has to fulfil certain mandatory requirements which regulate performance management and service delivery, including *Batho Pele* principles which need to be incorporated into the core business of running government departments. The new *Batho Pele* belief set (i.e. we belong, we care, we serve) is closely incorporated in the discussion of *Batho Pele* principles.

The dimensions of performance management as well as the essence of strategic planning processes were also discussed to demonstrate the interrelationship between individual and organisational performance. This makes it possible for the researcher to authoritatively argue the contribution of individual performance towards organisational performance. It is important to note that the investigation focuses on the latter, which cannot be completely separated from individual performance. The two concepts must be tied together as they are central to the definition of performance management.

CHAPTER 3

TOWARDS MEASURING PERFORMANCE IN DWAF

3.1 Introduction

In this chapter, theoretical aspects pertaining to the instrument chosen by the researcher for measuring performance at organisational level will be discussed. Although the central position of performance management tends to be an employee-focused intervention (Williams 2002:30), its purpose is to contribute to the delivery of performance at the organisational level. Individual performance will thus be linked with organisational performance to determine service delivery in DWAF. The argument presented is that taken together, they set out what the organisation is to become in the long term and how that desired position is to be arrived at. They offer some statement of the organisational performance that is desired.

3.2 Measuring performance in the public service

The Public Service Staff Code was the epitome of a process orientated way of measuring performance until it was phased out in 2001. The need for results orientated planning and measuring of performance ushered in an increased demand for better ways of managing performance. The central aim of performance management is to develop staff potential, improve their performance and, through linking an employee's individual objectives to business strategies, improve the company's (organisation's) performance (Williams, 2002:19). Furthermore, Williams (2002:51) highlights the importance of vision, mission and strategy as the framework for performance management.

It is the researcher's point of view that performance management can never be excluded in an organisation's quest to realise the strategies which such organisation has set itself to achieve. A current and desired workforce performance analysis in concert with cultural due diligence will provide the necessary input for a critical gap assessment (Nel 2004:17). The assumption and understanding of the argument by Nel (2004) is that workforce performance shall inform the overall performance of organisations. This is in line with the general belief that individual performance should contribute to the achievement of the overall organisational goals. Williams (2002:46) emphasises that the multi-faceted nature of performance is currently given a broad emphasis instead of the narrow view of organisational performance.

3.3 The instrument considered for measuring performance in DWAF

After extensive exploration of a variety of instruments available to measure organisational performance in the South African market, the researcher opted to focus on the BSC. It is

important to give an exploration of the BSC because it is the foundation upon which rests the researcher's introduction of the measuring instrument to be used in this investigation.

3.3.1 The Balanced Scorecard as a measuring instrument for performance

The BSC was introduced by Robert S. Kaplan and David P. Norton in 1990. The intention was to measure both the short and long term objectives of organisations and provide a holistic view of how organisations are performing (Kaplan & Norton, 1996:viii). According to Whittaker (2001:149), a balanced approach allows one to consider all the important operational measures at the same time; letting one see whether improvement in one area is achieved at the expense of another area.

It is the researcher's opinion that the BSC allows organisations to determine what the value drivers or right things are towards achieving its mandate. Key performance indicators should be used as a basis for establishing how the organisation is doing at any specific time. The BSC translates the mission and strategy into a comprehensive set of performance measures against which performance progress can be monitored. It can be used to identify processes that must be performed exceptionally well for an organisational strategy to succeed (Kaplan & Norton, 1996:viii). Thus, it is a model for clarifying, communicating and managing an organisation's strategy. It focuses on high impact measures (Kaplan & Norton, 1996:181).

Fogg (1999:6) indicates that strategic objectives are the variables of the scorecard that measures one's success in fulfilling one's intent on items such as shareholder value, quality, service and innovation. The objectives of the organisation are broken down into four perspectives, namely: financial, customer, internal business process, learning and growth perspective. The four perspectives provide managers with a broader view of how an organisation is performing, instead of looking at financial measures only.

De Waal & Fourman (2000) use the example where an organisation is able to measure itself on the value created by people working on and in processes in order to satisfy customers and produce financial results. The following is a brief explanation of each of the four perspectives:

- The financial perspective measures the bottom line, such as growth, return on investment and the other traditional measures of business performance (De Waal & Fourman, 2000:48). It looks to the results already achieved and is therefore a lagging perspective. According to Kaplan and Norton (1996:8), front line employees must understand the financial consequences of their decisions and actions whilst senior managers have to understand the drivers of long term financial success.

- The customer perspective specifies what customers/stakeholders will be served, and how they are going to be satisfied. It measures performance in terms of how the customer experiences the value created by the organisation (De Waal & Fourman, 2000:48).

Williams (2002:48) gives an exposition of the importance of stakeholder analysis and their needs. He defines a stakeholder as those who have some interest or stake in an organisation's success and also indicates that customers (as stakeholders) have been given considerable importance in recent years. Schein (1992:53) is quoted by Williams (2002:49), as putting emphasis on the need to maintain good relationships with the major stakeholders of the organisation and to keep their needs in some kind of balance.

- Internal business perspective focuses on processes that are critical to providing value and satisfaction to customers. De Waal & Fourman (2000) content that this perspective measures the ability of the organisation to create value by implementing and managing effective processes, as well as how these processes operate (effectively). Both Williams (2002:66) as well as De Waal & Fourman (2000:48) view this aspect to reflect what business organisations must excel at to satisfy their customers.
- Learning, growth and innovation represent what is done to maintain the ability to change and improve. Organisations should look at opportunities to create a climate that ensures continuous improvement and creates value for future performance and survival. In terms of innovation, De Waal & Fourman (2000) use examples such as how often an organisation introduces new products, services (production) or techniques to give meaning to the innovation part.

Both authors also argue that some organisations replace or augment this perspective with a people perspective, which will then measure "the well-being, commitment and qualities (like internal partnership teamwork, knowledge-sharing), as well as aggregate individual qualities (like leadership, competency, and use of technology). In fairness, it appears logical to have this perspective as a combination of both learning and growth, as well as innovation, (and) people perspective. The rationale is that more weight is exerted by what people do in an organisation to learn, be innovative and steer the organisation to growth.

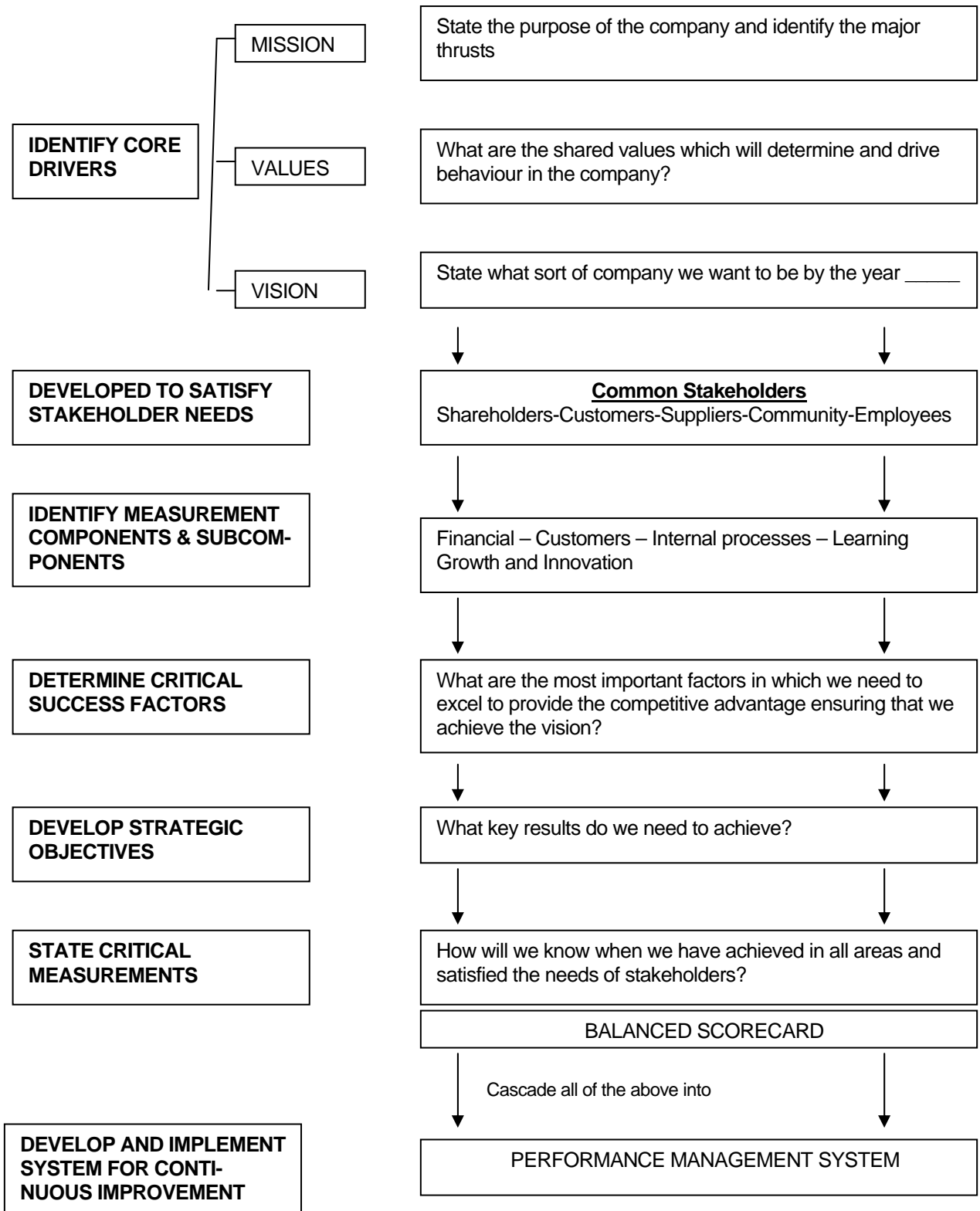
Although the balanced scorecard application and its principles are synonymously advocated by numerous authors, Atkinson, et al. (1997) as quoted by Williams (2002:66) picked up a number of weaknesses. These include the failure to pay sufficient attention to employees and suppliers or to the broader community within which the organisation operates. The emphasis is to have a

