



Evolution of Productivity: Performance Management Nexus for the South African Public Service

18TH Public Service Trainer's Forum

5 October 2015



OFFICE HOURS

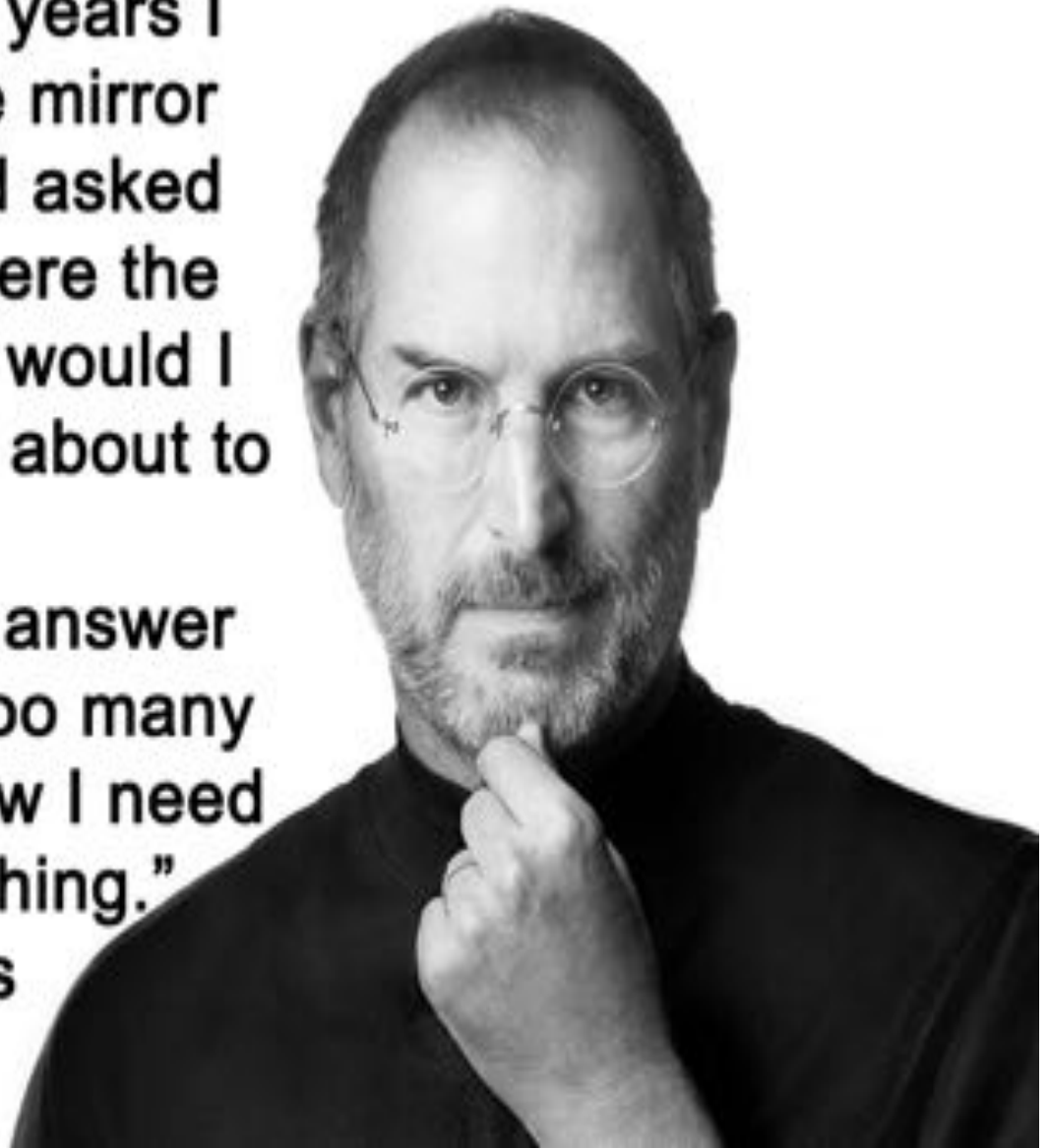
OPEN Most Days About 9 or 10
Occasionally as Early as 7, But **SOMEDAYS**
As Late as 12 or 1.

