

Report on the Management of Poor Performance in the Public Service

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Glossary of Terms

Accountability	Being ultimately held responsible for a specific decision or action, such that the accountable person may be required to justify why a specific action happened or not, why a specific decision was taken or not, as the case may be.
Deliverables	The outcomes/outputs expected by an employer from its employees.
DPSA	Department of Public Service and Administration.
Focus Group	A group of individuals representing for example a department, specifically chosen to participate in a group discussion to obtain inputs on a defined topic.
GTZ	German Technical Cooperation.
HR	Human Resources as a distinct area of study and specialisation.
Incapacity	The failure of an employee to perform satisfactorily due to reasons of either incompetence, ill-health, or injury as recognised by the Labour Relations Act.
LR	Labour Relations as a distinct area of study and specialisation.
Monitoring and evaluation	The process of observing and assessing the effectiveness of a particular intervention, with the view to achieve an improvement.
Performance Agreement	An agreement between the employer and employee ¹ that the employee will meet the specified performance standards set out for that particular job and how those standards can be met.
Performance Standard	The acceptable standard of performance that the employees must attain. The standards for each job are derived from (internal) norms and (external) benchmarks of performing similar activities.

¹ Within the Public Service, performance agreements are entered into between the department and HoD's and Senior Managers (levels 13 – 16)

Performance Management

A process that facilitates the management of performance of employees through planning, regular reviews and feedback as a way of motivating employees to attain their full potential in line with a department's objectives. This process enables the employer to deal effectively with inadequate performance and equally permits recognition of outstanding performance.

Poor Performance

Consistent failure by an employee to meet the required performance standards set out by the employer in consultation with the employee.

PMDS

The Performance Management and Development System of the Public Service.

PSC

Public Service Commission.

SAMDI

South African Management and Development Institute.

SMS

Senior Management Service; the management level of the Public Service (salary levels 13 to 16).



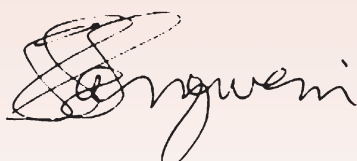
Foreword

The PSC takes pleasure in releasing this Report in terms of the provisions of section 196 of the Constitution, 1996.

As the primary service delivery arm of the development state, the efficiency of the public service is critical. Thus it is absolutely vital for the performance of the Public Service to be examined continuously in order to ensure that its performance is optimal. This way poor performance can be identified early and appropriate measures taken to address it expeditiously. In dealing with grievances and complaints of public servants as well as research into various human resource management practices, the Public Service Commission (PSC) has noted that performance management is an area of concern. In fact the major causal factor of grievances in the Public Service stems from performance management. Noting this as an indication of problems with performance management in general in the Public Service, the PSC deemed it appropriate to undertake a comprehensive study on this, focusing primarily on the management of poor performance. To this end the PSC looked at a sample of service delivery orientated departments at both national and provincial level.

This Report examines performance management in the Public Service with particular attention on the management of poor performance. The problems encountered by officials vested with primary responsibility for this within departments are identified. From this recommendations are made on where efforts should be concentrated to improve performance management in the Public Service.

In terms of section 7 (3) (b) of the *Public Service Act*, 1994 (as amended), Heads of Department are responsible for the efficient management and administration of their departments, including the effective utilisation and training of staff, the maintenance of discipline, the promotion of effective and efficient service delivery and the proper use and care of State property. I trust that Heads of Department will find both the findings and the recommendations contained in this Report, valuable for the improvement of the management of performance and effective utilisation of their staff.



PROFESSOR SS SANGWENI
CHAIRPERSON:
PUBLIC SERVICE COMMISSION



Executive Summary

Introduction

As the primary service delivery arm of the development state, the efficiency of the Public Service is critical. Thus it is vital for the Public Service to continually examine its performance in order to renew and improve its service delivery modalities. This entails a sustained effort to improve standards within affordable parameters while simultaneously expanding service.

Given that the Public Service is key to the realisation of the promise of a Better Life for All as contained in the People's contract, it is critical that its officials always perform optimally. The Public Service must, accordingly, constantly improve the ability of officials to utilise the resources at their disposal cost-effectively. While much effort has been made to improve performance levels within the Public Service, criticism continues about poor service delivery and lack of responsiveness to the needs of the people. Notwithstanding legitimate constraints such as shortages of skills, many of the concerns regarding service delivery can be attributed to the performance of public officials.

In light of the foregoing, this research project was commissioned in March 2006 to investigate the management of poor performance in the Public Service¹, the key objectives of which were to –

- investigate the management of poor performance in the Public Service;
- identify the key ethical issues and problems related to the management of poor performance;
- identify the nature of remedial interventions to assist poor performers and the extent to which these are yielding the desired results;
- investigate the extent to which incapacity and/or inefficiency measures are instituted;
- provide a clear factual basis for effectively identifying and managing individual cases of poor performance, allowing for suitable sanctions to be implemented in appropriate cases;
- make recommendations to improve the management of poor performance in the Public Service; and
- develop, based on the findings of the research, a practical, user-friendly toolkit aimed at assisting managers and supervisors to deal with poor performance.

The information gathered and analysed to realise these objectives was based on a sample of public servants in the national Department of Education and provincial departments¹ of Education and Housing in five selected provinces.

¹ Limpopo, Eastern Cape, Western Cape, North West, Mpumalanga

Research methodology

The methodology adopted was structured around seven phases:

- **Phase 1:** Developing a common understanding of the scope of the project.
- **Phase 2:** Addressing logistical issues such as the identification and composition of focus groups and interviews, and finalising the research processes that would be relied upon.
- **Phase 3:** Comprising desktop research and a review of literature on poor performance management in other public service organisations both internationally and locally.
- **Phase 4:** Focusing on identifying key issues to be addressed and designing diagnostic tools.
- **Phase 5:** Gathering information through interviews with managers and certain Heads of Departments, and conducting focus group discussions with employee and union representatives. The object of this information-gathering process was to elicit the views of participants on a variety of key topics relating to the management of poor performance, and potential solutions thereto.
- **Phase 6:** Consolidating and analysing the findings, and exploring the challenges and weaknesses of the management of poor performance in the Public Service.
- **Phase 7:** Compiling a research report detailing the findings of the investigation, and the development of a toolkit to assist managers in managing poor performance more effectively.

Regulatory framework

The provisions of sections 3 (5); 3B; 7 (3)(b) and 12 (4)(b) of the *Public Service Act, 1994* (as amended) assigns powers and functions to relevant authorities in as far as the organisation of a department and appointment of public servants is concerned. The foundation for the Regulatory Framework on the management of performance in the Public Service is further laid in the White Paper on the New Employment Policy in the Public Service, 2nd Draft in October 1997. In the White Paper, it is pointed out that the success of the Public Service in delivering its operational and development goals depend on public servants' efficiency and effectiveness in carrying out their duties. In 2001, the Public Service Regulations, Government Notice No. R441 of 25 May 2001 (as amended) was promulgated and outline the framework and procedure for the management of performance in the Public Service for officials from level 1 up to 12. The Senior Management Service Handbook provides for the framework and procedure for officials from level 13 upwards. There are resolutions as well that provides for procedures to deal with disciplinary matters and poor performance, as such.

International trends in the management of poor performance

The research conducted for this Report shows that managing poor performance is not without its challenges. In general, the ability (or in most cases, the inability) to manage poor performance in all countries surveyed confronts the following factors:

- Resistance to change in the public sector
- Strength of Union movements
- Lack of clear objectives
- Issues relating to the communication of objectives or targets
- Lack of comprehensive job descriptions
- Unrealistic targets
- Lack of resources to perform
- Non-compliance with a performance management system
- Capacity of HR components to provide support and assistance
- Poor performance record keeping
- Capacity of management to manage poor performance.

Overview of the management of poor performance in the Public Service

From the research done for this project within a sample of 11 departments, the findings indicate that although there are common issues that need to be addressed for managing poor performance effectively, the extent to which these are a problem for the sampled departments varies. Thus while there may be merit in developing common responses to the problems, individual departmental solutions also need to be addressed. The findings demonstrate a consistent lack of accountability by managers for managing poor performance and HR's failure to adequately provide the necessary guidance and support. It was determined from the sampled departments that they have similar experiences which suggest common barriers to the management of poor performance in the Public Service that need to be addressed.

The most common causes are attributed to organisational culture, a mismatch of officials and posts, a general lack of skills, and shortcomings inherent in the performance management system itself. Furthermore, the research revealed a lack of manager will and conviction to manage poor performance – despite their ability to articulate the rationale for managing poor performance. There is failure to follow through by management,

which is attributed to a lack of mechanisms for holding managers accountable for fulfilling this role. This in turn is exacerbated by the failure of the HR components to support, monitor and drive the management of poor performance and the performance management system. This manifests itself in the lack of training and capacity building initiatives for supervisors to manage poor performance, and incomplete and inconsistent implementation of performance management systems. Employees' perceptions were largely that the management of poor performance process was not fair in that subjectivity prevailed.

Recommendations

To address the management of poor performance directly, the following is recommended:

- Mapping poor performance management
- Provide managers with proper support
- Institutionalise managerial accountability for performance management and in particular the management of poor performance
- Institutionalise formal communication processes, amongst others in respect of performance management
- Educate all relevant stakeholders
- Improve staffing practices.

Conclusion

The management of poor performance is a challenge in the Public Service. The causes most commonly identified in contributing to these challenges relate to work culture issues, a person-to-post mismatch and an associated lack of skills, lack of performance standards, and failure to implement the PMDS properly. While managers understand the rationale for managing poor performance, they are unwilling to execute this responsibility. Furthermore, evidence suggests that Heads of Department are guilty of being lenient on their managers by not holding them fully accountable for managing poor performance. Line managers are in part failed by the HR, which does not take ownership for facilitating and monitoring the performance management process.

As such, an integrated approach for addressing problems in managing performance, particularly poor performance, is therefore strongly recommended. The provision of training and the development of poor performance management processes and tools must be supported by initiatives to monitor their application and build accountability for the management of poor performance.

Chapter One

Introduction

1.1. Background

As the Government's executive arm, the Public Service is expected to render services effectively and efficiently. It is also expected to continually renew and improve its service delivery modalities to make them more accessible to segments of the community who have been marginalised from receiving such services. This entails expanding services whilst simultaneously maintaining acceptable standards within affordable parameters.

The Public Service must, accordingly, constantly improve the optimal utilisation of the resources at its disposal. Given the labour intensive nature of the Public Service, it is critical that the optimal performance of its public servants is ensured. While much effort has been made to improve performance levels within the Public Service, criticism continues about poor service delivery and lack of responsiveness to the needs of the people. Notwithstanding legitimate constraints such as shortages of skills, many of the concerns around service delivery may be attributed to public servants performing poorly.

The media is proliferated with perceptions of poor levels of service delivery by and within the Public Service. These views (whether right or wrong) can largely be attributed to deep-rooted perceptions in our society that public officials are generally incompetent and are not held accountable for performance.

The Public Service has attempted to address these concerns and perceptions through various measures, such as more effective recruitment practices, intensive capacity building, and the introduction of performance management tools to constantly evaluate performance.

Much of the focus of performance management is on rewarding work performance that is consistently above average, yet the Public Service Commission's (PSC) Report on the State of Performance Management Systems in the South African Public Service² has clearly indicated that the application of these systems is often very misguided, resulting in officials being rewarded for merely doing what is expected of them. However, it is not clear what is being done to manage below average or poor performance. There is a perception that this is an area that most managers and supervisors tend to shy away from.

While the Public Service's incentive schemes aim to spur workers on to strive towards sustained excellence in work performance, there are concerns that less concentrated efforts are being made to manage poor performance. Poor performance should be dealt with either by means of remedial measures or where this proves unsuccessful, by ridding the Public Service of individuals who simply cannot, or lack the desire to, improve on their poor work performance.

Much work has been done towards improving performance management and producing a cadre of professional public servants. There is, however, little research on how effective the Public Service is in managing poor performance.

It is against this backdrop that the PSC, with the assistance of the German Technical Cooperation (GTZ) has undertaken this research into the management of poor performance in the Public Service.

1.2 Objectives of the research

The objectives of the research were to –

- investigate the management of poor performance in the Public Service;
- identify the key ethical issues and problems related to the management of poor performance;
- identify the nature of remedial interventions to assist poor performers and the extent to which these are yielding the desired results;

² Republic of South Africa. Public Service Commission. Report on the State of Performance Management Systems in the South African Public Service, 2004

- investigate the extent to which incapacity and/or inefficiency measures are instituted;
- provide a clear factual basis for effectively identifying and managing individual cases of poor performance, allowing for suitable sanctions to be implemented in appropriate cases;
- make recommendations to improve the management of poor performance in the Public Service; and
- develop, based on the findings of the research, a practical, user-friendly toolkit aimed at assisting managers and supervisors to deal with poor performance.