much wider range of stakeholders and performance measures, with a distinction between primary and secondary measures for each different stakeholder group.

In order to reflect on the connection between the use of the BSC, performance management and strategy, the flowchart illustrated as Table 6 as taken from one of the modules by Maccauvlei Training and Conference Centre (Human Resource Development Specialists), will be used. The flowchart represents the summary of the detailed elaboration on strategic planning and performance management under Chapter 2, section 2.8.

There is also a clear link from strategic level to individual performance at the operational level, as well as how the BSC features in between. The illustration in Table 6 (i.e. using the Balanced Scorecard to align performance management with strategy) provides a good baseline for linking performance management at different levels of the organisation.

Table 6 Using the Balanced Scorecard to align performance management with strategy.



Source: Technikon SA. Author unknown. Performance Management Module 1 study guide, p. 70 - Maccauvlei Training and Conference Centre.

In his concluding comments, Williams (2002:68) highlights that performance has come to be measured by using multiple indicators (measures both results and processes). This will address the problem statement indicated by the researcher that DWAF generally had no overall picture of how they were performing as an organisation because more focus was placed on processes than results/outputs.

The above flowchart will be read in conjunction with the requirements of Chapter 11 of the WPTPS in which case national and provincial departments need to identify – but are not limited - to the following:

A mission statement for service delivery together with service, guarantee the following:

- The services to be provided, to which groups and at which service charges (i.e. if there is any)
- Service standards, defined outputs and targets and performance indicators, benchmarked against comparable international standards
- Monitoring and evaluation mechanisms and structures, designed to measure progress and introduce corrective action, where appropriate
- The development, particularly through training, of a culture of customer care and of approaches to service delivery

In considering the limitations presented by Atkinson et al. (1997), the balanced scorecard application in this investigation shall be amended “to accommodate a wider range of stakeholders”.

3.3.2 Operationalising the Balanced Scorecard

According to Kaplan & Norton (1996:10-11), the scorecard process starts with the senior executive management team working together to translate its business unit’s strategy into specific strategic objectives. Furthermore, the BSC gives a clear distinction between the various processes that are most critical towards achieving breakthrough performance to the satisfaction of the customer or stakeholders. It also makes it possible for high-level measures to be translated into specific operational measures to promote alignment of business and/or organisational processes and also create a value chain leading towards organisational performance success.

Whittaker (2001:10), indicates that a successful Balanced Scorecard (BSC) is one that communicates a strategy through an integrated set of measurements that includes both financial and non-financial items. Therefore, it is critically important for an organisational strategy to outline what an organisation is trying to achieve and then develop the most appropriate and effective measures and indicators for measuring what was achieved. Performance progress must be monitored constantly through reports to measure achievements towards the set objectives.

In utilising the BSC approach, organisations can begin the process by identifying customers or clients. In a case where competition is desirable, the segment in which the organisation intends to compete can also be outlined in order to understand what financial results should be attained to sustain future survival. The value proposition to be offered to customers must also be outlined. This could range from customer satisfaction by providing functional and quality services, building strong customer relationships by responding to their needs, as well as maintaining a good corporate image. A direct link can be maintained between two of the *Batho Pele* belief sets, namely: We care and We belong. It is the view of the researcher that the former set focuses on both internal and external customers whilst the latter focus on anticipating customer needs and the way they are served.

Whittaker (2001:7) indicates that organisations start with analysing customer needs as part of an internal value chain analysis. This will ensure that they are able to develop new products, services and solutions aimed at satisfying those needs identified. The focus now shifts to internal operating processes that will maximise delivery of products and services in line with customer or clients' needs. Internal business objectives must focus on those processes critical towards achieving organisational success in the customer's eye. This is the basis for deriving financial objectives and measures that must be used to drive an organisation's operations effectively and efficiently, such as getting rid of assets that provide inadequate returns (Whittaker, 2001:6). The other consideration is ensuring that the budget allocations appropriated are spent accordingly.

The shift away from traditional systems has led to the need for performance improvement of organisations in totality instead of focusing on financial or internal perspectives only. This is why the learning and growth perspective is necessary. Whittaker (2001:8) indicates that objectives in this perspective provide a foundation for the other three perspectives to be achieved. He emphasises that the downside impact will be felt if the right level of emphasis on investments and attention to employees is not given. It is clear that the BSC can serve two purposes, i.e. as a strategic management system and a performance measurement system. The argument is based on the views of Kaplan & Norton (1996:25 & 44).

The following is an example of a Balanced Scorecard for Forestry as illustrated through Table 7:

Table 7 *Balanced Scorecard for Forestry.*



Source: Adapted from *The Forestry Effectiveness Scorecard, February 2004* (Global Edge Consultants).

3.4 A model for evaluating performance

The following key factors in the evaluation and management of performance are identified by Lockett (1992:49-52):

- Strategic objectives – used by Lockett (1992) as synonymous to a mission. They are collectively known as a statement of an organisation's basic purpose. The mission statement summarises the direction in which an organisation wishes to go and sets out the priorities when strategic decisions are being made.
- Inputs – are what an organisation needs in order to produce the products or services which are highlighted in the strategic objectives. They are assets, systems, people, organisation structures and information. Inputs are the capability factors in the organisation; the infrastructure in a country; and competence in relation to the individual. Williams (2002:52)

defines inputs as all the resources, employees, raw materials, energy, buildings, equipment, etc, that are required to manufacture a product or deliver a service.

- Outputs – are the services and products which the organisation produces. Outputs are purposive and therefore controllable within an organisation. They are normally the items in the organisation which attract revenue and are the basis of the organisations 'offer' to their consumers and thus are particularly measurable for the organisation and the managers within it. Williams (2002:53) holds the same view as Lockett (1992), namely that output represents that which an organisation produces or the service it delivers. Furthermore, Williams (2002:55) states that the output from one subsystem will be an input to another subsystem (or subsystems).
- Processes – are the systems and procedures which convert inputs into outputs. An awareness of the importance of process within an organisation is critical and all processes need to be subjected to critical review to ensure that they remain in line with the strategic objectives and mission of the organisation.
- Outcomes – are distinct from outputs in a particularly important way. Whilst outputs are purposive and controllable, outcomes are “consequential, the results of performance, and are outside the direct control of the organisation”.

It is evident from the above, which blocks are necessary to manage performance. It is the researcher's contention that inputs, outputs and processes are the distinct blocks that enable the organisation to realise its strategic objectives. This is made possible by identifying what the organisation needs (assets, systems, people, etc), to produce specified outputs (services, products or information) and putting the necessary processes in place. Organisational performance is affected by efficiency, quality, responsiveness, cost effectiveness and overall effectiveness (Lockett 1992: 50).

In order to enhance an understanding regarding the above aspects, the following exposition is given:

- *Efficiency*. The aim of efficiency is to get more output for the same input. Lockett (1992) contends that a product or service that no-one wants, however efficiently produced, is ineffective.
- *Quality*. It is a measure of both output and process. Lockett (1992) states that it relates to the concept of fitness for purpose or conformance to requirements.