WE CLOSE About 5:30 or 6
Occasionally About 4 or 5, But
Sometimes as Late as 11 or 12.
SOME DAYS OR Afternoons, We
Aren't Here At All, and Lately
I've Been Here Just About All The Time
Except When I'm Somewhere Else,
But I Should Be Here Then, Too.

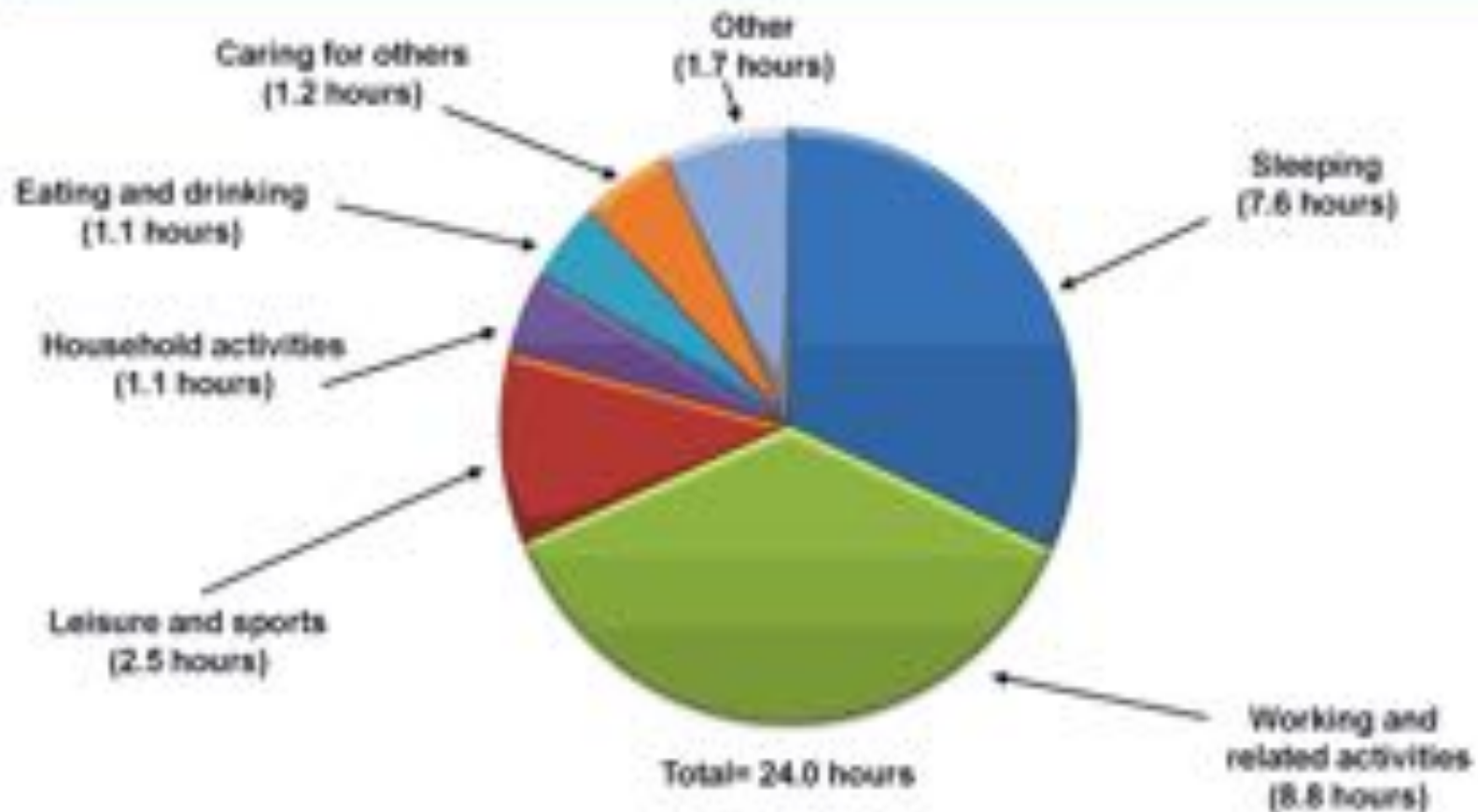
“...for the past 33 years I have looked in the mirror every morning and asked myself, ‘If today were the last day of my life, would I want to do what I’m about to do today.’

And whenever the answer has been, ‘no’ for too many days in a row, I know I need to change something.”