1.3 Scope of the research

The research focused on a sample of public servants at national and provincial level. The sample of public servants was drawn from the following departments, which are prime examples of institutions providing frontline service delivery to the South African community:

National level³

The Department of Education.

Provincial level

- The Eastern Cape Department of Housing;
- The Eastern Cape Department of Education;
- The Mpumalanga Department of Housing;
- The Mpumalanga Department of Education;
- The North West Department of Housing;
- The North West Department of Education;
- The Western Cape Department of Housing;
- The Western Cape Department of Education;
- The Limpopo Department of Housing; and
- The Limpopo Department of Education.

1.4 Methodology

The South African Public Service is being subjected to much research, studies and investigations. Most research within the Public Service is conducted through questionnaires and interviews, which demands much of senior management's time. The nett effect is that research instruments are delegated to low ranking officials, which impacts on the accuracy and quality of research outcomes. While consideration was given to this concern, it could not be completely avoided. A concerted effort was, however, made to minimise the demands placed on departments for information.

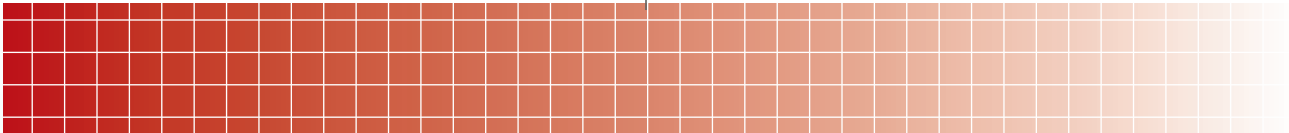
The research was conducted in seven distinct but inter-related phases. The following investigative methodology was adopted:

Phase One: Establishing a common understanding of the project in order to define the scope of the project and confirm the investigation methodology, deliverables and timeframes.

Phase Two: Identifying key issues informing the investigation process and addressing logistical issues such as the composition of focus group discussions and interviews, and finalising the research process to be adopted.

Phase Three: Conducting desktop research and reviewing literature on managing poor performance in other public sector organisations both internationally and locally.

³ The PSC planned to include the National Department of Housing in the research but this did not materialise.



Phase Four: Identifying key issues to be addressed during the investigation, and designing relevant diagnostic tools. Questionnaires were developed for conducting interviews with managers, and focus group discussions were held with employees and trade unions.

Three sets of questionnaires were developed –

- the first was targeted at managers and supervisors responsible for managing poor performance;
- the second was developed for employees; and
- the third for union representatives.

The questionnaires were designed to elicit from each group of respondents their experience of the management of poor performance within their respective departments. The questionnaires also sought to engage participants on suggestions as to how the management of poor performance could be improved.

Phase Five: Gathering information and interviewing randomly selected managers. In terms of this process three 'line' managers, and one HR/LR practitioner were interviewed per department. Managers who met the following criteria, were selected for the interviews –

- At least three years service with a department;
- Knowledge of the performance management system;
- Ability to contribute meaningfully to the process; and
- Availability for interview.

Two focus group discussions were conducted in each department to complement the interviews. These were held with employees and unions, respectively. The number of participants was limited to twenty per focus group. The employee focus groups comprised of employees below senior management level and each group reflected the demographics of the departments concerned. The union focus groups, on the other hand, comprised of not more than three union representatives from each recognised union in each department.

During the focus group discussions, participants were requested to provide insights into their experience of the performance management system and their views on the management of poor performance in their departments. The structure of the focus groups also encouraged participants to explore potential solutions for improving the performance management system on the whole, and managing individual poor performance.

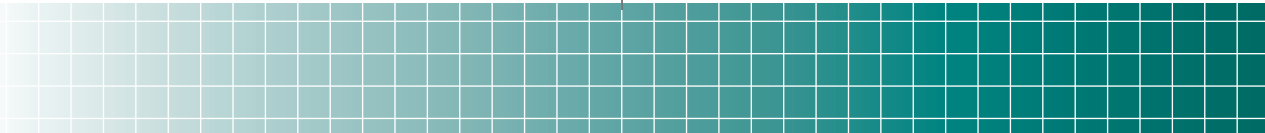
Phase Six: Consolidating and analysing the investigation findings. The analysis highlights the challenges facing departments and identifies the major weaknesses in managing poor performance.

Phase Seven: Compiling the findings report and the development of a toolkit. The latter will be made available separately and does not form part of this report.

1.6 Limitations

The following challenges and limitations were experienced while conducting the investigation:

- Most of the participants in focus groups were at middle management level. Employees below middle management were not well represented, this may potentially skew the results.
- In certain instances, managers that were selected to participate in the interviews had been with the departments for a shorter period and were therefore unable to contribute meaningfully to the investigation. This is despite the written request that participants should have been with the department for three years or more.

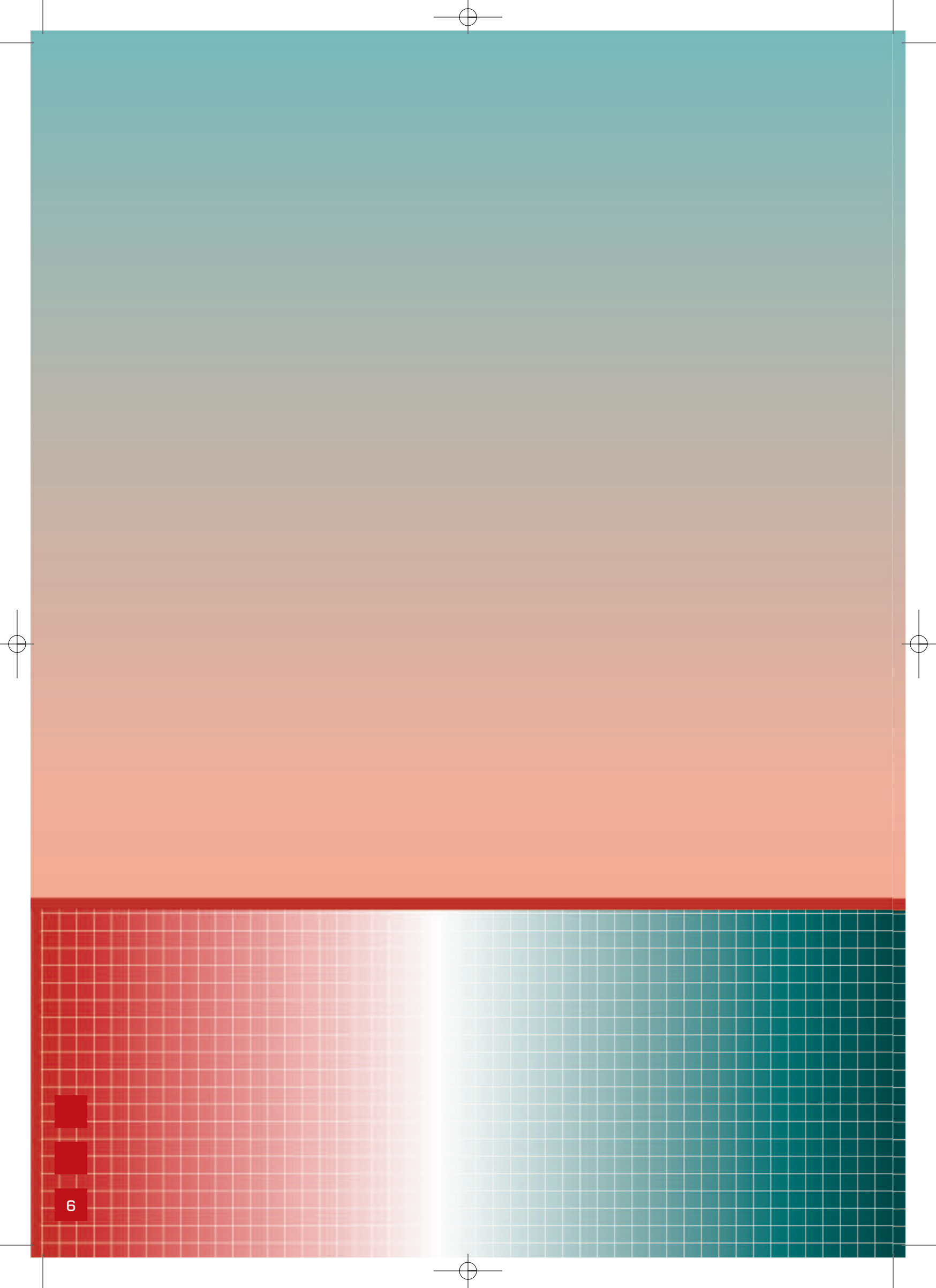
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- In certain instances, the presence of higher ranked officials prevented lower level employees from participating without restraint. Where Deputy Directors and Assistant Directors dominated the employee focus group, the contribution of lower level employees seemed to be more circumspect and restrained.
 - Some of the managers interviewed gave the impression that they had been coached on what to say during the interviews as they seemed reluctant to state their real views on issues, preferring to remain neutral on all issues.
 - Despite clear communication that was distributed prior to the focus groups and which listed the criteria for selecting focus group participants, some employees believed that they had been selected to participate in the focus groups because they were poor performers.

1.7 Report structure

The research was informed by different international Public Services experiences in performance management on which much has been reported. International trends on the management of poor performance are addressed in Chapter 3. It is essential, however, to point out at this stage that, although there is a lot of literature on performance management in general, there is a lack of research and information on the management of poor performance specifically.

The core findings of the investigation, which includes detailed views from various stakeholders, are contained in Chapter 4. The Chapter outlines the perceptions of managers, employees and unions on the subject of managing poor performance and analyse their responses. The Chapter also considers perceptions of the enabling framework to managing poor performance – i.e. the systems, policies and legislation that govern the management of performance within the Public Service.

Chapter 5 contains suggestions by the respondents for improving the management of poor performance, whilst Chapter 6 provides recommendations on how to deal effectively with poor performance. Certain recommendations may appear to address issues that could be said to be slightly tangential to the study. However, the stakeholders engaged felt very strongly that ‘performance management’ and ‘managing poor performance’ could not be easily separated. As one respondent summarised the problem: “The distinction between them is superficial. They are two sides of the same coin.”



Chapter Two

Performance Management Regulatory Framework in the South African Public Service

2.1 Introduction

The enabling framework for managing performance in the Public Service is comprehensive. It includes primary and secondary legislation, as well as resolutions passed at bargaining councils. The primary aim of the framework is to entrench a performance driven culture within the Public Service. The framework is also aimed at ensuring that the performance management process is handled in a developmental rather than a punitive manner; as has been the perception hitherto.

This section outlines the policy and legal framework that impacts on the management of performance in the Public Service, specifically those sections that relate to the management of poor performance and the consequences thereof.

2.2 The legislative and regulatory framework that governs performance management in the Public Service

TABLE 1: Legislative Framework governing performance management

SOURCE	PROVISION
White Paper on the New Employment Policy in the Public Service, 2nd Draft October 1997	<p>The White Paper laid the foundation for the framework for managing performance in the Public Service. Section 5.12 of the White Paper points out that the success of the Public Service in delivering its operational and development goals depends primarily on the efficiency and effectiveness with which public servants carry out their duties. Managing performance is therefore a key human resource management tool to ensure that –</p> <ul style="list-style-type: none">• employees know what is expected of them;• managers know whether the employee's performance is delivering the required objectives;• poor performance is identified and improved; and• good performance is recognised and rewarded.
The Public Service Act, Proclamation No. 103 of 1994 (as amended)	<p>The following sections in the Act are relevant to the management of performance in the Public Service:</p> <p>Section 3(5): Assigns powers and duties concerning the internal organisation of a department to its Executing Authority. This includes the career incidents of employees other than HoDs, such as performance management and discipline in a department.</p> <p>Section 3 B: Assigns the President and relevant Premiers the powers and duties concerning the appointment and other career incidents of HoDs, which may be delegated.</p> <p>Section 7(3)(b): Provides for the following responsibilities of HoDs:</p> <ul style="list-style-type: none">• efficient management and administration;• effective utilisation and training of staff;• maintenance of discipline;• promotion of sound labour relations; and• proper use and care of state property.