- *Responsiveness*. Outcomes which fail to meet expectations should be remedied.
- *Cost effectiveness*. This is a comparison between outcomes and their relation to inputs. It relates to the impact of the inputs on achieving overall objectives.
- *Effectiveness*. It is a comparison of outcomes against strategic objectives, in other words, does the organisation achieve what it set out to achieve? Lockett (1992:51).

From the above it is clear that organisations and their managers should be able to identify with the true meaning of key factors that are essential in the evaluation of performance. They would otherwise be bound to evaluate and give performance recognition to achievements that are meaningless and without any value proposition to the organisation.

3.5 Summary

The old system utilised by DWAF as prescribed by the PSSC was addressed summarily bearing in mind the view held by Williams (2002:68) that performance has come to be measured by using multiple indicators (i.e. both results and processes). The BSC as an instrument for measuring performance in DWAF as well as an exposition of how the BSC can be used to align performance management with strategy was given. In order to operationalise the BSC, an illustration was given of the adapted Forestry Effectiveness Scorecard representing the key focus areas of the Chief Directorate: Forestry, as articulated in the Departmental Strategic Plan.

The key focus areas have been matched against the four perspectives that constitute the variables of the traditional BSC, namely: customer perspective, financial perspective, internal business perspective and learning and growth perspective. Furthermore, a model for evaluating performance has been discussed to incorporate other qualitative aspects essential in performance management. These elements are considered building blocks necessary for the empirical (content) analysis undertaken as part of Chapter 4 (i.e. discussion and presentation of findings).

CHAPTER 4

DISCUSSION AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter is based on evidence from the fieldwork and content analysis. It will also cover the presentation and interpretation of findings, seeking to respond to most of the central questions raised in Chapter 1, section 1.4. In essence, the researcher shall operationalise the research problem through authoritative arguments on the findings of this investigation against the backdrop of theoretical grounding and analysis based on Chapters 2 and 3 respectively. Emphasis shall be on the analysis of records (and complimented by interviews) which are significant for purposes of this investigation.

4.2 The approach used to evaluate performance in DWAF

The BSC approach shall be utilised as an instrument for measuring DWAF's performance within the broader scope of the qualitative evaluation methods as outlined by Henning (2004). The researcher shall decompose the strategic themes/objectives from the Forestry Scorecard as illustrated in Table 7 in order to measure service delivery in the Chief Directorate: Forestry. A comprehensive BSC has been attached as Addendum 2 and has been used as a basis for discussion and presentation of findings under section 4.4 of this chapter.

4.3 Institutional framework regulating the Forestry Sector

In order to understand the legislation and Acts in the Forestry Sector, the documents mentioned below were considered during the initial phase of content analysis. It is important to bear in mind that there are two overarching Acts which replaced the Forest Act of 1984 with the aim of providing the basis for Sustainable Forestry Management (hereafter referred to as SFM) in South Africa. The following is a summary of the objectives and principles of the acts as well as strategic documents to support the implementation thereof, namely:

4.3.1 The National Forests Act 1998

The main principle is to guide decision-making in managing community, indigenous and exotic forests in a sustainable manner. These include state forests, with particular emphasis on the right of public access, leasing of state forests to private companies and licensing of activities in state forests. With regard to community forestry, the state can enter into agreements with communities in order to regulate community access, usage and responsibility for portions of forests.

4.3.2 The National Veld and Forest Fire Act 1998

This Act provides for measures to adequately manage the danger posed by fire. It consists of three main elements, namely: (i) the fire-danger rating system, (ii) system of fire protection associations which is a mandatory requirement for the maintenance of fire breaks, and (iii) a national system of fire information and statistics. Every possible functional responsibility of the Forestry component shall be aligned and directed towards making this mandate possible.

4.3.3 DWAF Strategic Plan, Multi-Year 2002/3 – 2004/5

In the year leading towards 01 April 2003, DWAF received two international awards for water projects, namely: International Water Globe Award and the Dubai International Award for Best Practices. This was declared in the article titled - A Water Success Story published on the Departmental website (<http://www/dwaf.gov.za>) on 13 March 2003. Although success has been recorded from water resources or services, the achievements in the forestry sector need closer scrutiny.

The Multi-Year Strategic Plan has summary business plans for each distinct functional programme as indicated in section 1.5, Chapter 1 of this mini-dissertation. The plan provides a basis to define the standards and levels of service which each functional programme must provide to internal and external customers. The intended key outputs, targets and performance indicators shall be compared against the actual performance published in the annual reports in order to measure the level of service delivery.

4.3.4 DWAF Strategic Plan, Multi Year 2004/5 – 2006/7

The strategic plan for the multi year 2004/5 to 2006/7 outlines DWAF's key objectives in the form of Key Focus Areas (hereafter referred as KFAs). All five KFAs shall be considered in order to evaluate the level of service delivery within the Forestry component, which represents 31% of KFAs in DWAF. The other 69% is shared among Water Services, Water Resource Management and Corporate Services. The researcher opted to cluster all narrative elements reflected under Corporate Services as they are not clearly demarcated as KFAs in the publicised strategic plan.

A number of publications have been made available to report on performance progress by collective units representing various components within DWAF. One of the publications is an article on a decade of delivery by the then Honourable Minister of Water Affairs & Forestry, Ronnie Kasrils. In the report, trees and forests have been pronounced as a national resource to be protected to benefit rural communities in partnership with the state and the private sector.

Amongst key achievements detailed in the report, the role of community forestry in contributing towards poverty reduction through jobs, business opportunities and income is well articulated. This was done through restructuring of state owned forests to benefit rural communities. Eventually, there should be black empowerment and ownership of 10% shares as well as control of forestry companies, including 9% option plans to employee stock ownership <http://www.dwaf.gov.za> (16/01/2004).

The document outlines the pivotal role community forestry plays in poverty eradication and black empowerment. It is thus expected of DWAF (through the Chief Directorate: Forestry) to direct their resources in order to deliver on this mandate. Consideration shall be given to establishing how well this was fulfilled during the period under review and the analysis of the respective Annual Reports is presented below.

4.3.5 Departmental Annual Reports for 2003/4 and 2004/5 cycle

The above two Annual Reports highlight the role played by the DWAF in the forestry sector. These include amongst others, the transfer of the state's plantation forests to management agents to ensure that poor rural communities benefit from the process. During this period, DWAF has been transforming itself from a mainly operational organisation to one focusing on policy, regulation and support. A comprehensive presentation and analysis of the findings is provided below.

4.4 Presentation and interpretation of key findings

The attached Addendum 2 (i.e. BSC) was used to transcribe the information from Strategic Plans for the periods 2002/3 to 2004/5 as well as 2004/5 to 2006/7. In the process, the respective KFAs were adjusted and represented as objectives, the outputs and service delivery indicators have been refined where necessary in order to be measurable accordingly. The researcher used guidelines by Henning (2004:107) around themes discussed and argued to make a point to ensure that these themes have the status of findings in line with research question(s).

The level of performance was critically analysed using the two Annual Reports mentioned above to determine improvement in service delivery from a performance management perspective. The evidence provided as actual performance and which in the researcher's observation does not have a high impact on service delivery, has been recorded and acknowledged as initiatives accordingly (reference to section 4.4.2.2, Chapter 4). The findings thereof are based on field work and investigation conducted by the researcher during the period up to December 2005.

In other words, the findings are based on (i) the combined period from 1 April 2003 to 31 March 2005 and (ii) the period from 1 April 2005 to December 2005. The annual reports under consideration have been limited to the period ending March 2005 due to the reporting cycle in the public sector in accordance with the PSR. The next publication of the annual report was expected after the reporting cycle ending April 2006 and was therefore not immediately available for scrutiny. The intention for including achievements up to December 2005 is to make it possible to identify with the research findings and ensure a logical account of conclusions reached by the researcher.

The investigation was complemented by interviewing a sample of forestry managers and senior managers who were available for interviews and those who responded to research questions e-mailed to them because of demographic location. The interviews helped to clarify specific aspects identified during content analysis which were not clear from the annual reports and the departmental online resource. The researcher used his discretion to distinguish between valuable information to validate factual findings from reliable sources such as annual reports to maintain validity of responses from interviewees. Henning (2004:7) contends that a well trained researcher will know what to do in order to address possible bias and to present the “thick description” with ample empirical evidence.

The following officials participated in the process, namely:

Johan Bester, Deputy Director: Forestry Policy, Department of Water Affairs and Forestry, Head Office. Personal interview using structured questions, held between the incumbent and the researcher on 11 November 2005 in Pretoria.

Tom Voster, Deputy Director: Forestry Information Services, Department of Water Affairs and Forestry, Head Office. Personal interview using structured questions, held between the incumbent and the researcher on 14 November 2005 in Pretoria.

Michael Peter, Director: Forestry Technical Information Services, Department of Water Affairs and Forestry, Head Office. Personal interview using structured questions, held between the incumbent and the researcher on 11 and 14 November 2005 in Pretoria.