~Steve Jobs



Time use on an average work day for employed persons ages 25 to 54 with children



**“Focus on being
productive
INSTEAD OF BUSY”**

~ Tim Ferriss

A blue hourglass graphic is positioned behind the text. The top bulb of the hourglass is filled with a light brown, grainy texture, while the bottom bulb is empty. The central neck of the hourglass is narrow.

60% or less

of work time is actually
spent productively

A photograph of Zig Ziglar, an older man with white hair, wearing a dark pinstriped suit jacket, a white shirt, and a blue patterned tie. He is smiling and has his right arm raised in a gesture of triumph or encouragement. The background is a blurred outdoor setting with trees and a bright sky.

LACK OF DIRECTION: NOT LACK OF TIME
IS THE PROBLEM


WE ALL HAVE TWENTY-FOUR HOUR DAYS.

ZIG ZIGLAR

"Those who say it can not be done, should not interrupt those doing it.

-- Chinese Proverb





"DON'T SAY YOU DON'T HAVE ENOUGH TIME.
YOU HAVE EXACTLY THE SAME NUMBER OF
HOURS PER DAY THAT WERE GIVEN TO HELEN
KELLER, PASTEUR, MICHAELANGELO, MOTHER
TERESA, LEONARDO DA VINCI, THOMAS
JEFFERSON, AND ALBERT EINSTEIN."

— J. LEONARD BROWN II

Don't say you don't have enough time!

You have exactly the same number
of hours per day that were given
to Leonardo da Vinci, Albert Einstein,
Nikolai Tesla, etc...

BUT THEY DIDN'T
GET 50 EMAILS, TEXTS
AND REQUESTS DURING
THOSE HOURS...



Outline of the Presentation

1. Introduction
2. Problem Statement
3. Analysis of Pilot Results from the Development of a Productivity Measurement and Management Framework
4. Comparing Performance Measurement vs Productivity Measurement
5. Way Forward



Introduction

PROBLEM STATEMENT

- Public Service Reforms since 1994 in SA, happened '*whilst the car was moving and the wheels were being changed one by one*'. However, in certain instances it was not the wheels that had to be changed but other parts of the engine of the car'.
- Implementing actual Strategic State Capability only became a feature in 2009 after the introduction of the NDP was introduced after the 4th administration.
- Macro trends in Public Administration reforms are just like retro designs, they come back decades later due to evidence based when they are still relevant for the evolving context, process and content.



Introduction

SA Fact Sheet

- Top 10% of SA population owns between 60-65% of country's total income which is not based on scarce skills or this contribution to the economy.
- SA scored 138 out 140 in TIMS recently.
- PS salaries have grown faster than GDP growth in the past 10 years.
- Role of Public Service is being taken over by the Private sector by stealth- UBERISATION e.g. why would a bank be now offering passports to citizens, a key government activity?



Introduction

SOLUTION

- INCREASE THE NUMERATOR (OUTPUT) OR DECREASE DENOMINATOR (INPUT) .
- INCREASE OUTPUT FASTER THAN INPUT
- DECREASE INPUT WITHOUT DECREASING OUTPUT



Introduction

PROBLEM STATEMENT

- Productivity is an important measure of how *effectively* and *efficiently* inputs (labour, finances, and infrastructure) are being translated into high quality outputs and outcomes (goods and services).
- *Public Service Productivity* (PSP) within the South African public service has been difficult to measure in the absence of an overarching productivity management and measurement framework supported by policy guidelines and tools on how to measure PSP.
- NPM orientation put far too much emphasis on Performance Measurement with little regard for its relevance and linkages with Work Measurement techniques- market models.



Introduction

PROBLEM STATEMENT

- Productivity is the overall measure of the ability to produce a good or service.
- Measure of how specified resources are managed to accomplish timely objectives stated in terms of quantity and quality.
- It is an Index that measures outputs relative to inputs.
- Why is there a disconnect between what we are rewarding? We need to start rewarding effectiveness and productivity and not only outputs which may be efficient.



Diagnostics

POLICY ASSESSMENT PROCESS

- Baseline Assessments and Evaluation of the Employee Performance Management and Performance Measurement Systems, point to a lack of Policy Coherence and Convergence with little linkages.
- Retrospective Evaluations through the assessment of a value chain analysis showed little policy cohesion between the Performance Management and Measurement systems with that of the Operations Management Policy Framework showing a disconnect as to the importance of process and skill.
- The Policy Design processes were ad hoc and unclear for all disparate systems and only the Performance Measurement and Planning Systems were benchmarked with private sector practice.