	<p>Section 12(4)(b): Provides for the inclusion, by mutual agreement, of “specific performance criteria for evaluating the performance of the HoD.”</p>
<p>The Public Service Regulations, Government Notice No. R441 of 25 May 2001 (as amended)</p>	<p>Chapter I, Regulation VIII deals extensively with the management of performance in the Public service.</p> <p>Chapter I, Regulation VIII, Section A, outlines the principles of managing performance as such:</p> <p>“Departments shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results...The primary orientation of performance management shall be developmental but shall allow for effective response to consistent inadequate performance and for recognising outstanding performance. Performance management procedures should minimise the administrative burden on supervisors while maintaining transparency and administrative justice.”</p> <p>Chapter I, Regulation VIII, Section B - D, gives Departments powers to determine systems for managing performance that are consistent with the aforementioned principles. It also sets out various requirements in terms of those systems, which include but are not limited to compelling supervisors to monitor and assess performance and notifying an employee in writing if his / her performance is unsatisfactory.</p> <p>Chapter I, Regulation VIII, Section E, deals with managing unsatisfactory performance. It empowers and compels Departments to provide a framework to assist poor performing employees to improve their performance and sets out processes to be followed in the event there is no or insufficient improvement in their performance.</p>
<p>The Senior Management Handbook</p>	<p>Chapter 4 of the handbook describes the process and requirements of performance management and development for members of the SMS. Sections 6.7 and 15.11 outline the approach to dealing with unsatisfactory performance by members of the SMS.</p>
<p>PSCBC Resolution I of 2003</p>	<p>This resolution prescribes the disciplinary procedure for the Public Service and outlines actions that are considered serious misconduct warranting formal action. Poor performance is cited as one of the transgressions amongst the list of misdemeanours cited by the procedure.</p>
<p>PSCBC Resolution 10 of 1999</p>	<p>Section 4 of the resolution outlines a procedure in respect of poor performance. This procedure is stated as follows:</p> <p>Subsection 4.1 compels the employer to give written reasons if the employer is of the view that an employee is not performing in accordance with the job that the employee has been employed to do. The employer is also compelled to</p>

consider the employee's reasons in a meeting, which may also involve an employee representative, should the employee so choose.

Subsection 4.2 of the resolution describes what should transpire within the meeting, i.e. it sets the agenda on issues that should be discussed in the meeting.

Subsection 4.3 deals with a process to be followed to improve performance, including agreeing on the time-frames by when performance should have improved. It also places a duty on managers to remove or address barriers to performance.

Subsection 4.4 deals with formal notification to the employee if the level of performance of the employee has not improved within the time-frames established in terms of subsection 4.3.

Subsection 4.5 of the resolution deals with choices that the employer can consider after consulting with the employee, including instituting formal misconduct proceedings.

Subsection 4.6 is a reminder that prior to exercising any option in dealing with consistent poor performance, a hearing would be necessary to establish the severity of failure to meet the performance standards.

Subsection 4.7 provides guidelines to the employer that should a decision be taken to place an employee in a different job that entails lower pay, consent must be obtained from the employee.

2.3 Conclusion

The legal framework and guidelines to manage performance in the Public Service is thorough and reflect the Public Service's intention to build a performance driven culture. Detailed measures are provided to facilitate the management of poor performance at all levels in the Public Service. The question that this research attempts to answer is to what extent these measures are applied in practice.

Chapter Three

International trends in the Management of Poor Performance

3.1 Introduction

Any attempt to understand the management of poor performance in the South African Public Service must be contextualised within the framework of emerging international trends in the management of performance in general and the management of poor performance in particular within the public sector globally. This chapter provides a review of international literature and reflects on challenges in the management of poor performance.

The emergence of a civil society that voiced dissatisfaction with the service that it was receiving from the public sector was an important driver in the introduction of formal performance management systems. The strategic objectives and delivery targets of the government had to find a way to be cascaded down to every employee. In order for the government to perform well and meet its strategic objectives, it must manage all of the parts that make up the overall performance. Performance must be consistently managed at all levels in order for the government to perform well.

In particular, governments must pay attention to the management of poor performance as the strength of the government to deliver is only as strong as its weakest link and the failure to manage underperformance can lead to the failure of the system as a whole. Underperformance also affects the costs for both the government and the taxpayer, since poor performance translates into higher than necessary payroll costs and lowers productivity.

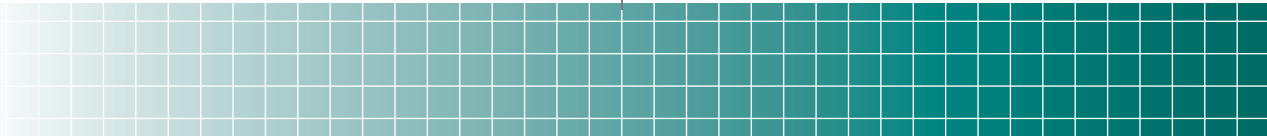
In their groundbreaking Harvard *Business Review* article, Robert S. Kaplan and David P. Norton introduced the concept of the Balance Scorecard (BSC) to the private sector⁴. The advent of 'New Public Management' (NPM) and then 'the Third Wave' saw the concept of the Balanced Scorecard being introduced into the public sector. Performance measurements and systems based on the BSC were introduced into the public sector in the USA, the United Kingdom, Canada, New Zealand and Australia and in recent decades, with encouragement from international organisations such as the United Nations and the World Bank, these performance management systems have been introduced into all countries in the developed world and many in the developing world.

While internationally the various systems have been modified for the needs of the country concerned, the basic principles remain generically the same. Each employee has a scorecard that outlines the targets that the individual has to attain during the performance management cycle, which lasts a calendar year. Individual targets collectively make up the targets and objectives of the unit/section and ultimately lead to meeting the department's objectives.

Internationally, all countries follow a performance cycle that involves a planning stage, where objectives and targets are agreed upon and based on the business plan and strategic objectives of the department. The planning phase is followed, throughout the year, with formal and informal coaching sessions, to monitor and report on progress towards meeting objectives. Every cycle ends with a formal review and reward process, where individuals are graded on their performance against the agreed targets and rewarded appropriately if they have consistently performed.

While there is a dearth of academic research relating specifically to the management of poor performance, government web sites and literature point to the fact that this is an issue in most countries. A search for literature led to guidelines and toolkits for managing performance for all state departments in the United States of America (USA), the United Kingdom (UK), New Zealand, Canada and Australia. Again, while these have been customised depending on legislative frameworks, collective agreements with Union movements, individual departments and country needs, they remain largely the same.

⁴ Harvard Business Review, 1992, Robert S Kaplan and David P Norton: 1992



Rather than reflect individually on the processes applied in specific public services to manage poor performance, common challenges in the management of poor performance internationally have been extracted during the research.

3.2 Challenges in managing poor performance

What is clear from the research is that managing poor performance is not without its challenges. In general, the ability (or in most cases, the inability) to manage poor performance includes the following factors:

- Resistance to change in the public service
- Strength of union movements
- Lack of clear objectives
- Issues relating to the communication of objectives or targets
- Lack of comprehensive job descriptions
- Unrealistic targets
- Lack of resources to perform
- Non-compliance with performance management system
- Capacity of HR components to provide support and assistance
- Poor performance record keeping
- Capacity of management to manage poor performance.

These factors are discussed in greater detail below:

3.2.1 Resistance to change in the public service

Internationally, the public service is a traditionally conservative working environment. It has not always displayed an ability to respond effectively to changes in the global environment. A predominant characteristic of a traditional public service is authority vested in hierarchy. The downside of strict adherence to hierarchical authority is that it tends to evoke compliance in government bureaucracies, yet the genuine commitment of staff is usually an essential factor in fostering meaningful change in any organization.⁵

Where the public service cannot compete with the private sector in terms of salaries, it compensates for this in other ways. Many employees in the public service are there because of job security and working conditions. Therefore, the introduction of a performance management and reward system based on the individual achievement of specific targets has not always been accepted with enthusiasm.

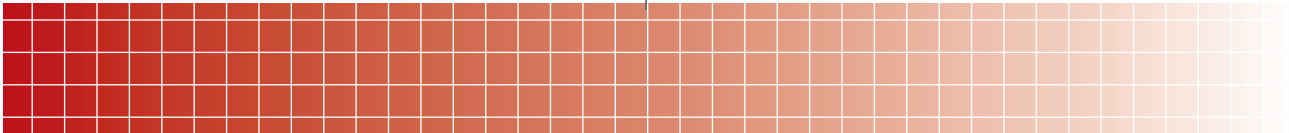
During the 1990s, the United Nations embarked on a programme to introduce 'results-based management' systems in the governments of member countries of the Organisation for Economic Development. The UN's 2004 report on the results of this initiative noted that 'the changeover to a results-based culture had been lengthy and difficult, with organisations struggling to ... empower managers and staff alike in the setting and accomplish[ment] of programmatic goals'.⁶

3.2.2 Strength of union movements

In many countries, while union movements have largely lost their bargaining power within the private sector, they remain strong within the public sector. Collective agreements and legislative frameworks can make it extremely difficult for an employee to be dismissed for non-performance. Managers may feel intimidated or overwhelmed by the process and therefore opt for avoidance over disciplinary action.

⁵ UN World Public Sector Report, 2005: 100

⁶ UN World Public Sector Report, 2005: p.3



In 1997, Zambia was faced by a nationwide strike by the health service unions when the 1995 Health Act gave hospital managers the power to hire and fire. Similarly, in Mauritius in the 1980s, public sector unions opposed a performance-related pay scheme.⁷

3.2.3 Lack of clear objectives

In order for employees to meet their objectives, these must be clearly spelled out during the planning phase. If the department is not clear on its plans, or does not have the ability to cascade these effectively down through the organisation, individual employees may not understand what is expected of them. In many instances, employees do not understand how their own performance relates to the overall performance of the department, which may lead to a lack of motivation.

The National Partnership for Reinventing Government (NPR), formerly the National Performance Review, is an interagency task force designed to fundamentally change the way the United States' federal government operates. President Clinton announced the creation of NPR on March 3, 1993.

In a 1999 NPR Employee Survey, only one out of four respondents reported that they had a clear understanding of how "good performance" is defined in their agency.⁸

3.2.4 Issues relating to the communication of objectives or targets

Even when clear objectives have been set and are documented in an individual's scorecard, these are not communicated in a holistic way. In other words, employees do not see the 'big picture'. They operate in a vacuum, sometimes to the point where individuals' drive to achieve their own targets severely impacts on the ability of other employees or the team to meet their targets. Effective communication of overall strategy, objectives and targets should encourage team play.

According to Hope, "poor communication between senior management and themselves [junior staff], an inaccessible and remote senior management, job descriptions that are rarely adhered to or followed, lack of guidance and supervision from senior management, heavy workloads, and a senior management that is resistant to change" are taking their toll on the motivation of employees in Botswana's public service.⁹

3.2.5 Lack of comprehensive job descriptions

Where jobs are not effectively defined, it is almost impossible to manage poor performance. An employee is always able to claim that their lack of performance is due to a misunderstanding about what they are expected to do. A comprehensive job description should always be used in conjunction with a scorecard to assess performance. An individual who meets performance targets, but neglects the remaining components of their job, is not necessarily performing to standard and this may result in under-delivery to the public.¹⁰

3.2.6 Unrealistic targets

The outcries from civil society and the pressure on politicians to deliver have led, in some cases, to the unrealistic setting of targets. Employees are thus set up for failure, become de-motivated, deliver even less and this creates additional pressure on governments to improve. A vicious cycle of non-performance results. Well thought out long-term plans, with incremental improvements in performance have better chance of succeeding.¹¹

⁷ Ibid: p.91

⁸ Hope SR, 2003: p.304

⁹ Interagency work group, 2000: p.3

¹⁰ UN World Public Sector Report, 2005

¹¹ US Office of Personnel Management, 1999: 1

3.2.7 Lack of resources to perform

The ability to manage poor performance is severely undermined by a lack of resources available to employees in meeting set standards. For as long as employees can blame their lack of performance on external factors, they will always be able to justify their position. Providing the right tools to assist employees in meeting targets, be those technological, training, management support, human resources, budget, equipment, is fundamentally important to the performance management system.¹²

3.2.8 Non-compliance with performance management system

Managers under pressure to perform a range of activities are prone to reduce the importance of performing regular performance reviews. In ever expanding 'to do lists', managing performance is always relegated to the bottom of the queue. Non-compliance with the system makes it extremely difficult to manage poor performance. In some cases both manager and employee are only made aware of poor performance at the end of the performance cycle when it is already too late for remedial interventions. This is also evident from the findings of this research.

In the 1999 NPR Employee Survey, only half of the respondents reported that their immediate supervisor or team leader was doing a good or very good job and only two out of five respondents were satisfied with the recognition they receive for doing a good in their functions.¹²

3.2.9 Capacity of HR department to provide support and assistance

The UN World Public Sector Report, 2005, found that in most countries "Staff responsible for human resources [have been] confined to playing a restricted, bureaucratic and reactive role, limited by and large to routine decisions about staff entitlement to pay increments and the like."⁹ Without a change in the nature of HR departments in the public sector, they will not be able to adequately support managers in managing poor performance.

3.2.10 Poor performance record keeping

In order to manage poor performance and, if necessary, to provide interventions or proceed with disciplinary measures, a comprehensive record of an individual's performance must be kept. This additional administrative burden on a manager's time is often neglected. The result is that poor performance is not adequately addressed.