Mahanda Tshivhase, Deputy Director: Limpopo Forestry Cluster, Department of Water Affairs and Forestry, Regional Office. Structured questions emailed to the incumbent who responded by email on 9 December 2005.

Luke Radebe, Acting Coordinator: Forestry Central Cluster, Department of Water Affairs and Forestry, Regional Office. Personal interview using structured questions, held between the incumbent and the researcher on 14 December 2005 in Pretoria.

4.4.1 Measuring Achievements – The Balanced Scorecard approach

As mentioned under paragraph 4.4 above, Annexure 2 provides a comprehensive and detailed BSC for easy reference. The actual achievements reported have been evaluated against outputs and indicators in the attached BSC to determine the extent to which the set objectives were achieved. Each of the four BSC perspectives have been scored and represented separately, from the period beginning 1 April 2003 until the period under which the investigation was conducted, i.e. December 2005. The analysis of performance thereof is represented by the researcher as Table 8 below.

Table 8 *Performance Analysis Matrix*

| No. | Objective Description | Balance Scorecard Perspective | Performance Level | | |
|---|---|--------------------------------|---|-----|-----|
| | | | PIR | PPR | PPS |
| 1. | Raise the profile with stakeholders. | Customer Perspective. | 2 | 2 | 1.3 |
| 2. | Take real steps towards poverty eradication. | Customer Perspective. | 3 | 1 | 0.9 |
| 3. | Bring about change in DWAF Forestry. | Customer Perspective. | 3 | 2.8 | 2.8 |
| 4. | Improve cost efficiencies & financial controls. | Financial Perspective. | 3 | 2 | 1.9 |
| 5. | Improve revenue collection. | Financial Perspective. | 3 | 3 | 3 |
| 6. | Transfer forests to focus on regulating activities. | Financial Perspective. | 3 | 3 | 3 |
| 7. | Strategic alignment of KFAs. | Internal Business Perspective. | 2 | 2 | 1.3 |
| 8. | Optimise business procedures & processes. | Internal Business Perspective. | 1 | 2.5 | 0.8 |
| 9. | Align business and workplans to strategy. | Internal Business Perspective. | 1 | 2 | 0.6 |
| 10. | Improve knowledge management. | Internal Business Perspective. | 2 | 2 | 1.3 |
| 11. | Develop staff competencies for the on-going function. | Learning & Growth Perspective. | 2 | 2 | 1.3 |
| 12. | Accelerate transformation efforts. | Learning & Growth Perspective. | 2 | 2 | 1.3 |
| Legends - Part A. | | | | | |
| PIR: Perceived Importance Rating. | | | | | |
| PPR: Perceived Performance Rating. | | | | | |
| PPS: Perceived Performance Score (calculated using the formula - PPR divided by maximum possible score, e.g. 3 and then multiplied by PIR). | | | | | |
| Legends - Part B. | | | | | |
| PIR – 1 Not so important deliverable. | | | PPR – 1 Insignificant level of deliverable. | | |
| 2 Averagely important deliverable. | | | 2 Average level of deliverable. | | |
| 3 Very important deliverable. | | | 3 Significant level of deliverable. | | |

Table generated by researcher

The analysis above is given further meaning by elaborating on the interpretation and description used by the researcher in scoring the performance of the Chief Directorate: Forestry as illustrated in Table 9. This is necessary to avoid conflicting messages by neutral parties in interpreting the researcher's conclusions.

Table 9 *Standard interpretation and description of Perceived Performance Scores (PPS)*

| Score. | Interpretation. | Description. |
|--|-------------------------------------|--|
| 1 (including any scores less than 1.9). | Less than satisfactory performance. | Has failed to achieve outputs that are functional and operationalised through activities that are tangible or observable against indicators or benefits to DWAF or its stakeholders/ customers. |
| 2 (including any scores less than 2.9). | Satisfactory performance. | Has achieved acceptable level of outputs that are functional and operationalised through activities that are tangible or observable against indicators or benefits to DWAF or its stakeholders/ customers. Noticeable areas for implementation and improvement are identifiable. |
| 3 (represent maximum performance score). | Excellent performance. | Has achieved outputs beyond acceptable level with activities that are functional and operating at an advanced stage against tangible or observable indicators with extensive benefits to DWAF or its stakeholders/ customers. |

Table generated by researcher

In order to enable the researcher to arrive at meaningful conclusions, the four BSC perspectives have been aggregated as illustrated in Table 10 below. The interpretation will be discussed extensively as part of section 4.4.2 in subsequent paragraphs.

Table 10 *Aggregate performance level for each Balanced Scorecard Perspective*

| Balance Scorecard Perspective. | Aggregate Performance Level | |
|----------------------------------|---|------------|
| | Combined PPS | Aggregate. |
| Customer Perspective. | 4.9 (i.e. all PPS scores for customer perspective added together), divided by 3 (i.e. total number of objectives). | 1.66 |
| Financial Perspective. | 7.9 (i.e. all PPS scores for financial perspective added together), divided by 3 (i.e. total number of objectives). | 2.6 |
| Internal Business Perspective. | 7.5 (i.e. all PPS scores for internal business perspective added together), divided by 4 (i.e. total number of objectives). | 1.8 |
| Learning and Growth Perspective. | 2 (i.e. all PPS scores for learning & growth perspective added together), divided by 2 (i.e. total number of objectives). | 2 |

Table generated by researcher

The researcher used the graph below (Table 11), to clearly depict the aggregate performance level. This is the basis for arguing the findings which informs conclusions reached by the researcher as part of Chapter 5.

Table 11 *Graphical representation in terms of each Balanced Scorecard Perspective*

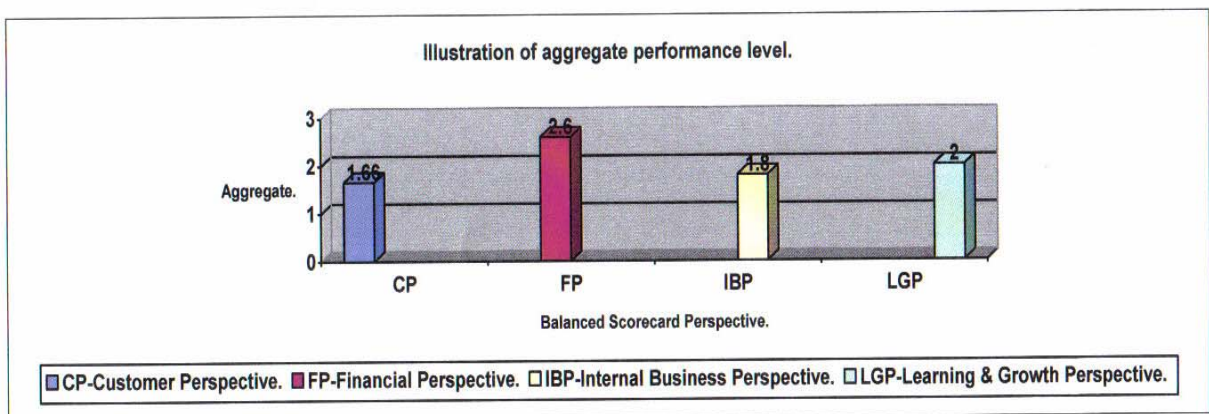


Table generated by researcher

4.4.2 Interpretation of findings

The findings shall be discussed and built around themes generated from the research questions.

4.4.2.1 The status of DWAF (i.e. Forestry component) in meeting service delivery requirements

The evidence available demonstrated that less than satisfactory performance was achieved in relation to the customer perspective to add impact to how the organisation wants to be seen by stakeholders. The only noticeable achievements relate to the vision being developed and used to communicate functional events, the 3 media releases on forestry, water charges and the signing of leases. The attendance or participation in UNFF meetings can add value only if this is not limited to an event honoured, but having a positive influence on the achievements reported. The level of involvement regarding the implementation of co-operation with Southern African Democratic Countries (hereafter referred to as SADC) was also limited to discussion level, with FAO.

The Forestry component managed to achieve short-term results in 2003/4 but this were inadequate for 2004/5 cycle. DWAF is expected to provide an overview of the State of Forestry Sector in South Africa. The criteria and indicators for the SFSR were published in 2003/4 and approved by CSFM for gazetting in 2004/5. The Annual Report (2005:74) states that as from 2006, the SFSR will be generated against the criteria and indicators. The slow progress in this regard is a worrying factor given the magnitude of the role DWAF is expected to play in the Forestry sector. This is based on the argument presented in section 2.8.4, Chapter 2 that as standards are met they should be progressively raised on an annual basis.