Diagnostics

POLICY ASSESSMENT PROCESS

- Logic Model shows the intervention logic of a Productivity Measurement and Management Policy and other integrated policies by showing a relationship between systemic inputs, outputs and outcomes, and efficiencies and effectiveness the assumptions. external factors and which conditions will make success in implementation.
- Econometric models should quantify the statistical relationships between different economic indicators and casual relationships based on trend data and provide evidence based policy, practice and process decision making in order to ensure policy convergence, cohesion and coherence. (e.g. line graphs with seasonal trends)

PUBLIC SERVICE PRODUCTIVITY



LABOUR Policy Areas



DIMENSION	DESCRIPTOR
WAGE SETTING MECHANISMS	GDP per CAPITA , CPI , PAY CATCH-UP, WAGNER'S LAW, ECONOMIC AND SOCIAL FACTORS
BENCHMARKING WITH JOB ROLES	PROXY INDICATORS TO DETERMINE HOW TO BENCHMARK JOBS IN THE PS WITH SIMILAR JOBS IN AFRICA, RELATED SOCIO-ECONOMIC COUNTRIES , COMMONWEALTH AND OECD COUNTRIES
PAY DIFFERENTIALS AND PAY MULTIPLES	CAPPING OF SMS Salaries Level SALARY PRICING SYSTEM AGAINST OTHER SECTORS
PUBLIC SERVICE GINI CO-EFFICIENT	LORENZ CURVE AS A POLICY TO REDUCE THE GINI COEFFICIENT
SIZE OF GOVERNMENT	GDP per CAPITA, Size of Population and Citizen Segmentation per Geographic Dispersion
JOB GRADING	UNIFORM JOB GRADING SYSTEM WHICH EQUATIBLY PLACES JOBS ACCOUNTING TO COMPENSABLE AND COMPARABLE WORTH
ORGANISATIONAL BEHAVIOUR	Organisational Culture, Presenteeism

Performance Management Framework



EMPLOYEE LEVEL TO BE PERFORMANCE MANAGED	NATURE OF PERFORMANCE MANAGEMENT SYSTEM	DIMENSION OF SYSTEM	WHAT IS BEING ASSESSED
OPERATIONAL LEVEL (1-7)	PERFORMANCE <i>APPRAISAL</i>	FORMATIVE/ DEVELOPMENT	PRACTICE, SKILLS, KNOW-HOW. ToT
SUPERVISOR AND MIDDLE MANAGERS (LEVEL 8-12)	PERFORMANCE <i>ASSESSMENT</i>	DIAGNOSTIC AND FUNCTIONAL	OPERATIONS, SOPS/PROTOCOLS
SENIOR MANAGERS (LEVEL 13-15)	PERFORMANCE <i>MEASUREMENT</i>	NORMATIVE AND SYSTEMIC	INPUT, OUTPUT AND EFFICIENCY OF SYSTEMS AND STANDARDS
HEAD OF DEPARTMENTS (LEVEL 16)	PERFORMANCE <i>EVALUATION</i>	SUMMATIVE AND JUDGEMENTAL	EFFECTIVENESS AND IMPACT OF OUTCOMES



PRODUCTIVITY IS
BEING ABLE TO DO
THINGS THAT YOU
WERE NEVER ABLE TO
DO BEFORE.

FRANZ KAFKA



Performance Management Framework

EMPLOYEE LEVEL TO BE PERFORMANCE MANAGED	TARGETED SKILLS ACQUISITION PROCESS	WHAT IS BEING ASSESSED	PLANNING AND REPORTING
OPERATIONAL LEVEL (1-7)	INDUCTION AND ON THE JOB TRAINING	EXPLORATION AND EXPERIMENTATION ROLES	INTERNAL REPORTING
SUPERVISOR AND MIDDLE MANAGERS (LEVEL 8-12)	ORIENTATION LEARNING AND GROWTH OPPORTUNITIES	CONSOLIDATION ROLES	
SENIOR MANAGERS (LEVEL 13-15)	MENTORING LEARNING AND GROWTH OPPORTUNITIES	MAINTENANCE PHASE	EXTERNAL REPORTING
HEAD OF DEPARTMENTS (LEVEL 16)	COACHING	CONSULTING PHASE	