3.2.11 Capacity of management to manage poor performance

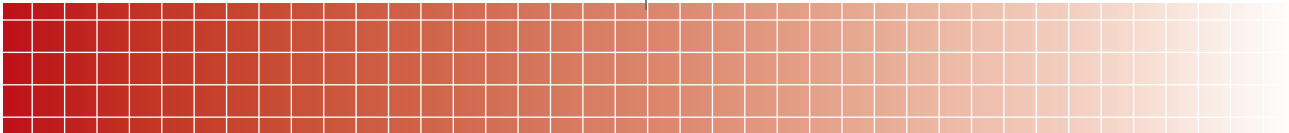
Managing poor performance is difficult. Eight out of ten Google hits on managing poor performance are for 'how to' training courses. Without a formal system, managers do not know where to start. Internationally, government documentation on performance management contains a comprehensive section on managing poor performance. Managers are sent on special training courses to deal with performance management and in particular the management of poor performance.

The US Office of Personnel Management's report on poor performers in government (1999) found that supervisors who had pursued formal poor performance interventions described the experience in intensely emotional terms.¹⁰

In the 1999 NPR Employee Survey, only 28 percent of respondents reported that corrective actions were taken with poor performers. In a 1999 Senior Executive Service¹² survey, nearly one out of three respondents cited lack of upper management support as the reason they had not terminated a poor performer.¹³

¹² The Senior Executive Service is a branch of the US Office of Personnel Management charged with leading the continuing transformation of government

¹³ <http://www.opm.gov/ses/>



When supervisors reported that they had taken no formal action, they cited as reasons: lack of higher management support, dislike for a tedious and time-consuming process, and fear of grievances or other actions.¹⁴

3.3 Studies on poor performance management

International studies show that compliance with poor performance procedures by managers in the public service confirm the challenges as stated above.

The Australian Public Service Commission reports that managing under-performance is one of the hardest skills of a manager.¹⁵

They concluded that there is no doubt that staff become cynical when poor performance is not dealt with. Staff surveys show this consistently. While inadequate recognition of good performance is often a cause of concern, the inability of an organisation to manage ineffectiveness and poor performance creates even stronger resentment. This cynicism does affect the credibility of performance management systems.

The Australian Public Service Commission's study showed that a number of factors could work against the effective management of poor performance. One is a lack of preparedness by managers to take the issue on.

Another inhibiting factor may be the procedural or process frameworks that agencies establish to handle under-performance. Processes obviously need to meet basic principles of procedural fairness. This is important from an administrative law point of view and a basis for staff trust in the system. In many cases the procedures will have been subject to negotiation as part of agency bargaining and it may have been difficult to negotiate streamlined arrangements. As a result many agency Certified Agreements have provisions beyond what is necessary and create an overly cumbersome framework.

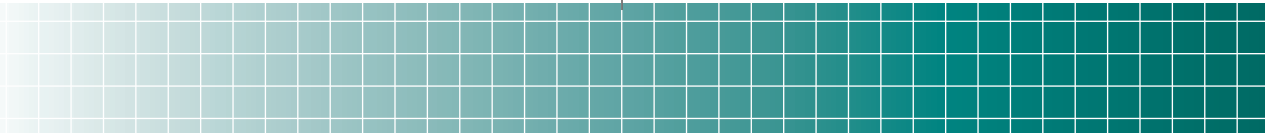
The bottom line is that management's failure to address under-performance in most workplaces, across all sectors, is one of the persistent factors that undermines the credibility of performance management systems overall.

Three important studies into the management of poor performance in the Federal Service in the United States produced similar results. The first study was commissioned by the US Merit Systems Protection Board (MSPB) in 1995; the second by the US Office of Personnel Management in 1999; and the third by the Interagency Work Group on Performance Management in 2000. These studies revealed that a number of factors combine to discourage Federal Service managers from taking formal actions against employees who cannot or will not perform at an acceptable level. Chief among these factors are the following.

- Supervisors do not understand either of the two major processes established by law for removing poor performers (Chapter 43 and Chapter 75 of title 5 of the United States Code which contain the statutory authority for both).
- When seeking help from agency experts on Chapter 43 and Chapter 75 removal procedures, supervisors report that they frequently receive inadequate or confusing advice and assistance.
- Already reluctant to create an unpleasant work environment, many supervisors believe that if they take formal action against a poor performer there is a real possibility that (1) higher level management will not support them, (2) their decisions will be reversed upon review or appeal, or (3) they will be falsely accused of having acted for discriminatory reasons.

¹⁴ US Office of Personnel Management, 1999: 11

¹⁵ Australian Public Service Commission, www.apsc.gov.au/publications01/performancemanagement4.htm



In contrast to these perceived disincentives are the beliefs of many supervisors that there is little downside cost to them if they do not take action. Many supervisors believe they can work around the deficiencies of their poor performers and still get the missions of their work units accomplished. In essence, many supervisors believe it is simply not worth the effort to attempt to remove federal employees who cannot or will not perform adequately.¹⁶

On the basis of its findings, the Interagency Work Group on Performance Management¹⁷ groups its recommendations into three broad focus areas –

- expect excellence;
- establish accountability; and
- take timely action

Examples of some of these recommendations are summarised below:

Expect excellence

- Agencies should update their employee performance plans, using balanced measures extensively and working with their labour partners in a constructive discussion about effective, credible measurement.
- Agencies should emphasise monitoring performance and giving employees ongoing, timely, and honest feedback (beyond a required progress review) to help sustain and reinforce what's expected.
- Senior management should provide visible support to their agency's performance culture and climate for excellence.
- Agencies should make sure that the resources (technology, learning, information) employees and their leaders needed to do an excellent job are available.
- Agencies should recognise that individuals differ in reaction to performance management techniques and should permit supervisors' flexibility in meeting individual needs.
- Agencies should consider establishing comprehensive leadership development programmes that assure a continuous supply of highly qualified managers.

Establish accountability

- Agencies should emphasise training in basic performance management skills, for example, by conducting intensive training for all new managers, supervisors, and team leaders on giving performance feedback and ensuring that all leaders receive updated training on performance feedback at least bi-annually.
- Agencies should make managing performance effectively a central factor in evaluating managerial and supervisory performance.
- Agencies should evaluate the effectiveness of their awards programmes and, as appropriate, re-engineer them to focus on rewarding and publicising tangible accomplishments at the individual or organisational level that improve products or customer service or otherwise directly contribute to achieving strategic goals and objectives.
- Agencies should share their success stories at reinvigorating their performance management programs and practices, both formal and informal.

Take timely action

- Agencies should share successful techniques for designing and supplying proactive performance support, particularly in situations where new technologies and job duties are being introduced.
- Agencies should share successful early intervention practices.

¹⁶ MSPB, 1995: 2

¹⁷ Interagency Work Group on Performance Management (2000): Report to the President's Management Council on Managing Performance in Government

- Agencies should make the modest investment to provide supervisors with more tools for at-the-desk, just-in-time help, such as an interactive CD-ROM on resolving performance problems.
- Agencies should work with unions to develop simplified, effective and fair alternative dispute resolution (ADR) alternatives to the current statutory process for dealing with poor performers.
- Agencies should share their resources, especially specific training for managers to use ADR techniques and to overcome their natural resistance to confrontation.
- The Administration should pursue changes to the performance management laws that will simplify the process for removing poor performers while preserving due process protections.
- Agencies should share successful practices for giving managers and supervisors the support that leads to successful resolutions.
- Agencies should pilot multi-party (i.e., “SWOT” or “Rapid Response” team) approaches to dealing with poor performers.

The recommendations provided in the Interagency Work Group report concur with the other two US Federal studies into the management of poor performance.

3.4 Conclusion

In conclusion, it is fair to say that the management of poor performance is an issue of concern for all countries that have implemented performance management systems in the public sector. There is a universal understanding that in order to improve the quality and standards of delivery in the public service, each and every employee must play their part to the best of their ability and that poor performance cannot be tolerated. It is also clear that the management of poor performance must be seen within the context of an overall performance management system. Poor performance management is but one phase in the performance management cycle. As such, all aspects of the performance management process must be given the required attention.

Chapter Four

Research Findings and Observations

4.1 Introduction

This Chapter details the findings of the research and is structured around the following two critical research objectives:

Research Area 1:

In Research Area 1, the objective was to determine whether departments view poor performance to be a problem, and if they do, what the underlying causes for this are.

Research Area 2:

In Research Area 2, the objective was to analyse to what extent the management of poor performance is an institutionalised focal area in departments.

4.2 Research Area 1: Is poor performance a problem in the Public Service, and if so, why?

4.2.1 Is poor performance a problem in departments?

The three groups of respondents who participated in the research, namely –

- management;
- employees; and
- union representatives –

had differing views on whether and to what extent poor performance is a problem, as summarised in the following table:

Table 2: Respondents' views of the extent to which poor performance is a problem in departments

31% of managers believed poor performance to be a significant problem
57% of employees believed poor performance to be a significant problem
100% of union representatives believed poor performance to be a significant problem

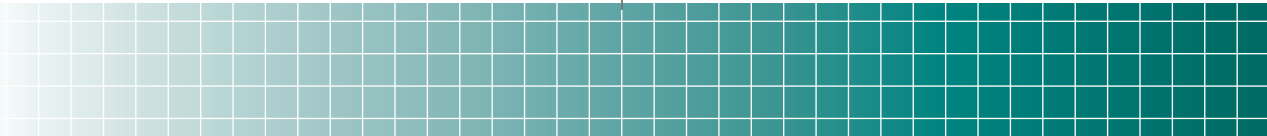
As is evident from Table 2, the various respondents' views regarding the extent to which poor performance is a problem vary. Managers were less inclined to regard poor performance to be a problem. Employees and union representatives on the other hand, albeit to differing degrees, regard poor performance to be a major problem. As will be alluded to in the analysis of the findings, managers are either in denial about the extent to which poor performance exists, given that they are accountable for this problem or it could be indicative of an inability on their part to identify poor performance in the first place. It is, however, clear from the employee and union respondents that poor performance in the Public Service is a concern.

4.2.2 If poor performance is a problem, what are the underlying causes?

The causes reported by the respondents for poor performance to be a problem are varied and are discussed under appropriate headings that follow.

4.2.2.1 Support processes

Twenty percent (20%) of managers and sixty percent (60%) of employees identified the failure of, or weak performance of, essential organisational support processes, such as formal employee induction processes, a



formalised communication system, targeted training and mentoring and coaching as collective contributors to poor performance. The impact of these processes is as follows:

- **Formal employee induction processes:**

There are two levels of induction. The first, within a Public Service context is aimed at introducing an employee to the Public Service, its composition, the interactive relationship between the political and administrative level, its unique functioning within legislative mandates and parameters and its unique conventions and methodologies. Part of this level of induction is to introduce the employee to his/her new employer, its core functions, its structure, its own conventions, policies and procedures and his/her rights and obligations, to name the most important. The second level of induction entails the introduction of the employee to his/her organisational unit, explaining its core functions and how these feed into those of the department. It also entails, for example, an explanation of how he/she fits as the proverbial cog, vis-à-vis that of his/her colleagues into the rest of the unit's machinery.

This process not only brings about a sense of belonging with the employee, but also lays the basis for issues such as loyalty, commitment, work pride and identification with the employer's vision and mission. The more thorough this process is handled, the better the chances of a committed performance orientated worker, one that not only views his/her employment as a job, i.e. a means to earn a living, but one who experiences his/her employment as a calling...something to feel enthusiastic and proud of. Without the basis provided by induction, an employee may not acclimatise quickly to the new work environment and may therefore underperform.

- **Formalised communication system:**

Formalised communication can be multi-directional (horizontal with peers, upward with management or downward from management). Communication serves as an important vehicle to convey knowledge. Within a performance management context in particular, it is vital to communicate –

- performance expectations;
- performance standards;
- performance against expectations; and
- performance against standards.

The more thorough and frequent the communication, the better the chances that vital elements of knowledge, insight and understanding will have been shared and the lesser misunderstandings and misconceptions there will be.

- **Targeted training, mentoring and coaching:**

Targeted training refers to training content with a direct relationship to work content. In other words, training is specifically employed to bring about certain skills and/or competencies to perform a job or part(s) thereof to the standard(s) required. Mentoring and coaching refer to on-the-job-training which includes hands-on guidance, demonstration, examples, etc. It stands to reason that where such is absent or neglected, employees may be left incapable or partly capable in executing their responsibilities to the standard required.

4.2.2.2 Leadership and leadership strategy

This aspect was solely identified to be a problem by managers (60%). It refers to constant changes in leadership, with resultant constant changes in operational strategy and direction, as well as performance objectives, which in turn destabilises operations and diverts focus from core performance objectives. Constant changes in operational strategy and direction can result in diminished motivation, dedication and commitment, which in turn can manifest in deteriorating performance and work standards.

4.2.2.3 Lack of capacity

Managers were unanimous (100%) in identifying lack of capacity as a major contributing factor to poor performance. This refers to the high number of vacant posts in departments at any given point in time and the imbalance created between work volumes and available resources. It results in employees and managers having to take on more responsibilities than they are able to manage, leaving them overburdened and unable to excel. A further dimension highlighted in this regard is that employees and managers are being prejudiced by such a work environment as they are indirectly prevented from benefiting from performance incentive schemes. Twenty percent (20%) of employees surveyed supported this view. 100% of labour indicated that a system for the management of poor performance was in place, however; there was lack of commitment by managers to implement the tools.

