BACKGROUND

The National Evaluation Policy Framework (DPME, 2011) has the express purpose of improving public policy and programmes, decision-making, accountability and the potential for improved performance through learning. This appears to suggest performance internal to the organisation (management performance) and a broader performance that is linked to the delivery of the institutional (in this instance SETA) mandate within the national commitment to skills development. These two areas of performance are closely linked and there is a strong premise that improved management performance in terms of HR management, financial management, data management, good governance and strategic management are key enablers of institutional performance (service delivery) in terms of the institutional mandate, strategic plans and delivery agreements.

Performance management can thus be understood as a systemic effort to improve performance through an ongoing process of establishing desired outcomes and impacts, clarifying a theory of change, setting performance standards, then generating data and using emerging insights to improve practice. The purpose of these processes is therefore to support a continuous process of improving individual, departmental and governmental performance. Performance standards are useful in clarifying different levels of achievement so that participants can better understand what is expected of them, assess their performance relative to other similar individuals, or departments, and understand what is required to improve performance. It is these intentions and possibilities that inform the work on the national performance assessment framework and the Management Performance Assessment Tool (MPAT) in South Africa.

Management may have a significant impact on performance. But there are other important factors, often beyond the control of managers, that influence performance. In the context of seeking to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development, many role players and contextual factors will influence delivery and performance. It is thus necessary to consider both management performance standards and performance standards in terms of the mandate of SETAs within the broader skills development policies, plans and strategies.
Across many management performance systems in the private and public sectors, six key areas have been identified as critical determinants of good performance. Four of these areas are evident in the management performance system developed to guide national and provincial government departments in South Africa. These are: Strategic Management; Governance and Accountability; Human Resource Management; and Financial Management. Two additional areas require attention in terms of global best practice namely: Asset Management and Information Management. The standards related to the performance areas have been developed to comply with (and support compliance with) national legislation that is applicable to all government entities. Given the relevance of these performance areas and the ongoing development of the Management Performance Assessment Tool (MPAT), there appears to be good reason to use the standards being developed within a revised MPAT to monitor and evaluate SETA performance. This is particularly important given the significant attention placed on ensuring that it is possible to compare results across institutions and across time.

As noted above, however, management performance is only part of the picture and departmental (service delivery) performance is another important element of the performance of public institutions. A number of comments both in previous reviews of SETA performance and the current study suggest that a focus on management performance standards either had no effect on delivery, or may even have had a perverse impact, as managers focused on internal reporting on management performance and neglected ‘on the ground’ delivery. This tendency has been described as “hitting the target but missing the point” and three brief examples are given below.

One example, is the potential for managers to learn how to ‘game’ the performance standards. An illustration of ‘gaming’ is setting the targets at a level that is easy to achieve in order to show outstanding performance. Another example is the propensity for designers of performance standards to rely on performance measures that are either compliance based or focused on short-term outputs rather than longer term outcomes and impacts. This has the potential to misdirect activities by focusing on easy wins at the expense of long-term value. An illustration here may be the focus on lower level qualifications in order to achieve learner numbers without considering the need for higher level skills within the economy. A third example can be described as a kind of tunnel vision where the designers of performance standards focus on only one area of performance, for example internal management, and ignore or marginalise another area, for example external service delivery. By way of illustration, all the planning documents (SSPs, SP, APPs and SLAs) being in place could result in a high management performance score. However, if the SLAs introduce targets (e.g. artisan training) that is not a sector priority, then there is a very real risk that the actual performance (delivery) of a SETA is poor (e.g. no artisans trained).

This suggests the need for careful alignment between management performance standards and institutional performance standards related to delivery. These kinds of disjuncture need to be identified and addressed in M&E frameworks. The diagram below represents how these two interlinked aspects of performance may be better understood through evaluative questions.

How is management performance impacting on institutional performance (delivery)?

Management Performances (Internal)

Institutional Performances (Delivery)

How do we improve internal management?

How do we improve external delivery?

What does institutional performance (delivery) tell us about management performance?
RECOMMENDATIONS

Two broad recommendations are given in this Discussion Brief for consideration, along with a number of questions that may help to probe the implications and validity of these recommendations.