Performance VS Productivity Measurement Dimensions

PERFORMANCE DIMENSION	PRODUCTIVITY
Subjective Concept Specific Measure Non Scientific	Objective Concept Relative Measure Scientific
Measured against VERYING Standard	Measured against a UNIVERSAL Standard
Performance narrowly focuses on outputs using inputs to hopefully measure outcomes	Productivity measure, describes how well the resources of an organisation are being used to produce outcomes from outputs



Performance VS Productivity Measurement Dimensions

PERFORMANCE DIMENSION	PRODUCTIVITY
Performance Management does not measure EFFICIENCY or EFFECTIVENESS, merely delivery against specific deliverables	Productivity measures the relationship/ratio between EFFICIENCY and EFFECTIVENESS hence measuring IMPACT
Performance Measurement is about 'DOING THE THINGS RIGHT'	Productivity is about 'DOING THE RIGHT THINGS'
Performance merely focuses on the QUANTITY and not necessarily the QUALITY of deliverables	Productivity is about measurement that results in an INDEX which includes overall rating of the PMD System

Productivity is never an accident.
It is always the result of a
commitment to excellence,
intelligent planning,
and focused effort.

PERFORMANCE INDICATORS



- Operations Management is measured by the following FIVE Performance Indicators which are translated into STANDARDS :
 - Quality
 - Quantity and Size
 - Cost
 - Time and Speed
 - Dependability, Reliability, Durability, Flexibility and Utilitarian value

OPERATIONS Management Policy

Areas



DIMENSION	DESCRIPTOR
BUSINESS PROCESS MANAGEMENT	SCHEMATIC REPRESENTATION OF PRODUCT OR SERVICE PROCESS FROM BEGINNING TO END
STANDARD OPERATING PROCEDURES	NARRATIVE INSTRUCTION OF TASKS FOR NUMEROUS JOB ROLES DEDUCED FROM THE BPM
SERVICE STANDARDS	BASELINE PROTOCOL ITO PERFORMANCE MEASURES BASED ON QUALITY, QUANTITY, TIME/SPEED, DURABILITY, COST OF PRODUCT OR SERVICE
SERVICE DELIVERY MODEL	MOST EFFICIENT PROCESS TO DELIVERY SERVICE OR PRODUCT
UNIT COSTING	MINIMUM COST TO PRODUCE GOODS OR DELIVER SERVICE
SERVICE CHARTER	PROMISE MADE TO CITIZENS HOW YOU CAN DELIVER WHAT WITHIN GOVERNMENT'S CAPABILITY
SERVICE DELIVERY IMPROVEMENT PLAN	PLAN AS TO HOW GOVERNMENT CAN IMPROVE DELIVERY DUE TO CONITNUOUS IMPROVEMENT

FACTORS AFFECTING PRODUCTIVITY



- Highly CONTROLLABLE Factors :
 - ❑ Investment in Operations and Production
 - ❑ Investment in ICT and Technology
 - ❑ Investment in Equipment to Support Operations
 - ❑ Investment in Infrastructure and Facilities
 - ❑ Economies of Scale of Operations Geographically
 - ❑ Workforce Knowledge and Skills Resulting from Training and Experience
 - ❑ Work Methods
 - ❑ Quality of Procedures and Processes
 - ❑ Quality of Systems
 - ❑ Standards

FACTORS AFFECTING PRODUCTIVITY



- Marginally CONTROLLABLE Factors :
 - Quality of Management and Leadership and Supervisory Roles
 - Legislative and Regulatory Environment
- CONTROLLABLE at a National Level:
 - General Levels of Education and Quality of the Education System
 - Socio- Economic
- UNCONTROLLABLE Factors :
 - Cultural Environment
 - Geographic factors

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Generic Definition of Productivity



Productivity is the relationship between the output and input which indicates whether the activities of an organisation are efficient and effective.

Generic Definition of EFFICIENCY



Efficiency is maximum usage of resources and skills (INPUTS) to produce the most (OUTPUT) in the shortest possible time from a cost-time value perspective.