4.2.2.4 Person-to-post mismatch

Management (80%) regarded this to be another major contributing factor to poor performance, a view strongly supported by employees (60%) and union representatives (60%). Two dimensions of person-to-post mismatching were highlighted:

- On one level, departments lacked the right kind of general skills and competencies to support service delivery, placing a burden on individual employees and managers to off-set this.
- On another level, management skills are regarded as inadequate in that employees, inexperienced in the many dimensions of the management task, get appointed to management posts. This not only disables managers to identify poor performance, but also leaves managers at a loss to lead, guide and mentor poor performing employees. In this regard poor political and administrative leadership was regarded as a cause of this problem.

4.2.2.5 Performance standards

All three respondent groups were *ad idem* (60%) about performance standards being a reason for causing poor performance. They all stated that the line between acceptable and poor performance becomes ambiguous in the absence of clearly defined performance standards. They added that this is as much attributable to a lack of skills in how to go about setting performance standards as it is an inability to do so as a result of a lack of knowledge of the job content and clarity on what the performance objectives are. Unions specifically mentioned that the criteria for the measurement of performance were unclear and that it is therefore very difficult to objectively assess employees' performance.

4.2.2.6 Work culture

Employees (40%) regarded this to be less of a problem than managers (100%) and union representatives (80%). Nevertheless, the following dimensions were specifically highlighted in this regard:

- The historical legacy of the Public Service offering sheltered employment where people just do enough to get by has been perpetuated. Employees do the bare minimum and appear to believe that they can get away with it.
- Employees display apathy as there is no real pressure on them to perform. There is poor discipline management to correct this attitude. There is no focus on performance improvement, no sense of going beyond the call of duty and no real conceptualisation of what would constitute high performance. Employees generally appear to be indifferent to the customer-centric principles embodied in "Batho Pele".
- Low levels of morale, stemming from perceived limited career advancement opportunities, high prevalence of nepotism and favouritism, a non-stimulating work environment and a failure to differentiate between star performers and poor performers.

4.2.2.7 Lack of accountability

This causal factor was solely identified by a number of managers (40%), who believe that employees are not held accountable for their performance and managers do not address performance problems until they are forced to when problems become serious. At a glance, this may appear to be ironical self-criticism as managers are responsible for holding employees responsible for their performance and managers are held accountable for not addressing poor performance. However, it is taken that the responding managers were commenting on what they observed from their peers.

4.2.2.8 Structural issues

An equal number of managers, employees and union representatives (20%) saw this as a problem, stating that the repeated splitting and/or incorporation of provincial departments over the years, outsourcing and continual changes to departmental organisational charts are creating an unstable working environment that damaged continuity in operations.

4.2.2.9 The Performance Management and Development System (PMDS)

The PMDS itself is, to varying degrees, seen to be contributing to poor performance by managers (40%), employees (60%) and union representatives (40%). The reason for this, the respondents allege, relate to the following:

- Its inconsistent application
- Limited understanding of the System
- The lack of formal and timely performance reviews and feedback on performance
- Managers' inability to provide leadership and to inspire their employees
- A lack of commitment to the System and a concomitant reluctance to penalise non-performers
- Failure to differentiate between adequate, star and poor performers.

It is evident that what is implied is not that the system is at fault, but that its roll-out in departments has not been done adequately.

4.2.2.10 Role clarity and definition

A handful of employees (20%) are of the view that without a clear understanding of their role, they feel disempowered to perform their roles effectively. What this points to goes further than uncertainty about performance standards. It is about not knowing what is expected from one in terms of job content. It further points to inaccurate or incomplete workplace agreements which represents a serious indictment against managerial guidance, control and oversight. In such a scenario, employees could be expending effort in irrelevant areas of work and demonstrate under-achievement in areas that are actually of importance. This brings a further dimension of poor performance to the fore that relates to irrelevant performance as opposed to an individual not able or willing to perform. It stands to reason that under such circumstances managers will have little ground to stand on when contemplating penalisation or disciplinary action. In fact, poor performance under these circumstances cannot be managed after the fact without presenting valid grounds.

4.2.2.11 Lack of resources

A number of employees (20%) specifically cited a lack of access to suitable enabling equipment as a contributor to poor performance. This could range from vehicles through appropriate computer software to standard equipment such as printers, faxes, etc. Without these tools performing day-to-day tasks become unnecessarily cumbersome and performance is therefore almost unavoidably not at the desired level.

4.2.2.12 Management commitment

This matter was placed on record by union representatives (60%) who are of the view that managers lack the necessary will to deal with poor performance issues head-on, as a result of the following:

- A lack of commitment
- A lack of skills
- A lack of courage stemming from the fact that –
 - > some employees occupy more senior political positions than their managers/supervisors, inhibiting the latter to enforce discipline;
 - > some managers lack the necessary people management skills to deal with sub-standard performers and tend to be conflict-management averse; and
 - > some managers find it difficult to have frank conversations with employees with whom they have personal relationships.

4.2.3 Summary of causes for poor performance and analysis of findings

In summary, the causes for poor performance in the respondents' view are the following, in ranking order from more important on top, to less important (Table 3):

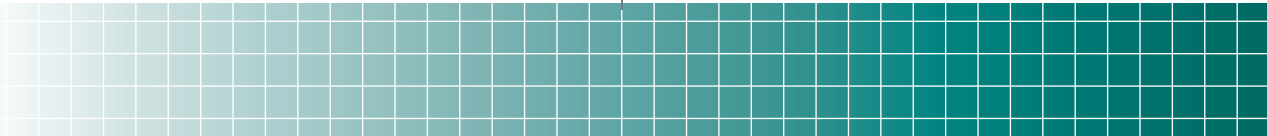
Table 3: Ranking of respondents' views on the causes of poor performance

PMDS roll-out		Lack of Management will	PMDS roll-out
Managers	Employees	Union representatives	Combined
Under-capacitation	Lack of Performance standards	Person-to-post mismatch	Culture
Culture	Processes	Culture	Person-to-post mismatch
Person-to-post mismatch	Person-to-post mismatch	Lack of Performance standards	Lack of Performance standards

Although two thirds of managers believed poor performance not to be a problem, the inputs from employee and union representatives, and managers' subsequent ability to articulate in detail what they thought the causes of poor performance were, suggest that it does indeed exist.

The discrepancy in Table 3 between the perceptions of managers on the one hand, and employees and union representatives on the other, suggests one of two things (that are not necessarily mutually exclusive). Either that managers are in denial about the extent to which poor performance exists, which is a strong possibility given that they are accountable for this problem. Or secondly, that their inability to recognise that poor performance exists could be an indictment on their ability to identify poor performance in the first place.

The findings confirm the latter, namely that managers are unable to identify poor performance. Management skills (generally and relating to performance management specifically), coupled with lack of capacity, and the will to manage poor performance were raised as factors contributing to the perpetuation of poor performance in the Public Service.



An effective performance management system has a knock-on effect on the management of poor performance. The following issues are highlighted:

- Incomplete and inconsistent implementation. Managers' concerns about the theoretical base, lack of strategic focus, and cumbersome nature of the performance management system may compound the perceived unwillingness to implement a process that they do not support. This, coupled with issues of lack of capacity and the overload on managers, may result in managers marginalising the implementation of performance management. Managers' failure to buy into and implement (what they see as) a cumbersome process, results in poor and inconsistent implementation. This in turn has implications for the ability to derive rigorous, defensible, and objective grounds upon which to undertake a poor performance management process.
- The failure to adhere to the principles of the performance management process creates a vicious circle where a culture of mediocrity and poor performance is inadvertently fostered, which in turn negatively impacts on the productivity and morale of employees.
- The failure to communicate and educate employees on the performance management system and performance standards means that –
 - > they lack a proper understanding of what performance management is and how it can benefit them and the departments that employ them; and
 - > they are likely to raise questions in their minds as to the utility of the system, the rationale for managing and addressing poor performance, and the poor performance management process itself.
- Managers' lack of knowledge of the performance management system is a concern in itself. This results in improper implementation which undermines the ability to identify and manage poor performance correctly.
- Finally, the failure to effectively monitor performance means that managers are not held accountable, leaving the system open to manipulation, multiplying the likelihood of subjectivity and leaving poor performance unattended.

4.5 Implications for the Public Service

If the lack of understanding by employees for the rationale for managing poor performance is extrapolated to represent a trend in the Public Service as a whole, then the challenge to addressing poor performance is significant. Such a lack of understanding, coupled with managers' unwillingness to take accountability for managing poor performance, reinforces a culture where poor performance is by implication tolerated. The extent to which such a trend may be pervasive within the Public Service does not enable the ability of the Public Service to successfully address its fundamental social and economic objectives.

Of similar concern, if extrapolated to the Public Service more generally, would be the gap between managers' consciousness about the value of managing poor performance, and their will to actually do so. The extent to which this apathy is prevalent impacts on the ability of the Public Service to transform the widespread negative sentiment towards it. If managers are unwilling to drive performance and manage poor performance then the ability to transform to a more performance-oriented culture is inhibited.

Capacitation – not just in respect of performance management but in respect of management more broadly – represents a significant challenge when the results of this study are extended to the Public Service as a whole. Upskilling managers is not the only solution, more importantly, systemic issues²⁰ must also be addressed.

The role of HR in the Public Service requires consideration. HR cannot be expected to drive performance management effectively if –

- its structure and focus is not aligned to the objectives of the department it serves;
- it lacks support from senior/top management;

²⁰ Such as professionals migrating to management positions because of better pay scales, with the result that gaps in professional competencies arise, and individuals ill-suited for management are appointed.

- its roles and responsibilities vis-à-vis that of line managers are not clearly delineated and enforced;
- it lacks the necessary capacity and strategic competencies to manage and drive key processes such as performance management; and
- it is not held accountable for the advisory and oversight role it has to fulfil.

The inconsistency and variation in the experience of performance management implementation point to opportunities for centralised support to the Public Service. This, however, should not only focus on implementation but should include enablement, transformation, and monitoring.

4.6 Conclusion

Poor performance is a problem in those Public Service institutions reviewed. The causes most commonly identified for this situation are work culture issues, a person-to-post mismatch and associated lack or misplacement of skills, lack of performance standards and failure to monitor performance on an ongoing basis.

Poor implementation of the PMDS, the failure to uphold its underlying principles, an unwieldy and cumbersome process, poor understanding of the system, subjective practices by managers, and very weak monitoring all contribute to the problem of ineffective poor management of performance.

The lack of credibility in respect of the system, poor implementation, and a lack of rigorous monitoring and accountability have a knock-on effect in respect of the management of poor performance. As the foundation upon which to manage poor performance is perceived to be shaky, so too is the actual practice and implementation of poor performance management proven to be.

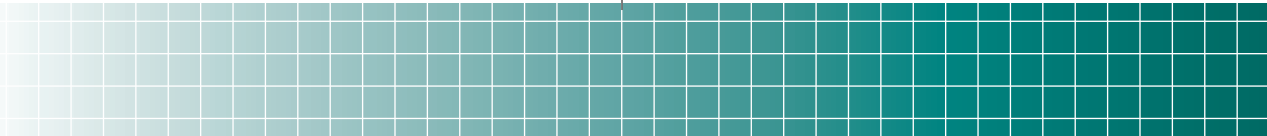
In theory, managers understand the rationale and benefits for poor performance management, however, there seems to be a disjuncture between theory and practice. Aside from not being held accountable for managing poor performance, managers seem to lack both the skills and time to perform this role effectively. To reverse this phenomenon, HR must play a more active role in providing line managers with support and advice, vacant posts need to be filled as a matter of priority, and filled with employees that can support managers.

Furthermore, departments will need to invest heavily in structured, regular, and experiential training interventions to address some of the critical skills gaps, notably inter-personal skills. Top management do not in all instances hold managers accountable for managing poor performance, this exacerbates the situation, as managers do not account for their failure in this regard.

The lack of accountability and lack of will to manage poor performance is related to HR's failure to fulfil its mandate both as a strategic partner to departments, and in respect of owning, driving, and supporting the performance management and management of poor performance processes, as departmental custodians thereof.

The result is that where poor performance management is implemented, it lacks consistency (being dependent on the interpretation and skills of managers concerned), or is delegated to Labour Relations sections to deal with, often at a stage where the opportunities for constructive interventions have passed. Ultimately – similar to the performance management system upon which it relies – the process of managing poor performance is not seen to be fair.

Although there are external factors that contribute to the culture of poor performance, the lack of a fair and rigorous poor performance management process ensures that such a climate is perpetuated.