Although the new vision has been developed, DWAF only committed itself on KFAs in relation to the new role at the beginning of April 2006. The Annual Report (2004:54) gave an indication that internal restructuring has positioned DWAF well to take on the increasing role of regulator and promoter of the forestry sector. It is evident that a high probability of execution gaps exist from an implementation point of view. The Department is thus not able to model its core values and maintain strategic focus in terms of the new role, destabilising the internal business processes.

Thus, the department is miles away from realising the new vision as the timing for turning key focus areas into action has been delayed by more than two years. This makes it impossible to monitor performance against the strategy. De Waal & Fourman (2000) emphasise the importance of aligning organisation strategy through clear articulation and communication. Furthermore, it is important to ensure that people deliver on this strategy (reference to section 2.5, Chapter 2).

From the analysis of the annual reports, it is the researcher's view that the problems relating to payments of land claim beneficiaries can be attributed to ignoring external factors by not conducting a proper environmental (i.e. SWOT) analysis, reference to section 2.8.2, Chapter 2. There is also a need for an interface between functions managed by DWAF and Department of Land Affairs (hereafter referred to as DLA), in order to create a value chain to realise this objective. The problem has been affecting delivery for two years running and no significant corrective actions were implemented. The situation has dual consequences to all stakeholders (especially rural communities) and DWAF's public image as well as internal business processes being affected negatively because the target of 90% land claims payments was not achieved.

Langdon (2000) also outlines the essence of feedback, reference to section 2.2.1, Chapter 2. It is on this basis that units must be able to reprioritise and formulate strategies to strengthen areas such as problems relating to payments of land claim beneficiaries. The lack of reinforcement from supervisors or managers may lead to non-achievement of planned outputs (reference to section 2.2.3, Chapter 2). However, the Annual Report (2005:80) indicates that the relevant Ministers and DGs (i.e. DWAF and DLA respectively) are addressing the matter.

It is the researcher's view that proper planning and identification of problems should precede any implementation plans by the political and administrative heads of the two departments. An Interdepartmental Task Team should be appointed to create a strong value chain between DWAF and DLA regarding land claims. It should focus on how to change the present situation by seeking innovative ways, new technology, systems and processes which are relevant for the future (reference to section 2.8.2, Chapter 2).

The notable BEE achievements only relate to the partnerships of Wildbreak Investment Holdings and Amathole Forest Holdings (Pty) Ltd which signed a lease agreement of approximately 25 000 hectares during January 2005. Furthermore, the Cape Timber Resources is another BEE company with a stake in MTO Forestry (Pty) Ltd which signed three lease agreements of approximately 115 015 hectares of state forest land. This is a direct contribution towards accelerating transformation efforts as part of the learning and growth perspective, including promoting equitable access to forestry opportunities from the customer perspective.

The transfer of forests to agencies made it possible for DWAF to reduce costs associated with managing and maintaining forest stations in order to focus on regulatory activities. The transfer of Knysna complex to SANPark and other hectares of state forest land are good examples in this regard. The R45m rental income held in trust for communities in the Eastern Cape and KwaZulu Natal after the first phase of restructuring, as well as R47 934m revenue collected during 2004/5 and the growth in timber value and sales increase from R14 590 to R14 814 are

all well recorded. This is the basis for a near excellent performance with regard to the financial perspective.

Against the four perspectives of the BSC, the forestry component has managed to perform satisfactorily from a financial perspective and reasonably satisfactorily in terms of the learning and growth perspective. The role of DFID in preparing staff for the on-going function was vital for the latter perspective. The internal business perspective has fallen short of satisfactory performance by a margin due to the fact that the transfer of the Department's remaining *plantations* has not progressed due to a number of challenges posed by the need to reach agreements with key stakeholders (Annual Report 2005:78). Other outputs aimed at poverty eradication and decision making in managing forests in terms of the NFA, were not realised due to delays in finalising the policy on transfer of plantations. To this effect, no category A or C transactions were finalised in 2004.

The under achievements from the customer and the internal business perspective have a high propensity to overshadow the financial and the learning and growth perspectives. This is critical especially when the customer satisfaction survey can be utilised to measure performance progress. Areas which impact negatively against DWAF include the SFSR, the draft policy on woodlands, the BBBEE charter and the online resource. All these are directed at benefitting the community and other external stakeholders and if such stakeholders are not satisfied with the quality of services, the Department can be rated negatively, especially if the focus is limited to the period ending 31 March 2005.

The forestry component was able to reprioritise outstanding KFAs and deliverables from the past two years (i.e. from April 2003 to March 2005). This relates to improvement in areas such as finalising the online resource, the Woodland policy approved and the NFDRS effective during the second and third quarter of the cycle (i.e. between July and December 2005). However, the influence of stakeholder involvement in the SFSR has delayed the progress in finalising the said report. Although the NVIS was developed by December 2004, no information on veldfire incidents and impact analysis at national level were made available in the Annual Report for 2005. Fire damage percentages were also inaccurately reported, i.e. 10% against 15% indicated in the opening remarks of the Annual Report (2004:6). This can be attributed to the delays in finalising the NVIS as the Department was not able to keep records and statistics of fires as well as their impact on society.

The researcher views the following as major areas of concern as reported in the two Annual Reports (2004/5 and 2005/6): (a) the draft policy to ensure sustainable development and management of forestry plantations which could not be finalised within the period under review;

(b) obligations such as the strategy incorporating forestry into provincial and local development planning was carried over to 2005/6; (c) the SFM research strategy; (d) first report on Knysna and (e) the report on staff profiles which would help to resolve HR workforce issues (this report was not available by the end of the 2004/5 reporting cycle). The findings further strengthen the arguments by De Waal & Fourman (2000) that there is maximum synergy when everyone's actions are aligned, as well as the contention of Williams (2002) regarding organisation-wide consensus (reference to Chapter 2, sections 2.5 and 2.6.1 respectively).

4.4.2.2 Existing gaps and initiatives towards enhancing service delivery in DWAF

The Chief Directorate: Forestry utilised the services of Global Edge Consultants to compile a BSC to complement the PMDS. However, the BSC had to be shelved because key drivers such as HR were not ready to support the implementation thereof. The four BSC perspectives were incorporated into the individual working plans for Forestry staff in order to represent the four perspectives. DWAF as an organisation has introduced the Corporate Assessment Solution (hereafter referred to as CAS) to measure its performance. The findings on the value of this instrument is that the level of its success depends more on the functional responsibilities and initiatives by line managers to accurately report on critical success areas within their business units. As a result, actual achievements reported are not substantiated by facts or quantified, for example, reports that progress was made on the transfer of indigenous forest management to more appropriate organisations, most backlogs reduced, numerous projects ongoing, etc were not compiled.

The achievements thereof are merely reduced to processes which occurred and no specific indication is given of how much success was derived from engaging in those processes. The Directorate: Transformation also engaged in a six-month project which began at the end of January 2005 to review service delivery standards in the department. The anticipated result was to be the launch of a Service Delivery Charter in October 2005 (which did not take place), where service level agreements with customers would have been drawn. This is a noble initiative that can double as a change management process and structure to implement the changes necessary to achieve the new vision.

However, it is the researcher's point of view that the ongoing search to improve quality & productivity as highlighted by Smit & Cronje (2002:46) has proven to be a challenge to DWAF. The critical factor contributing to this argument is derived from Langdon's perspective (section 1.7, Chapter 1) that all performance produce an output and that feedback is an essential element of performance. Thus, it is expected that CAS as a measuring instrument should be effectively utilised to monitor progress against strategic and business plans.

The exploration of the BSC yielded convictions to the effect that part of excelling at internal processes, involves getting rid of processes which do not add value to the organisation. The findings reflect that the instrument has yielded inadequate returns on investment. The instrument must ensure that what is achieved remain relevant and consistent with overall strategic objectives (Lockett 1992:14). Contrary, there is inconsistent reporting on achievements and no correlation between actual achievements and desired output or performance indicators.

The key performance indicators are also not measurable and thus misleading. It can be argued that there is no feedback from the Directorate: Strategic Coordination and Planning on aspects thus making achievements irrelevant and inconsistent with the achievement of strategic objectives. Again, lack of progress by units should be detected through quarterly review reports as not having such reports makes it difficult to commit to continuous service delivery improvement.

In his view, Lockett (1992), emphasises the importance of effective performance measures, i.e. both quantitative and qualitative measures, as well as clear statements about the behaviour required to influence those measures. This supports the researcher's argument that key performance indicators which are not measurable and thus misleading, make it difficult to measure the successes or failures of an organisation. This becomes part of early warning mechanisms necessary to progressively raise performance standards and improve service delivery.