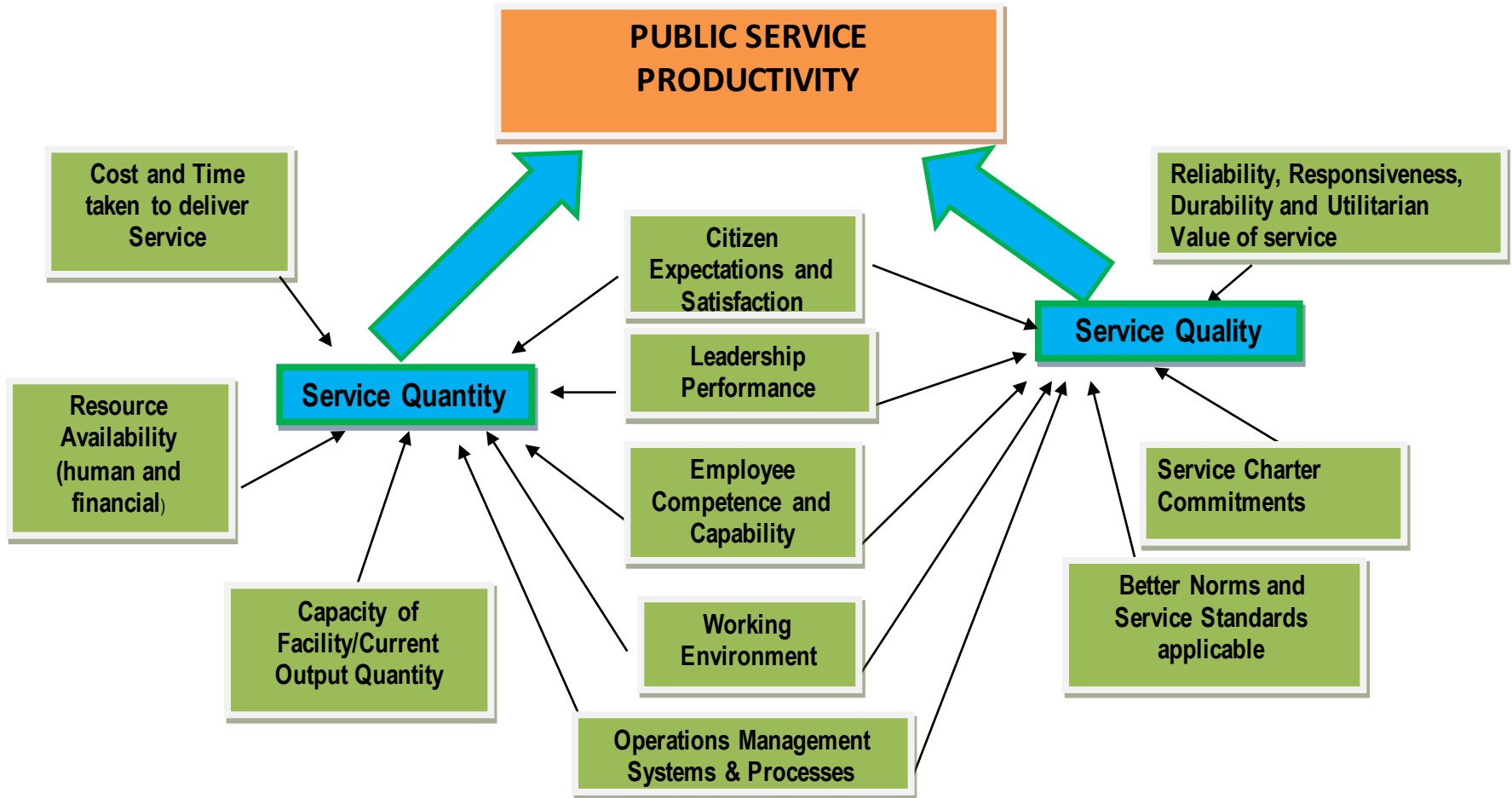
Generic Definition of EFFECTIVENESS



Effectiveness on the other hand is the IMPACT of the OUTCOME on the lives of targeted recipients/citizens which is the measure of VALUE-ADDEDNESS.