As alluded to previously, the top four identified causes of poor performance were culture, mismatch and lack of skills, lack of performance standards, and the roll-out of the PMDS. Arguably, managers play an influential role in three of these four factors, namely culture, performance standards, and the management of the PMDS. Therefore, in addressing the management of poor performance, attention should be given to addressing management's role in respect of these factors in order to create an enabling environment for performance as well as dealing with their knock-on effects. This is so because the secondary effects have to be dealt with.

4.2.4 Implications for the Public Service

If the most-mentioned causes for poor performance are extrapolated for the Public Service as a whole, then the biggest barriers the Public Service need to overcome in respect of poor performance relate to –

- a belief amongst employees that the Public Service provides sheltered employment;
- work apathy;
- low staff morale;
- Improper person-to-post matching and a concomitant lack, or misplacement of skills;
- a lack of performance standards;
- the present approach to the PMDS which, in most instances, is done half-heartedly for purposes of compliance in most instances;
- a system that is not being viewed as a management aid, but as an unwieldy and overly technical necessary administrative burden; and
- management's present inability to afford the PMDS the time it requires.

Negative public and employee sentiment about the culture of poor performance in the Public Service is common, and improving the PMDS will not be the panacea hoped for. The system may have its shortcomings, but these cannot be accepted as a fact until the system has been implemented in the way it should have been. The problems pertaining to inefficiency in relation to the management of performance, and specifically poor performance, are rooted much deeper, as highlighted under this section. A more rigorously implemented performance management system may go some way to changing the work culture, but culture is influenced by a number of other factors, including the role of leadership (management culture) which must lead by example and set the desired performance standards for others to emulate.

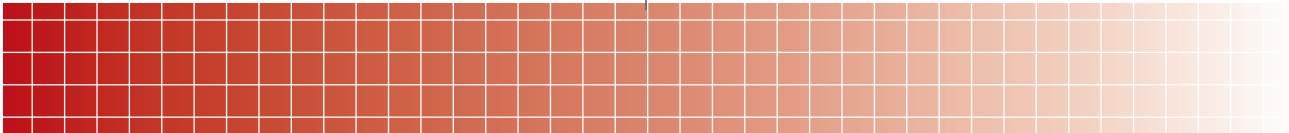
4.3 Research Area 2: Managing poor performance

The second research area focused on the management of poor performance itself. The assumption made in this research was that effective and rigorous management of poor performance is contingent on the presence of the following factors –

- there is a business case for the management of poor performance that is understood by managers;
- managers have been trained on managing poor performance and understand how the process works;
- managers are competent at managing and dealing with poor performance;
- managers have the courage and will to manage poor performance;
- the process for managing poor performance is fair;
- management is held accountable for the management of poor performance;
- managers are provided with the necessary HR and Labour Relations support to manage poor performance; and
- a functional performance management process exists that is integrated with the process for managing poor performance.

¹⁸ Union representatives' perceptions were not canvassed as the use of the tool and rationale had not been communicated to them prior to the research process, and it was felt that without prior consultation, this would be a risk to the research process.

¹⁹ Only managers were asked to provide detailed input in respect of each of the statements.



These factors constituted the focus of this research area. Managers were asked specific questions relating to each of these factors. The extent to which they concurred or disagreed with each of these elements provides insight into the management of poor performance and the underlying challenges.

Although questions relating to each of the factors were put to managers for comment, employee representatives¹⁸ had an opportunity in their focus groups to offer their perceptions¹⁹ on the extent to which each of these factors occurred.

4.3.1 Understanding the business case for managing poor performance

There are compelling reasons for managing poor performance. Organisations, particularly in the Public Service, rely on the effectiveness of their workforce to achieve service delivery objectives and goals. The absence of a delivery orientation has implications for Public Service credibility, and for the communities that rely on the outputs of the Public Service. Therefore, a tolerance for poor performance has socio-economic and political implications that could undermine our young democracy.

Managers were largely of the view that they understood the rationale for managing poor performance, and were able to articulate its importance in the Public Service. As one respondent aptly captured managers' responses: *"Everyone (managers) knows that performance has to be managed and (what) their obligations (are). Everybody knows that failure to deal with poor performance leads to service delivery being hampered."*

Managers also felt that the business case for managing poor performance was generally not well understood by employees. There was a feeling that whilst staff members understand the monetary aspects of performance management, they do not understand the need to address poor performance or the concept and the rationale of performance management in its entirety. Concern was expressed that performance management is simply viewed by employees as a means to earn a bonus to which they felt they were entitled to. It would appear as if the other side of the coin, namely to identify and address poor performance, is conveniently ignored.

It furthermore emerged that although managers may understand the rationale, this does not necessarily translate into sound application of the system. Managers themselves identified problems with the implementation of poor performance management processes, citing instances of managers not being prepared to manage poor performing employees, and poor performing employees not even being aware that they are performing poorly.

4.3.2 Training to deal with poor performance

Although 65% of employee responses indicated that managers had not been trained on how to deal with poor performance, there were mixed responses from managers themselves. Across the Department of Education, managers stated that there had been no training to address poor performance. As one respondent again aptly captured managers' responses: *"The only training that ever happened was a one day training intervention on the new performance management system with no specific focus on managing poor performance."*

The exception was in one province where managers (with longer tenure) indicated that they had received some training. They also remarked that they knew the 'what' but not the 'how', which implies that training was theoretical rather than experiential. In the Department of Housing, managers in two provinces indicated that they had received training on the management of poor performance, whereas in three other provinces managers indicated that they had not benefited from the same. This anomaly in responses could point to managers viewing training on the PMDS and training on specifically the management of poor performance as synonymous, which they are not.

Nevertheless, comments made on the appropriateness of the training were –

- *trainers themselves did not understand the PMDS;*
- *the workshops were held in a lecture format;*
- *training did not allow managers to engage with the material; and*
- *there was no assessment process in place to gauge whether the appropriate competencies had been developed.*

4.3.3 Competency in managing poor performance

Whereas management's views on whether or not they possessed the competencies to manage poor performance varied, employees were quite adamant that they did not. It was only in the Department of Housing in two provinces where the opinion of employees that managements' competency to manage poor performance was more favourable. These two provinces also happened to be the only ones that benefited from training in the management of performance, although as stated the training may not have been targeted on the management of poor performance specifically.

Union representatives held three different opinions in this regard. Firstly, that there was a lack of competence altogether. Some felt that it reflected the general shortage of people management skills amongst managers. Secondly, that competence was dependent on the individual manager, where experience and/or personal attributes made some managers more competent than others at managing poor performance, and thirdly, that managers were competent but failed to demonstrate the competence consistently. Two possible reasons cited in the latter regard relate to a lack of resources, which equates to a lack of time for managers to attend to people management issues and reluctance to manage poor performance because it is a lengthy and complex process.

4.3.4 Managerial courage and will to manage poor performance

Over 60% of employee respondents felt that managers lacked the courage and will to manage poor performance. According to some of the respondents, this is evidenced by the low number of misconduct cases relating to performance. Managers' responses on this issue were judicious and cautioned against 'painting all managers with the same brush.' It was reported that even though standards and competence varied, some managers are good at managing poor performance, and that the reason why some managers fail has more to do with them shying away from having hard conversations or unpopular decisions. This opinion is consistent with that raised by union representatives namely that it is not so much a question of competence but failure to act decisively in a consistent manner. On their part, union representatives had the following to say:

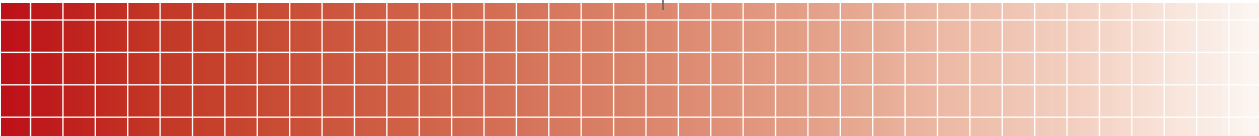
"Since rewards are linked to the performance management system and poor performance equates to no bonus, many managers are hesitant to record poor performance as it affects employees' pockets."

"Personal and political relationships and networks discourage managers from dealing with poor performance issues."

"Some managers find it difficult to deal with poor performing employees, especially if they are on good terms with the incumbents."

"Due to manager and supervisor political affiliations, there is a lack of courage to deal with poor performing employees who are senior in political circles."

The unwillingness of some managers to deal with poor performance is demonstrated by the fact that poor performance is inadvertently, or perhaps even deliberately, passed on to Labour Relations Officers to deal with. Such cases are also left unattended so that the disciplinary route becomes the only recourse open on the basis



of mounting pressure on the manager to do so, providing managers with a convenient excuse in that they can claim to have been pressured into this by others or the circumstances created by the poor performing employees.

4.3.5 HR and Labour Relations support to Managers

One third of employee respondents felt that HR and Labour Relations provide the necessary support to managers to manage poor performance, while another third indicated that they do not. The remaining third of employees were undecided about the issue.

Managers' responses in relation to HR and Labour Relations support were similar across provinces and departments. Generally, managers were critical of HR, arguing that they are administratively helpful and compliance-driven, but fail dismally as strategic partners in helping them to identify and manage poor performance. Some managers even go so far as to blame the present alleged lack of credibility of the PMDS on the lack of strategic support from HR.

Union representatives summed the situation up in similar terms, as follows:

"HR is almost dead. They are the reason there is no culture of performance."

"HR is called in as a last resort because managers don't trust they will help."

It was felt that Labour Relations largely shoulders the burden for managing poor performance because managers are either reluctant to perform this duty or are not equipped to do it. As a consequence, Labour Relations is unfairly placed under strain, which is compounded by their own under-resourcing. Union representatives indicated that:

"Managers use the Labour Relations components to do their dirty work."

and

"Labour Relations has taken over an element of discipline from line as managers have stopped taking responsibility".

4.3.6 Managerial accountability for managing poor performance

Employees' reactions in this regard were mixed, 38% felt that managers are held accountable for poor performance while 48% felt that they were not. The rest were undecided on the issue. Managers' views too were mixed. Most of the respondents from the provincial Departments of Housing expressed the view that managers are not held accountable for managing poor performance, and views this as an established culture. In the provincial Education Departments on the other hand, three out of five provinces felt that managers were held accountable for poor performance. Respondents backed this up by citing examples where managers' performance contracts clearly specified managing poor performance as a measurable objective, and incidents where managers were 'called to account' on poor performance cases by their superiors. Union representatives had the following reaction in this regard:

"Accountability only happens in meetings and not as a result of proper performance assessments arising out of the performance management process."

and

"Although managers are required to account for performance, nothing is generally done about it."

4.3.7 The fairness in which poor performance is managed

At least 65% of employees surveyed believed that the process for managing poor performance was not fair but subjective. Managers' responses were mixed, with no discernible trends emerging in the provincial and departmental analyses. Some managers felt that there were areas and instances where performance management was dealt with fairly. However, they also acknowledged that process fairness also depends on managers' personalities and management styles. Therefore, no consistently clear view was presented of a poor performance management process that was fair in application across the board.

4.3.8 The existence of a functioning integrated performance management process

One of the requirements suggested as a necessity for the effective management of poor performance is a fully functioning performance management system that integrates and seeks alignment between the PMDS and the process of managing poor performance. Currently, guidelines on managing poor performance are dispersed in many prescripts that are not in all cases readily accessible to most Public Service officials.

A number of aspects concerning the PMDS were a concern for managers, employees, and union representatives alike. All three stakeholders stated that implementation had not taken place uniformly and felt that the system's implementation had achieved varying degrees of success. In the most extreme case, it was noted that within the Department of Education, significantly different performance management systems exist for educators and Public Service Act employees.

From an implementation perspective, managers highlighted concerns relating to the system as a whole, commenting that the system is theoretically sound but too technical, not strategic, and difficult to work through. Particular mention was made with respect to the integration between the poor performance management process with the PMDS. Even though managers agreed that the PMDS (and supporting prescripts) provide a framework for managing poor performance, putting this into action is a challenge. Although it was acknowledged that the PMDS had all the right 'ingredients' to help managers to manage poor performance, doing so independently is an enormous challenge for managers. Finally, managers also mentioned that a general lack of capacity both in terms of skills and time hindered their ability to implement the PMDS effectively.

Unlike managers, employees and union representatives raised concerns regarding specific aspects of the implementation of the performance management process. These include the following –

- vague job descriptions that made it difficult for employees to translate job descriptions into work-plans;
- poorly defined deliverables and inadequate communication of performance standards;
- lack of uniformity in setting performance measures and standards;
- inability of managers to conduct quarterly performance reviews on time because of a lack of capacity in terms of skills and time; and
- limited time to affect development plans as a result of operational pressures.

4.3.9 Critique of the PMDS and its roll-out

A significant number of problems with the underlying principles of the PMDS were raised primarily by employee representatives. These by-and-large relate to the underlying assumptions regarding rewards and incentives. On the one hand concerns were expressed about the small size of the incentive budget, which effectively meant that although employees may have performed well and exceeded their targets, the size of the incentive pool available might mean that some good performers would be excluded from benefiting. On the other hand concerns were expressed that in implementation, the underlying principles of the system, namely objectivity, recognition for performance and fairness, are not adhered to and the system is manipulated as a means to qualify for rewards.