By contrast, the following achievements reflected in the Annual Report are not quantified, namely: targets exceeded in relation to round wood, sawn timber and roads upgraded, including several key issue papers prepared. It is also evident that not much has been achieved with regard to the BBBEE, especially the transfer of state nurseries to increase ownership by previously disadvantaged individuals (hereafter referred to as PDIs).

4.4.2.3 The need for a formal, integrated and completely functional PMDS to sustain service delivery improvement

The exploration of theoretical arguments and findings from this investigation shall be compared to determine why service delivery improvement cannot be sustained. The researcher has already argued in section 1.2 of Chapter 1 of this mini-dissertation that the presence of a PMD System does not guarantee improved service delivery. This is contrary to research findings by Phillips (2002) and the basis for this argument shall be discussed because a gap has been identified.

Having argued the dissimilarities between the environment and legislative framework between the current research investigation and the research findings by Phillips (2002), emphasis shall be placed on the current findings. The point of departure lies with an acknowledgement that there is no single approach to performance management as indicated by Williams (2002:8), section 2.2.2 of Chapter 2. Furthermore, performance management is seen as a system for integrating the management of organisational and employee performance.

Chapter 2 outlined the theoretical grounding and analysis by the researcher on what must be in place to ensure organisational performance and also influence the quality of service delivery. These range from elementary aspects such as distinctive ways of getting results to critical layers of performance, etc. However, emphasis shall be placed on the critical elements to sustain service delivery improvement. Firstly, the influence of strategy and how it links with performance management cannot be underscored. It is the researcher's opinion that the strategy is central to corporate identity by organisations to define why an organisation exists, what business to engage in to sustain itself, and visualising how and what must be done to remain in business.

Secondly, acknowledging the importance of integrating systems to manage organisational and employee performance is also crucial. The role of the BSC as an instrument for measuring organisational performance holistically was explored. The traditional way of focusing on processes alone must be decimated in favour of measuring results achieved by the organisation as a whole. The learning and growth perspective came across as the engine room for organisations to identify internal processes necessary to spend budget allocations wisely in order to satisfy their customer needs. It is the researcher's contention that identifying and utilising the right instrument for measuring organisational performance that incorporates employee performance, is essential.

Thirdly, the employee contribution in this regard must be influenced by identifying a value chain to influence the level of competitiveness by the organisation. These include fulfilling development needs of employees to strengthen the organisation's capacity to deliver services to its customers (i.e. reference to sections 2.2.3 and 2.2.4 of Chapter 2 respectively). Consideration must be given to choices made by organisations in designing performance management systems that are tailor-made to induce maximum benefits as highlighted in section 2.3. The value system entrenched within the new *Batho Pele* belief set drives behaviour patterns of employees so as to create in employees an understanding of how their actions count to make service delivery possible.

Fourthly, understanding the dimensions and challenges involved in performance management underpins the process of ensuring a completely functional environment for performance

management in an organisation. The organisation must be able to anticipate the correct measures that must be embarked on to maximise productivity of employees and eliminate destructive behaviours by management at the expense of organisational performance. Williams (2002) indicates that a culture is good only if it fits its context. It is the researcher's opinion that a strong corporate culture is necessary and any inadequacies pertinent to the elements outlined above will make it impossible to sustain service delivery in an organisation.

4.4.2.4 The impact of missed targets, unfulfilled outputs and key performance indicators on service delivery

The cohesion between targets, outputs and key performance indicators (hereafter referred to as KPIs) is essential in measuring the level of service delivery by organisations. This is the basis for responding to customer needs and expectations raised, looking at the functionality and quality of products and services delivered. The research findings from this investigation demonstrate that the lack of policies, systems and procedures at national government level affects statutory and affiliation bodies in fulfilling their mandates on a large scale. The role of PERT in estimating targets that are realistic but challenging cannot be underscored in this regard (reference to section 2.2.5, Chapter 2).

The SFSR for SFM becomes a good example because it is intended to monitor, assess and manage the forestry sector. It is regarded as a basis for reporting by Functional Management Units (herein referred as FMUs), using the criteria and indicators, which were only approved in February 2005 by the National Forestry Advisory Committee (herein referred as NFAC). Overall, the SFSR enables DWAF forestry management to adapt its policies, monitor trends and inform the private sector about gaps as well as to identify focus areas to be improved.

With a draft SFRS available for 23 months and a pilot document only available in March 2005, it is evident that there was no standardised tool for monitoring, reporting and implementation of SFM. It also becomes difficult to maintain international best practices in terms of ethical traits in the forestry sector. In addition, forestry clusters in regions do not even have a broader picture on how they fit into the process. As a result, the situation represents a direct contrast to what Lockett (1992) describes as the benefits associated with effective performance management (section 2.4.3, Chapter 2).

The delays in finalising the approval of the policy on woodlands are negatively impacting on clusters because by the time the policy is approved, most woodlands would have been depleted. The problem is compounded by the need for resources and capacity building for all stakeholders in order to implement the provisions of the policy. In other words, the time span for spin offs will

naturally be longer even after the policy has been approved. Thus, the infrastructure development will expand at the expense of environmental conservation.

The draft policy to ensure sustainable development and management of forestry plantations, as well as the draft policy on woodland management had negative consequences. The first draft had an impact on agreements to be signed between DWAF and communities as well as non-viable forest plantations to be released. The second draft made it impossible to complete an analysis of the role of woodlands in firewood supply (in collaboration with DME). Generally, delays in finalising and implementing policies affect decision making in managing forests to support the objectives of the National Forests Act. This also relate to delays associated with the NFDRS and NVIS in terms of supporting the objectives of the National Veld and Forest Act.

4.5 Summary

In this Chapter, the level of performance by the Chief Directorate: Forestry within DWAF was analysed and discussed. The content analysis was used to analyse strategic documents and the online resource centre of the Department. A sample of forestry senior managers and managers were interviewed to contextualise and validate the research findings. The researcher's discretion was applied to limit the outcome of the interviews within the context of the investigation. The presentation and interpretation of the key findings were built around the BSC perspectives and themes to address the central questions on the research investigation. A performance analysis matrix was designed and an illustration of a standard interpretation and description of perceived performance scores was given. These also include the aggregate performance level for each BSC perspective and the graphical representation thereof. A clear distinction was made between significant and non significant achievements around the four perspectives, based on the research findings.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS OF THE RESEARCH FINDINGS

5.1 Introduction

In this chapter, conclusions and recommendations are made with respect to the research as a whole. The researcher has attempted to respond to the overall aims and objectives indicated in Chapter 1, section 1.4 of this mini-dissertation. Recommendations will be made with regard to possible actions to address shortcomings, as well as areas for further research. The latter seeks to indicate suggestions for future research, with a view to getting further results that could not be uncovered through this investigation.

The primary aims of this study were to examine whether existing policies, procedure and systems within DWAF support initiatives for organisational performance and the quality of service delivery, as well as to establish the extent to which the introduction of PMDS brought any significant improvement in service delivery. The critical evaluation thereof shall be based on the above premises.

5.2 Conclusion

The researcher acknowledges the following limitations to the findings.

- The absence of a formal and completely functional BSC in DWAF meant that a self adjusted one had to be designed and used to measure the organisation's (i.e. Chief Directorate: Forestry) performance. The researcher used the existing information from the Strategic Plans, Annual Reports and official documents published or found on the online resource of the department to populate the BSC. However, a marginal variation of measures or indicators can be found between what the researcher used as ideal and what the department may argue as appropriate.
- The Chief Directorate: Forestry uses the online resource as an equivalent of an archive system. As a result, the nature of information accessible was restricted to what the management team classified as public information sharing documents and privileged documents. Thus, the researcher's depth of investigation was limited to this discretionary position. For example, none of the strategic plans scrutinised have clear target dates and the performance agreements as well as quarterly performance progress reviews and annual performance appraisal reports of senior managers could have been alternative sources in this regard. These could not be accessed due to some discomfort clearly

expressed and displayed by most senior managers within the Chief Directorate: Forestry. Eventually, it was not possible to compare qualitative or quantitative outputs (where applicable), against specific timeframes.

- The PMD System, Strategic Plans, CAS and other initiatives such as the Service Delivery Charter are still in their formative stages. There is potential and hope that after three years of active operation, the situation could be different because of the life span between the time when this investigation was conducted, and when the abovementioned systems and processes reach maturity level. This can be attributed to findings on delayed achievements during the 2005/6 period on the internal business processes, although it was limited to December 2005 (see section 4.4.2.3, Chapter 4).

On the basis of the research findings, the conclusion drawn by the researcher is that the introduction of performance management in DWAF has not brought about the desired impact on service delivery. Overall, a satisfactory level of performance has been achieved based on the empirical analysis of performance over two years, i.e. 2003/4 and 2004/5 performance cycles. The main achievement is in relation to internal processes of repositioning DWAF for its future role, namely: the transition from the manager of commercial plantations and indigenous forests to being the regulator of the forestry sector in South Africa.