The first recommendation is that given the extensive work that has gone, and is currently going, into developing a national management performance framework and associated management performance standards, SETAs use these as the basis for performance monitoring and evaluation. The alignment of these national performance standards with the legislative requirements of transversal departments such as National Treasury, requires careful consideration with key stakeholders including DPME, DHET and the SETAs before embarking on another process of performance standards development that may be at odds with existing national management performance standards.

The second recommendation suggests a careful consideration of the relationship between management performance (internal) and institutional performance (delivery) and the implication of this relationship for performance management in the context of sector skills development. The purpose of the performance assessment system is not limited to ensuring compliance with specified policies, activities, outputs, outcomes and impact. It should serve as a mechanism to guide the direction of policy implementation, management practices and service delivery, and ultimately to ensure that government institutions are doing what matters most in the overall aspirations of our country, as articulated in, for example the National Development Plan. Here the specific mandate of the SETAs, namely the development of adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development, suggests a need for more specific performance standards in addition to the more general national performance standards.

One area that requires careful consideration in the development of the performance standards for both the management and implementation components, is the relative importance of the different planning, strategic and agreement documents. At present the NSDS, the NSDP, the SSPs, the Strategic Plans and the APPs as well as the Service Level Agreements with DHET all contain targets and potentially performance standards. Previous reviews reveal tensions related to which of these documents takes precedence in planning and performance assessments. Clear performance standards that clarify the relationships between these different documents could go some way to addressing this issue. Where tensions are evident in implementation prioritisation, clearer outcomes and longer-term performance standards may help to focus and improve results.

EXAMPLE...
Where SETAs are required to work across low, medium and high skills development, broad performance standards that link level of skill development with long-term impact within the economy may help SETAs to clarify their allocation of resources. Similarly, where SETAs are required to address both supply issues (e.g. supporting colleges) and demand issues (e.g. employer skills needs), broad performance standards that guide SETAs would lead to greater focus and enhanced performance.

There seems to be substantial convergence on the idea of SETAs being understood as ‘intermediaries’ between employers (skills demand) and training institutions (skills supply). The recent evaluation of NSDS III provides a set of competencies that may be useful to consider as a basis for some of the performance standards for SETAs. These include brokerage and partnering; ‘translation’ work; engaging the research-policy nexus; and understanding and managing the interface with the external environment. A process of collectively defining performance standards with regard to these beyond-quantitative criteria, may support learning and enhanced performance in SETAs.

Central to supporting the assessment of, reporting on, and improvement in performance standards is the need for good quality data. This has been a recurrent issue and as data collection systems are developed, it will be important to link the performance standards to fully functioning data management systems. If performance standards for management and delivery performance are to be compared across SETAs, the information management systems would need to be uniform across the SETAs. It is thus recommended that performance standards be iteratively developed alongside the increasing capacity for data collection and interpretation.
**DISCUSSION BRIEF QUESTIONS**

1. Which standards should be used to assess SETA performance? Should the national performance assessment framework and tool be supplemented with more specific standards related to the specific role of SETAs?

2. What are the current standards and assessment frameworks and how are they being implemented?

3. Who are the stakeholders in the assessment of SETA (management) performance? What are the roles of the DHET Skills Branch and the NSA?

4. Related to the above, what is the relationship between performance areas defined in the various policy and planning documents including the White Paper on PSET, the NSDS, the NSDP, the SSP, the APP and the SETAs’ SLAs with DHET?

5. What is the relationship between management performance (internal) and institutional performance (external)? How can the monitoring and evaluation of performance across these two dimensions enable more relevant and better long-term impact of SETA performance?

6. What associated benefits and challenges are experienced by all role players in the system?

7. What efforts have been made to date to improve performance assessments and address challenges? What can we learn from them?

8. What are factors that influence (enable and constrain) SETA performance?

9. What data issues enable or constrain performance assessment monitoring and evaluation within and across SETAs?

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**FURTHER READING**

All SETA M&E Project Reports and other deliverables are available at www.ru.ac.za/eirc/projects/meinasetaenvironment/publicationsusefullinks/deliverables

All DPME M&E Guidelines are available at www.dpme.gov.za/keyfocusareas/evaluationsSite/Pages/Guidelines.aspx