"Bonuses were meant for exceeding performance beyond requirements and this is not the case."

"There is rewarding of people that are not up to standard so underperformance gets rewarded."

All respondent groups identified the performance management process as being too unwieldy. Respondents felt that the process was too complicated and protracted, resulting in shortcuts, a failure to adhere to timeframes, and a decline in commitment because of operational pressures.

Understanding of the system was mentioned as a concern by all respondents, but was a particular concern for employees and union representatives. Managers acknowledged that their limited understanding of the performance management system prevented them from implementing it effectively. Both employees and union representatives confirmed this, citing the following –

- lack of management understanding of the system;
- inadequate skills to carry out performance management;
- limited knowledge of the practical application of the system; and
- a failure to cascade performance management awareness downwards.

Employees and union representatives generally agreed that some training had been provided, but felt that it was insufficient and had not reached all the stakeholders (levels of awareness and penetration were low). Furthermore, employees and union representatives reported that the limited training that was provided was too generic and sporadic, and failed to deepen understanding of the system. A dramatic example provided in this regard came from a provincial department that had benefited from only one briefing session since the inception of the PMDS.

All respondents raised concerns in respect of the poor monitoring of performance management. Managers are concerned that the absence of formal monitoring mechanisms threatens to undermine the integrity of the system. Similarly, employees and union representatives felt that the lack of monitoring mechanisms is exposing the system to abuse. Where moderation committees exist, they lack authority and do not function effectively. Concerns were also raised that management themselves were not being monitored. As a result, they continue to openly violate the rules of the system and manipulate it to protect the interests of their favoured employees.

Subjectivity was raised as a concern by all the respondent groupings, with a common opinion expressed that personal issues were allowed to affect the evaluation and management of performance. Employees and union representatives were more explicit in their criticism of management and expressed the following views.

"The performance management system is too subjective to accommodate an independent moderation process. Unless members of the committee know every single employee including their personal circumstances how can they determine performance?"

"The system is open to abuse because supervisors have personal relationships with staff."

"Performance ratings are influenced by the relationship between the supervisor and the employee being rated."

Finally, the level of buy-in and commitment to the system emerged as a concern. Management responses offered a balanced view that recognised the value and necessity of performance management but was off-set by incorrect implementation which devalued the process.

"In theory managers understand the value of the performance management system; a developmental tool that can address challenges such as capacity gaps and ultimately service delivery."

For employees and union representatives, buy-in was not contingent on the rigorousness of implementation, but more fundamentally, on the prevalence of subjectivity in the system. In this regard, their responses were harsher:

"The performance management system is a kangaroo court for managers to deal with employees they don't like."

"The scoring process is subjective and there are no clear criteria for awarding bonuses."

"There is no buy-in amongst employees."

4.4 Summary of findings

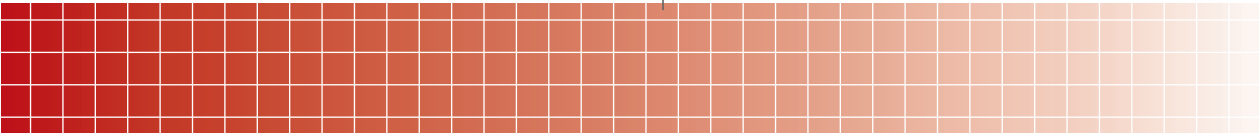
There are seven crucial factors or building blocks that need to be present in departments to ensure the successful management of poor performance:

- There must be a business case for the management of poor performance that is understood by managers
- Managers must be trained on managing poor performance and understand how the process works
- Managers must be competent at managing and dealing with poor performance
- Managers must have the courage and will to manage poor performance
- The process for managing poor performance must be fair
- Management must be held accountable for the management of poor performance
- Managers must be provided with the necessary HR and Labour Relations support to manage poor performance
- A functional performance management process must exist that is integrated with the process for managing poor performance.

The research probed these areas in detail and found the following as to the extent these factors are present:

Table 4: Extent of presence of factors necessary for the effective management of poor performance

Essential factors that must be present for the successful management of poor performance	Yes	No	Partial/ Some
Business case understood by managers	✓		
Training		✓	
Competence			✓
Courage and will			✓
HR & Labour Relations support		✓	
Accountability			✓
Fairness		✓	
Functional performance management process			✓



Whilst the rationale or business case for managing poor performance is apparently understood by managers, it appears not to be understood by the employee-body more generally. Such a lack of understanding has implications on the ability to change a culture of poor/mediocre performance to a high performance culture. Arguably, such ignorance may impact on the ability and willingness of managers to manage poor performance when there is a fundamental lack of understanding amongst staff about what is and is not acceptable, and why it is not acceptable.

Although it is encouraging to discover that managers understand the rationale for managing poor performance, the research findings clearly show that this has not translated into meaningful action, nor has it resulted in better management of poor performance. This can be attributed to the lack/partial presence of those factors identified that should be in place for poor performance to be managed effectively:

- Training on the management of poor performance has been ad hoc and sporadic. In some cases, the impact of training has been questionable.
- The lack of training and skills has been compounded by the limited support (in the form of tools, guidance, and advice) from the HR function.
- Even where competence exists, it is nullified by managers' lack of will to manage poor performance and lack of accountability, or a combination of these factors.
- In the absence of competence, support, will, and accountability, managers avoid managing poor performance, deal with it in an ad hoc fashion, or delegate it.
- This in turn undermines the credibility of the performance management process and creates the impression of a badly designed system.

Managers associate the failure to exercise courage in managing poor performance with the need to make unpopular decisions, and personal and political relationships that conflict with management responsibilities. Although the latter may be characteristic of public institutions, making unpopular decisions and managing difficult relationships are arguably part and parcel of any manager's responsibilities and expected competencies. Therefore, lack of will should be seen as a feature of broader management competency gaps, and/or a failure to adequately hold managers accountable to basic management fundamentals. The lack of willingness to manage poor performance correlates with a generally distorted view of performance management, which managers equate to a disciplinary process rather than a developmental process. This may explain the reason why managers are keen to abdicate this responsibility and to leave it in the hands of Labour Relations sections.

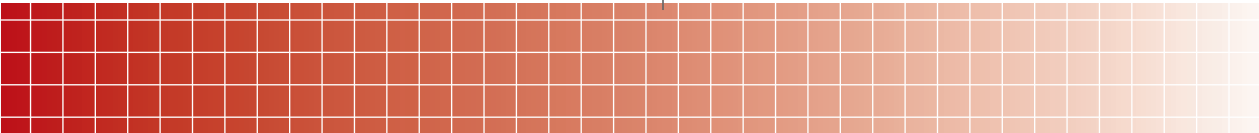
HR's inability to co-own and oversee performance management has impacted on managers' ability to manage poor performance. By not fulfilling their custodian and monitoring role, HR has made it that much easier for managers to abdicate their performance management responsibilities. Poor performance management either does not occur, or if it does, it is not within a commonly understood framework. Very often, poor performance is addressed when it has become a crisis, i.e. at the stage that requires Labour Relations intervention. By the time it is delegated to Labour Relations, it has arguably moved from a developmental issue to one of discipline or incapacity, and the opportunity to address poor performance constructively is lost.

With regards to management accountability for poor performance, the results suggest that, on paper, managers are accountable. However, the reality is different. As a result, meaningful accountability is lacking. The varied opinions of employees and managers would suggest – as with competence – that accountability is an individual issue that is dependent on the manager concerned. Moreover, it is suggested that the lack of real, meaningful accountability can be attributed to the failure of HR to fulfil its mandate in respect of performance management oversight and enforcement. Therefore, it is not surprising that two thirds of employees see the poor performance management process as unfair when a lack of governance and accountability prevails.

Although it is acknowledged that HR needs to play a more active role in providing guidance and support to managers, it should also be emphasised that top management should take responsibility for holding managers reporting to them accountable for the management of poor performance.

Chapter Five

Suggestions by respondents to improve the management of poor performance in the Public Service



During the research and specifically the focus group discussions held, participants were requested to identify areas where the management of poor performance can be improved and to make suggestions in this regard. Whilst not all of the suggestions may be practical, it is deemed appropriate to reflect on some of these as it reflects the views of public servants and unionists that grapple on a day-to-day basis with poor performance.

5.1 Management capability

The respondents indicated that since management's capability is an important pre-requisite for the effective management of poor performance, the training of management in this regard, as well as on basic management competencies (to address general management deficiencies) need priority attention. It was further suggested that the DPSA and/or SAMDI should double their efforts and empower more managers across the Public Service on general management competencies.

5.2 Recruitment and supporting processes

The respondents felt that there are a number of interventions that could be looked at in respect of the recruitment process that would reduce the incidence of poor performance. These largely focus on ensuring that the right people, with correctly aligned competencies, are placed in the right jobs, and receive the necessary development and support to do their jobs. The following was also suggested:

- Conducting competency assessments (at the recruitment stage)
- Introducing tighter measures and more robust screening to regulate the quality of candidates that enter the Public Service
- Deploying the right people, with the right skills, in the right positions
- Compiling clear and consistent job descriptions that are aligned with strategic objectives and communicating these very early in a particular performance cycle
- Setting unambiguous, tangible and measurable performance standards
- Ensuring that the induction process includes training on performance management
- Conducting regular skills audits
- Re-skilling employees where competency gaps have been identified
- Providing employees with relevant training so that they can fulfil their duties more effectively
- Providing employees with on-going mentoring and coaching
- Up-skilling HR and LR so that they are able to provide the necessary support in respect of, amongst others, the management of poor performance.

5.3 Work culture

The following interventions were proposed to transform the prevailing work culture within the Public Service:

- Promote work attitude changes amongst through recognising and rewarding value-adding activities and conversely, penalising behaviours that erode values. In this regard, managers will be expected to champion the behavioural change programme and take accountability for positive and negative outcomes
- Enhance transparency around key performance processes and decisions through regular communication between supervisors and staff
- Enhance trust between management and employees
- Compel managers to hold regular and honest conversations on performance and performance gaps
- Separate political and administrative dynamics. As was noted in Chapter 4, concerns were raised about the extent to which political, social or other networks impact on the ability to manage performance.

5.4 Monitoring

More rigorous performance monitoring was proposed. It was noted in Chapter 4, that the present inadequate monitoring mechanisms render the PMDS vulnerable to abuse by managers. It was specifically proposed that –

- non-compliance in respect of the PMDS should be dealt with harshly;
- performance management should be part of managers' performance agreements. The ability to manage performance effectively (including poor performance) should feature as an obligatory and heavily weighted KPA in every manager's performance agreement; and
- ongoing oversight monitoring of the implementation of the PMDS should feature over the next couple of years.

5.5 The PMDS

The following solutions to enhance the PMDS were made to address the management of poor performance²¹:

Rigour and reinforcement

The following recommendations were made in respect of the rigour and reinforcement of the PMDS:

- Develop a common understanding of the objectives of the PMDS
- Ensure that all staff are aware of the strategic priorities of their employing departments so that they can appreciate their roles within their departments
- Ensure that individual performance objectives are aligned with departmental strategic objectives
- Set specific, measurable, attainable, realistic, and time-bound (SMART) targets at the beginning of the financial year and linking variable pay to these targets
- Provide further training (on performance management) for all employees, and capacitate managers on the implementation of the system
- Enforce regular interactions between managers/supervisors and employees on what is expected of them and the standards they need to reach
- Establish proactive, as opposed to after-the-fact moderation of standards
- Enforce quarterly assessments as envisaged by the PMDS to evaluate and provide feedback in respect of performance
- Ensure that managers and supervisors support and guide employees in formulating work-plans and setting suitable targets.

Enhancements

The following 'enhancements' were recommended to make performance management and the PMDS more effective²²:

- Promote a culture of informal assessment and/or regular coaching and mentoring
- Ensure that the performance management process is evidence driven in order to minimise subjectivity
- Introduce non-financial rewards, which from a recognition point of view can be as equally motivating as financial rewards (bonuses)
- Introduce a team/department incentive scheme so that there is shared responsibility and reward. Departmental financial incentive portions should also be considered, based on organisational performance, instead of the current same-percentage-for-all-approach
- Where possible, particularly with internally focussed support functions such as HR and Finance, introduce customer evaluations to bolster the integrity of the system

²¹ A more effective performance management system enabling the better management of performance overall and subsequently enabling more effective management of poor performance

²² And hence would ameliorate poor performance

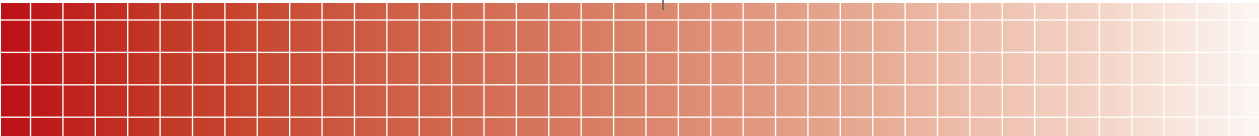
- Link employees' performance ratings to that of managers and utilise quantitative data and management reports to interrogate ratings. For example, managers that have 'inflated' their subordinates' ratings despite the poor performance of their branches/sections should be 'taken to task' for their ratings.