The gaps identified have a negative impact as a result of missing targets (e.g. the SFSR), unfulfilled outputs and key performance indicators. It is the researcher's opinion that a delayed service delivery entails that the benefits to be enjoyed by clients or customers are also delayed. More time and energy would also be required to fast track immediate benefits once formal approval is granted to proceed with the implementation of services or products. From policy regulation's view, no control mechanisms are immediately available to stabilise communal usage or conservation of natural resources, e.g. woodlands.

It is therefore evident that from a public service perspective, service delivery will always take place, albeit with a less than desired impact to the intended beneficiaries. It is thus important that performance progress be constantly monitored, objectives reviewed and communicated to clients. The Department also has a Corporate Assessment Solution as indicated in section 4.4, of Chapter 4. Together with the PMDS, the two instruments have not brought significant service delivery improvement in the Department. Otherwise it would have been possible to utilise the two instruments to identify gaps in time and devise appropriate strategic interventions.

The conclusion focuses on underachievement resulting from underestimating the level of complexity of processes and the impact of stakeholder involvement. This is justified against the

time span and turnaround times in relation to the delays in approving the following: (i) policy on woodlands, (ii) the BBBEE charter only gaining momentum after two years, (iii) the SFSR, (iv) the forestry online resource centre and the strategy not aligned to the new vision, as well as (v) the transfer of plantations including (vi) the organisational development interventions linked to the change management processes.

All the above services are intended to benefit customers (clients) and enhance the learning and growth of the organisation. It is evident that achievements recorded by the Department are more favourable towards the financial perspective. The main achievements centred around the transfer of large commercial forest assets (i.e. category A plantations) which enables the department to improve financial controls and revenue collection.

The biggest impediment for service delivery starts with bad strategy formulation i.e. lack of clearly defined strategic goals, outputs and measures (targets and indicators). Furthermore, those involved in the process are being overly ambitious without proper analysis of environmental factors. This is done at the exclusion of those involved in the implementation of the strategic goals. A strategic planning session must be a catalyst between visionaries and functionaries. This should minimise coming up with strategies of which the implications are not known, underestimating the level of complexity in implementing processes and making it impossible to add value towards achievement of organisational goals.

Against the four perspectives of the Balance Scorecard, the forestry component has managed to excel from the financial and learning and growth perspective. The underachievement with regard to the other two perspectives has affected the overall performance negatively. Areas which impact negatively against DWAF include the State of the Forestry Sector Report, the draft policy on woodlands, the BBBEE charter and the online resource. All these are directed to benefit the various forestry stakeholders as well as ensuring Sustainable Forest Management.

The findings reveal that service delivery took place, albeit only on a reasonably acceptable level. The level of significance is critical in this investigation and it is evident that there are shortcomings on the turnaround times. The conclusion drawn is that DWAF was not able to progressively raise the standard of service delivery around customer and internal business perspectives. Hence, the conclusion that PMDS has brought about selective but not holistic improvement in service delivery in the Department. Thus, there is a need for a formal, integrated and completely functional PMDS to sustain service delivery improvement as highlighted in section 4.4.2.3, Chapter 4 of this mini-dissertation.

5.3 Recommendations

Organisations must have clear performance indicators which are updated regularly in line with customer satisfaction surveys and areas of strategic improvement annually intensified. It is clear that unrealistic and immeasurable indicators sold the department short in terms of raising the profile of Forestry and this can be changed.

CAS remains a valid instrument at DWAF's disposal to influence commitment to the delivery of promised services but becomes blunt when not properly used, with potentially unintended consequences. The department's image is harmed, fruitless expenses incurred from strategic planning sessions (conference facilities, claims on transport allowances, refreshments and hiring facilitators), publishing and printing the strategic plan (document) and eventually, the annual report.

The lack of strategic direction and proper environmental scanning are the biggest impediment to performance as a necessary condition towards realising an organisation's strategic objectives. Although the study focused on the Chief Directorate: Forestry in DWAF, the findings strongly suggest a consistent pattern prevalent in the public service organisations. For example, DLA's role in facilitating timeous payment of land beneficiaries and the participation by cluster departments on the woodland management policy where slow progress was evident.

The strategic plans must be formulated considering the implementation implications to ensure the achievement of results that would represent a significant contribution to the vision and mission of the organisation. The use of PERT during the planning stages, especially at subcomponent (directorate) level can improve target setting and estimating the life span of projects as highlighted in section 2.2.5, Chapter 2 of this mini-dissertation.

There is a need to deploy resources to monitor and oversee the implementation of promised services. Departments should be encouraged to assign strategic business analysts to review the quarterly reports against strategic plans in order to advise departments about performance progress. This can help management with decision making and timeously identifying strategic interventions aimed at improving service delivery.

The respective Annual Reports must be released before performance recognition of heads of departments (hereafter referred to as HoDs) and also subjected to customer satisfaction surveys. In this way, departments can get some insight into what stakeholders consider as significant improvement on service delivery. The PSC can also intervene to influence and quality assure the level of reporting on service delivery. This will provide some scope to unlock obstacles derailing full-scale implementation of service delivery plans.

The PSC can serve as a quality assurance body and can utilise the framework for the evaluation of HoDs to link organisational performance and the quality of service delivery at this level. Thus, it is possible to draw development needs of HoDs and corrective action deemed necessary. It is clear that the role of the PSC needs to be reprioritised to include timely business risk identification on key areas affecting organisational performance and service delivery.

The relevant Ministers (as political heads of departments) must then be assigned the responsibility of monitoring progress based on feedback reports and inform the PSC on issues pertaining to compliance. The HoDs should review and align their Key Results Areas and strategic objectives to focus on improvement plans to address areas which do not represent any significant contribution to the vision and mission of the organisation.

By comparison, the private sector has a dual pressure – reporting system with business entities accountable to their customers and its shareholders. In this case, the general public and state organs together with their representatives, such as Cabinet Ministers and Parliamentary Committees are seen as the complete equivalent entities in the public sector. It is now imperative for the role of political office bearers of enhancing public service delivery to be investigated as an area of further research.

It is clear that organisational performance and service delivery are influenced by a number of factors. Thus, a performance analysis matrix is necessary with a distinct clarification of areas of underperformance. This should be strengthened in terms of institutional arrangements to monitor and evaluate performance progress and the impact thereof towards service delivery.

5.4 Further research areas

The investigation conducted was based on content analysis and this may not be enough to generalise organisational performance and service delivery. Fast tracking the utilisation of customer satisfaction surveys in departments can bring more scientific results in relation to organisational performance. The scientific inquiry can be directed to the Service Delivery Charter and the Corporate Assessment Solution introduced by DWAF. The focus can be on the administrative capabilities and the impact this would have on organisational performance and service delivery.

The political and administrative accountability in a democratic government cannot be dissociated from each other. Further research must explore the role of political heads in managing performance of their accounting officers. The findings should inform the scope of responsibility by political heads in influencing performance by organisations which are entrusted to their political leadership. Furthermore, this can help to determine whether there is a need for an

extended PMDS for political office bearers as there is no known (published) system for evaluating performance of political heads of departments in relation to fulfilling service delivery requirements.

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Sir/Madam

Re: Permission to gather data for a qualification Mtech (Public Administration and Management) mini-dissertation (Unisa)

An application is hereby forward to you for consideration in seeking permission to gather data in your classified archives of your department. The purpose of gathering such data is to assist in the completion of the empirical component of the applicant's Mtech (Public Administration and Management) mini-dissertation qualification. The responsible supervisor in this respect is Mr. B.R. Hanyane of the University of South Africa Florida campus. The title of his thesis reads; "Performance management and service delivery: An evaluation study in the Department of Water Affairs and Forestry (DWAF)". The expected timeframe of completion of data collection is end of 2005.

I trust that no inconvenience will be caused by this proposed arrangement.