“We are what
we repeatedly
do. Excellence
then, is not an
act, but a habit.”
-Aristotle

Multi-factor Productivity Measurement



Matrix Model

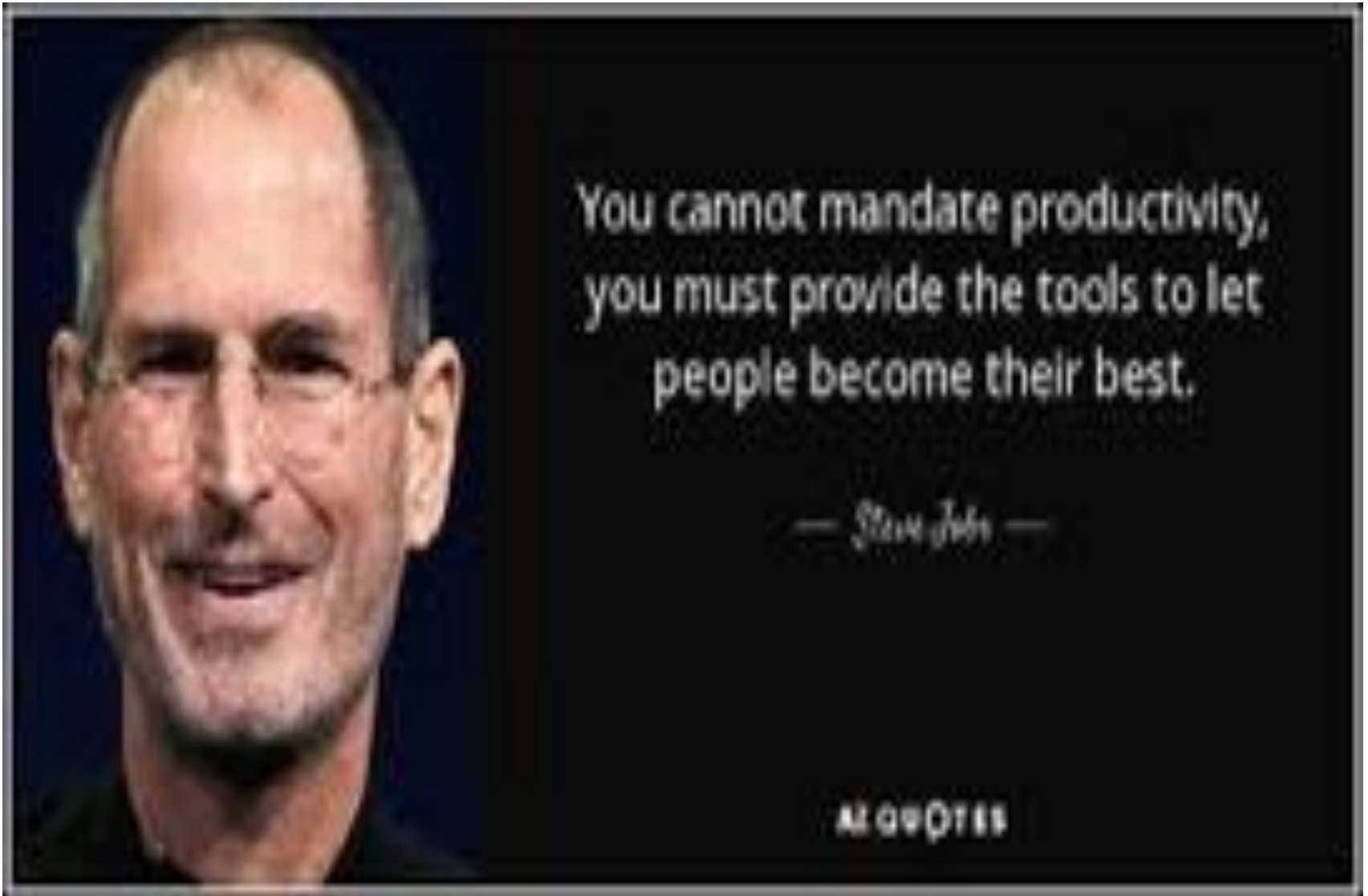
- Determine the weight for each Factor

Sub-factor	Weighting
Labour	20%
Operational	40%
Performance	40%
Total	100%

Matrix Model

- Determine the range of scores for the total productivity level achieved:

LEVEL OF PRODUCTIVITY –INDEX	RANGE OF SCORES	%
5- High Productivity	800 to 1 000	81-100%
4- Medium Productivity	700 to 799	70-80%
3- Average Productivity	500 to 699	50-70%
2- Low Productivity	349 to 499	35-49%
1- Unproductive	0 to 348	0-34%



You cannot mandate productivity,
you must provide the tools to let
people become their best.

— Steve Jobs —

AZ QUOTES

~End~