5.6 Conclusion

It is clear from these suggestions that all role players are grappling with challenges of managing poor performance. An emerging trend in both the findings conveyed in Chapter 4 and the suggestions made in this Chapter is the fact that management is not up to the task of managing poor performance. Much emphasis is placed on the need to train managers and capacitate them to fulfil their important role in this regard.

Chapter Six

Recommendations



From the responses received to questions raised for this Report, there are a number of concerns on the management of poor performance that must be addressed. The suggestions made by respondents during the research as discussed in Chapter 5 highlight areas for improvement which warrant attention. Based on the research findings and an analysis of the inputs provided by respondents, the PSC would like to recommend the following:

6.1 Institutionalise managerial accountability for performance management and in particular the management of poor performance

Senior management (particularly Directors-General in National Departments and Heads of Department in Provincial Departments) must lead by example and drive the business case for formally managing poor performance through regular communication to managers.

Sustained competence in managing poor performance requires support, training, practice, measurement, and accountability. Managers need to be held accountable in order to ensure that the management of poor performance occurs. As the findings in Chapter 4 demonstrate, there is an appreciation of why poor performance should be managed but there is no will to implement when no accountability for non-implementation is expected.

Managers' performance in respect of this should be assessed in the course of their performance reviews by specifically focussing on the core competency "people management and empowerment". In addition, it is recommended that –

- HR should play a monitoring role in respect of whether or not managers are managing performance, and should regularly report on compliance to the Head of Department;
- Head of Departments, Deputy Directors-General (DDG's) and Chief Directors (CD's) should also take responsibility for ensuring that managers take accountability for managing performance in general and poor performance in particular; and
- the PSC should periodically and randomly audit sections of departments to monitor the extent to which performance is being managed. These results should then be reported to the Executing Authority, and the applicable legislatures.

6.2 Mapping poor performance management

Each departmental HR Component should develop a standard process for managing poor performance. This should be documented, distributed and explained to managers. The process should be informed by the prescripts discussed in Chapter 4, i.e., Section E of Regulation VIII of the Public Service Regulations. The process flow map should be customised by departmental HR components to suit their unique circumstances and should indicate in very clear terms, the responsibilities and obligations of HR, LR, line managers/supervisors and employees.

6.3 Provide managers with proper support

Departmental HR Components should provide managers with tools to assist them in identifying and managing poor performance. Coupled with this report, the research study also produced a simple toolkit that managers can utilise to manage poor performance. This toolkit which is published separately by the PSC should be made available to all managers and supervisors in the Public Service. Furthermore, managers should also be provided with the following information:

- The contact details for any employee assistance programmes that exist, where specialists are available to discuss issues that may be causing poor performance

- The performance management and incapacity policies and procedures
- A body of relevant and useful cases (for example disciplinary hearings and outcomes, documented cases)
- The contact details for departmental Labour Relations and HR specialists who are able to provide support and advice to queries in respect of poor performance management.

The alleged lack of support provided by the HR function may require a more sustained and longer-term intervention. HR units seem to lack credibility. An exercise to align strategy, vision, and output with line functions is the starting point and should focus on what it means to be a strategic HR partner. This, however, will be meaningless unless the issues of HR capacity, competencies, and skills are addressed. Therefore, the capacity, skills, and competencies required to play the role of strategic partner will need to be defined. For more immediate effect, it is recommended that steps are put in place to elevate the attention the HR function gives to performance management, by holding HR accountable for owning, driving, and monitoring the performance management system. One way to do this is to develop a scorecard that measures and holds HR accountable for driving and monitoring performance management across a department. It should form part of the head of the HR function's performance workplace agreement and cascaded down through the rest of the component. It should be built into HR practitioners' performance requirements, and line managers should be asked to assess HR's role in respect of driving performance management during the performance management cycle. To support this, some training may be required for HR practitioners in terms of –

- the PMDS, both as framework for management of performance and procedure for management of performance;
- the management of poor performance;
- HR's role in providing technical and advisory support for both performance management and the management of poor performance;
- being a nodal point for all documents relating to the poor performance management process; and
- monitoring the extent to which line managers/supervisors deal with poor performance management.

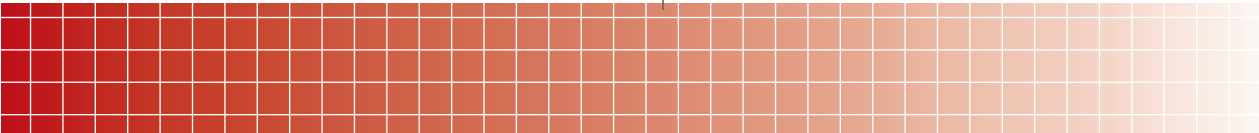
6.4 Institutionalise formal communication processes, amongst others in respect of performance management

Given the low levels of buy-in that emerged in this research, change management communication, aimed at raising consciousness on the benefits of performance management in general and the management of poor performance in particular, must be elevated as a priority. For the communication and change management to be successful at winning the hearts and minds of all stakeholders, a sustained, repetitive, and highly visible interaction will be required. It will also need to take into account different audiences with different needs and levels of understanding. Broadly, it should address –

- the rationale for the PMDS;
- how the PMDS is important to the goals of the Public Service and departmental objectives;
- how the PMDS links with departmental strategic plans, business plans and work plans;
- how the PMDS links to the individual;
- what the individual benefits of the PMDS are; and
- what the key components and requirements of the PMDS are.

6.5 Educate all relevant stakeholders

Communication on the performance management system must be supported by education for all stakeholders. The results of the research clearly indicate that some managers do not understand the performance management system and process properly, and that there has not been deep or sustained penetration of training on the PMDS to employees. Training on the performance management system for managers and employees should contain within it an element that deals with poor performance: What it is, why it is important



to manage, and how it should be dealt with in a fair and transparent manner. Education on the performance management system and process should also be built into departmental induction processes.

Departmental HR Components, in particular the HRD manager should initiate the education and training of managers on how to apply Section E of Regulation VIII of Public Service Regulations RI 248 of 2005 (as amended), which provides clear guidelines on how to manage poor performance. However, given the concerns raised about the impact of existing training initiatives, the inappropriate delivery format of the training, and its limited reach, many more tailored training interventions are required for managers and supervisors. More importantly, the training provided for managing poor performance must be strongly aligned with the performance management framework in place. Furthermore, clear links between the process for managing poor performance and the progressive nature of the disciplinary process must be demonstrated. The rationale for managing poor performance must be clearly articulated.

In addition to departmental training initiatives, transversal training courses need to be developed as a matter of urgency and should therefore be outsourced. SAMDI in conjunction with the DPSA (as the policy maker) should oversee the course development process. (A) consultative forum(s) comprising senior departmental HRD, HR and LR delegates should provide input on the first draft. The material should align to relevant policies, and the standard process for managing poor performance. The agenda for such training should amongst others include –

- the importance of managing poor performance;
- poor performance management as part of the performance management cycle;
- the step-by-step poor performance management process i.e., what to do under what circumstances, when to do it, and what support channels are available to managers;
- the line manager's accountability for managing poor performance, HR's responsibility, and other stakeholders;
- assessing employees' performance;
- identifying and managing poor performance;
- recourse available to managers and legal guidelines i.e., what is legally permissible and what is not; and
- critical success factors of managing poor performance.

Post-training assessment of managers'/supervisors' knowledge of how to manage poor performance should take place and be administered by departmental HRD components and relayed to SAMDI and the DPSA.

Part of the failure to manage poor performance is attributable to a lack of basic management skills i.e., managers do not know how to manage. This has two dimensions: General management skills, and people management skills²³. Part of the training provided to management should therefore focus on the importance of communication and the significance of the role of the manager in shaping work and organisational culture (both generally and in performance terms.) In addition, the training should also include the following:

- Basic people skills
- Setting of performance standards and indicators of success
- Proactive (upfront) moderation of standards
- How to write job descriptions and procedure manuals
- How to set/define performance standards
- How to manage smartly by having subordinates report to managers on work progress and problems encountered
- Identifying and addressing job content related training needs.

²³ This could include for example, communication, managing diversity, managing conflict etc.

6.6 Staffing practices and skills auditing

Finally, it is recommended that departments undertake a review of their recruitment and selection processes, and conduct an audit of the pool of available resources vis-à-vis the desired competencies within their respective departments to identify skills gaps. A critical review of the recruitment process including competency testing would reveal the extent to which rigour has to be applied in the selection and placement of candidates. Interventions to address shortfalls would ensure that there is the right match of a candidate's skills and competencies to those required for the job, and assist in reducing the likelihood of poor performance attributable to incapacity or skills shortages.

An audit of the pool of skills and competencies in a department against job requirements is likely to be a lengthy exercise. Whilst it would not directly assist in the management of poor performance, it would give a department a holistic view of the extent to which current incumbents lack the requisite skills and competencies for the jobs they perform. In so doing, it would identify both the size of the poor performance problem attributable to incapacity/skills shortages²³, and interventions needed to address these issues.

6.7 Prioritising the implementation of the foregoing recommendations

The recommendations proposed have been ranked according to the level of impact or visibility, and the level of effort or investment required to implement. Actions of a 'quick win' nature are likely to require the least effort but have the highest results. Actions of 'priority investment' are necessities, but will require a higher level of investment of effort. Items of 'longer term investment' require a high investment of effort with less immediate impact, whilst 'nice to have' items require low effort, have a lower impact, and are not priorities. In moving forward it suggested that priority be given to 'quick win' and 'priority investment' interventions as these will have the greatest impact.

Based on the recommendations, the following timelines for implementation are suggested.

In the short term:

- Initiate communication initiatives to stimulate debate and raise awareness on performance management and poor performance management
- Develop and implement poor performance management tools (a generic Tool has been made available by the PSC that can be customised by departments)
- Develop and document a poor performance management process that can be accessed by all managers who manage other people
- Implement monitoring and accountability mechanisms for managers (even though a higher investment of time is required for this remedial action, it is regarded as a priority).

In the medium term:

- Develop and roll-out an intensive training programme on performance management and the management of poor performance
- Educate employees on the performance management system on an ongoing basis
- Review HR structures, roles, and accountabilities and identify mechanisms to address competency, alignment and accountability issues (although this has long-term implications, it is a significant problem).

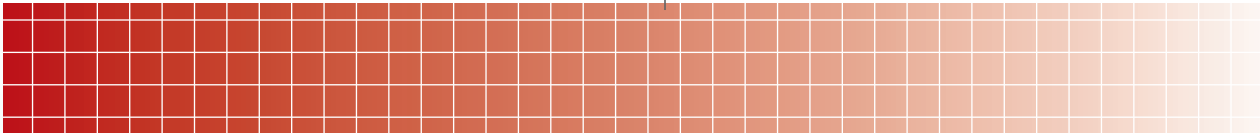
²³ This could include for example, communication, managing diversity, managing conflict etc

In the long term:

- Embark on a work culture change programme
- Develop training interventions to enhance management competencies and skills
- Undertake a review of the recruitment process
- Undertake a departmental skills/competency audit, identify gaps, and develop interventions to address gaps.

Chapter Six

Concluding Remarks



The management of poor performance is a challenge in the Public Service. The causes most commonly identified in contributing to these challenges relate to work culture issues, a person-to-post mismatch and an associated lack of skills, lack of performance standards, and failure to implement the PMDS properly. While managers understand the rationale for managing poor performance, they are both ill-equipped and unwilling to execute this responsibility. Furthermore, evidence suggests that Heads of Department are guilty of being lenient on their managers by not holding them fully accountable for poor performance management.

Part of the reason for failure by managers lies with HR, which does not take ownership for facilitating and monitoring the performance management process. Furthermore, the research identified lack of training to manage performance and, in particular, poor performance as a serious shortcoming. HRD sections linked to departmental HR components are responsible for providing and developing training. They need to pull up their socks. The ability to manage poor performance is further affected by the inconsistent implementation of the PMDS. The failure by managers to adhere to the underlying principles of the system has created an impression that the performance management system is inherently flawed and unfair to employees. In this regard it has to be said that what this research has revealed is very much in keeping with international experiences, as discussed in Chapter 3. However, consolation may not be taken from this. The Government has committed itself to a wide range of service delivery and upliftment objectives and the Public Service on its part is obliged to support the Government in this regard through service excellence.

An integrated approach to addressing the problems of managing performance and in particular poor performance in the Public Service is therefore strongly recommended. The provision of training and the development of poor performance management processes and tools must be supported by initiatives to monitor and build accountability for the management of poor performance.

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