Yours faithfully
Barry R. Hanyane
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Tel. (011) 471-2103 (w)



The comprehensive Balanced Scorecard for Forestry

| Customer Perspective – addresses how the organisation wants to be seen by customers or stakeholders. | | | |
|--|---|--|---|
| Objective(s) | Output(s) | Indicator(s) | Actual Achievement(s) Reported |
| 1. Raise the profile with stakeholders & customers (KFA 3 & 4) | ○ Vision audited. | ○ Vision developed & communicated. | ○ Vision adopted by Ministry & MANCO. ○ Vision used during Arbor weeks and all strategic documents. |
| | ○ Awareness campaigns held to promote understanding of forest related poverty & livelihoods issues with stakeholders. | ○ Number of Forestry appearances in Sector Media & affiliation bodies. | ○ Veldfire bulletins, posters on protected trees produced, online resource learning facility under development. ○ Media release regarding forestry water charges, transformation & restructuring (17 June 2005), invitations & signing of lease agreements (24 & 25 Jan 2005). |
| | | ○ Active participation/leading of UNFF. | ○ 4 Representatives involved during May 2004. |
| | ○ Complaints mechanism established & functional. | ○ Meetings with stakeholders to obtain inputs on forestry related issues. | ○ Minister's involvement in meeting NFAC. ○ BBBEE charter, maps & rules for access to state drawn. |
| 2. Take real steps towards poverty eradication (KFA 1, 2, 3, 5). | ○ Enabling environment established for stakeholders to have inputs on processes that address their real life needs. | ○ Appropriate legislation, regulations & policies to ensure the forest sector contributes effectively to poverty eradication are in place & operating. | ○ Draft policy on transfer of plantations under consideration. Policy on transfer of indigenous forests approved. Work in progress reported regarding policy on DWAF's role in Woodland Management. |
| | | ○ Criteria, indicators & standards to implement & monitor forest sector poverty impact. | ○ Not yet implemented for the 2 nd year running. |

| | | | |
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| | | <ul style="list-style-type: none"> ○ Annual State of the Forest Report. | <ul style="list-style-type: none"> ○ Available in draft format for the 2nd year running. |
| | <ul style="list-style-type: none"> ○ Developing & promoting the use of participatory & sustainable forest management approaches. | <ul style="list-style-type: none"> ○ Suitable partners for management of forests identified. | <ul style="list-style-type: none"> ○ Oversight of forestry ownership gaining momentum during 2004/5. |
| | | <ul style="list-style-type: none"> ○ Community led afforestation. | <ul style="list-style-type: none"> ○ No improvement on the rate of new afforestation. Only 7 418ha of new planting occurred in 2002/3 compared to 1 995ha in 2003/4. No records for 2004/5 rates. |
| <p>3. Bring about change in DWAF Forestry to accelerate the development of ongoing functions (KFA1, 2, 3).</p> | <ul style="list-style-type: none"> ○ Ownership of forestry plantations transferred to appropriate agencies. | <ul style="list-style-type: none"> ○ DWAF forestry restructured in line with new role. ○ New strategic plan and KFAs that reflect DWAF's vision. | <ul style="list-style-type: none"> ○ Transfer of category A (large commercial viable estates) plantations largely completed by 2003/4. ○ Wildbreak Investment Holdings a BEE partner to Amathole Forestry involving ±25 000 hectares (ha). ○ MTO Forestry a bidder package by BEE company Cape Timber Resources involving ±115 015ha. ○ Revised strategic plan for 2004/5 to 2006/7 published but KFAs to be adopted or only applicable in 2006/7. |
| | <ul style="list-style-type: none"> ○ Equitable access to forestry opportunities. | <ul style="list-style-type: none"> ○ Black empowerment and ownership of 10% shares. | <ul style="list-style-type: none"> ○ Change management process & structures reportedly in place by 2003/4. ○ Forestry Sector Charter initiated by Minister by 2004/5. |

| Financial Perspective – addresses issues like growth, sustainability and return on capital employed (ROCE). Examples include reducing indirect costs & lowering direct costs, improving productivity and asset utilisation. | | | |
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| Objective(s) | Output(s) | Indicator(s) | Actual Achievement(s) Reported |
| 4. Improve cost efficiencies & financial controls. | <ul style="list-style-type: none"> Value for money and fiscal discipline. | <ul style="list-style-type: none"> Proactive sourcing of income generating resources. | <ul style="list-style-type: none"> Growth in timber value & sales increase from R14 590.74 to R14 814.88. Legal disputes resolved at minimal costs to DWAF. |
| | <ul style="list-style-type: none"> Establish risk management system. | <ul style="list-style-type: none"> Database capturing statistics of fires and their impact on society. Reduced number of treasury queries. | <ul style="list-style-type: none"> National Fire Danger Rating System effective 07/09/ 2005. Veldfire risk classification map produced in 2004/5. |
| 5. Improve revenue collection (KFA1) | <ul style="list-style-type: none"> Establish mechanisms to ensure sustainability of leases. | <ul style="list-style-type: none"> Revenue to be increased by 10% in 2004/5 cycle. | <ul style="list-style-type: none"> 20.5% revenue collected (i.e. from R39.795m in 2003/4 to R47 934m in 2004/5). Rental income held in trust for communities in Eastern Cape & KwaZulu Natal amounts to R45m (after 1st phase of restructuring). |
| 6. Transfer forests to focus on regulatory activities (reduce costs). | <ul style="list-style-type: none"> Achieve reasonable percentage separation of regulatory & operational functions. | <ul style="list-style-type: none"> DWAF forestry 80% ready to assume new role. | <ul style="list-style-type: none"> Early warning systems for veldfires delegated to SA Weather Services by 2004/5. 2 lessees of state plantation concluded by 2004/5. ± 97 000ha of state forest land delegated to SANParks by 2004/5. Further 1 000ha at Tokai & Cecilia transferred to SANParks 2004/5. Transfer of Knysna (indigenous) complex to SANParks |

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| | | | <p>concluded 2004/5.</p> <ul style="list-style-type: none"> o Lowveld plantation exit strategy to incorporate 11 000ha into National Parks System at an advanced stage 2004/5. o 12 000ha of indigenous forests included in the plan 2004/5. o Amathole & MTO lease agreements concluded (plantation forests) 2004/5. |
| | | <ul style="list-style-type: none"> o Resources redirected towards new forestry role and achieve maximum budget control. | <ul style="list-style-type: none"> o Lease agreements signed. o Department has progressed with the indigenous forest management transferred to more appropriate organisations during the year (i.e. refer to transfer of Knysna complex to SANPark concluded). |
| Internal Business Perspective –represents what the organisation must excel at. | | | |
| Objective(s) | Output(s) | Indicators | Actual Achievement(s) Reported |
| 7. Strategic alignment of KFAs. | <ul style="list-style-type: none"> o KFAs relevant & addresses key deliverables of new DWAF forestry role. | <ul style="list-style-type: none"> o New role clearly defined & responsibility areas allocated to accountable units. o Service delivery indicators in line with SMART principles & QQCT requirements. | <ul style="list-style-type: none"> o 31% of DWAF KFAs are represented in Forestry Strategic Plan. o Mostly not realistic & measurable. |
| 8. Optimise business procedures & processes. | <ul style="list-style-type: none"> o Streamlined business processes supporting operational activities. | <ul style="list-style-type: none"> o Business processes communicated & used as guidelines to serve purpose. | <ul style="list-style-type: none"> o Business Process Model for plantations & indigenous forest approved by RCC. Policy position on category A or C transactions under review. o Corporate Assessment Solution introduced across DWAF. |
| 9. Align business & work plans | <ul style="list-style-type: none"> o Review business & work plans to support new | <ul style="list-style-type: none"> o Business & work plans to serve as measuring instruments towards | <ul style="list-style-type: none"> o Internal restructuring positioned DWAF well to take increasing |

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| to strategic imperatives. | forestry role. o Timeous payments to land claims beneficiaries. | realising new forestry role. o Reduced waiting period to process claims. | role of regulator & promoter of forestry sector. o Policy on Woodlands approved in October 2005 by FFMC. o Delays in land claims payments to beneficiaries, target was 90%. |
| 10. Improve knowledge management. | o Value adding systems to provide accurate & reliable information. | o Systems to enhance knowledge & accessibility of forestry resources in place. o Early warning systems in place to support veldfire management. | o C & I for SFM approved. o Web based system for FPAs. o Veldfire (quarterly & special) bulletins. o Forestry Online resource service running by October 2005. o NFDRS became effective from 07/09/2005. Progress made on the development of NVIS database, target was December 2004. |
| Learning & Growth – represent how the organisation can continue to improve and create value. | | | |
| Objective(s) | Output(s) | Indicator(s) | Actual Achievement(s) Reported |
| 11. Develop staff competencies for the ongoing function. | o Increase in core competencies as measured by a skills audit enhanced performance. | o Staff capabilities responsive to demands of fulfilling the new role. | o Donor Agencies (DFID) played role in capacity building. |
| 12. Accelerate transformation efforts. | o BEE partnerships in accordance with demographic representations. | o Number of BEE partnerships and initiatives. o Change management structures in support of accelerated development programmes to improve service delivery imperatives. | o Amathole & MTO lease agreements concluded. o Change management structures & processes reportedly in place to implement necessary changes to achieve new vision. New functions for Organisational Development approved together with strategy to address change management process. o BBBEE charter launched in April/ May 2005 and driven through Minister's office in collaboration with Forestry South Africa (FSA). |