

SETSOTO LOCAL MUNICIPALITY

GOOD TO GREAT NEWS



Municipal Manager of Setsoto, Mr Tshepiso Ramakarane and his management committee celebrate the successful installation of the Municipality's electronic Performance Management System (ePMS).

All Onboard, Full Steam Ahead and Icebergs Be Damned!

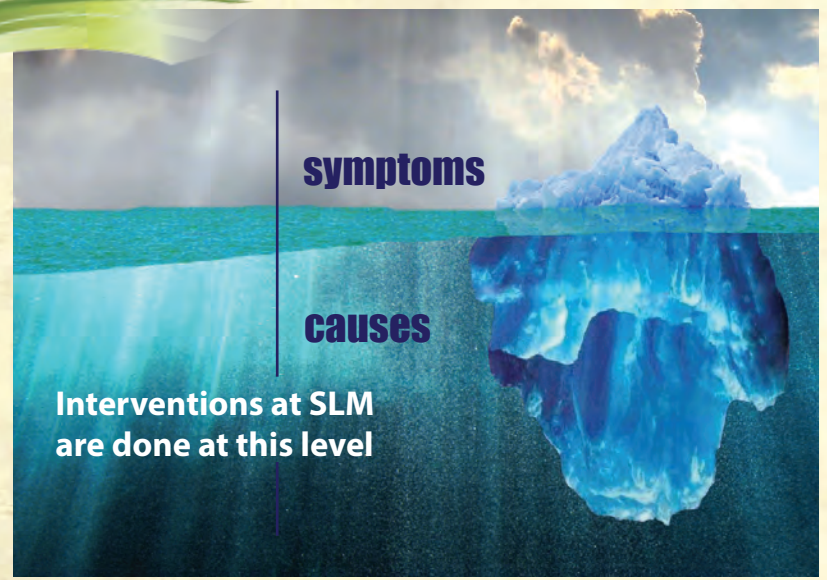
It is possible that the management team of Setsoto Municipality will never look at an iceberg the same way again.

feedback sessions was often cited as the critical moment when MANCO engaged and aligned on the strategic road-map.

As part of the diagnostic analysis, Vision Activ used the iceberg analogy in order to graphically illustrate the concept of symptoms (*clearly visible challenges*) and causes (*what sits below the surface*) in the context of the transformation journey. It resonated deeply with the leadership team and in the

In a facilitated session, with the top Four Levels within the Municipality, the team assessed the Municipality's current situation rigorously and explicitly identified the symptoms. These were the challenges that hurt the Municipality the most, especially in the aftermath of April 2011.

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Winds of Change Blow Through Setsoto Local Municipality

The winds of change are blowing through the corridors of the Setsoto Local Municipality offices in Ficksburg, Free State. "What I am observing is passion and commitment at levels that I have never seen before," said Municipal Manager, Mr Tshepiso Ramakarane.

The catalyst to this is the Performance Management Transformation journey the Municipality embarked on four months ago to improve the efficiency and quality of their internal governance process. Setsoto Local Municipality calls it their 'Good to Great Project.'

The Municipality has been on a remarkable road to recovery since the aftermath of 13 April 2011 when Andries Tatane (33) was killed during a service delivery protest in Ficksburg – an incident captured on SABC cameras and broadcasted around the world.

Mr Ramakarane arrived in September that year as part of a provincial team deployed by the Office of the Premier to restore the state of affairs.

A state of disarray

"The Municipality was, administratively speaking, in a state of disarray," Mr Ramakarane said. "There was no leadership because Senior Managers as well as Municipal Managers had resigned as a result of a commission of enquiry that was conducted. It was an atmosphere of uncertainty and palpable fear.

"There was no strategic leadership on how to respond to the recommendations coming from the Commission instituted by COGTA, Free State. Financial management was at its lowest ebb, there were serious service delivery issues and the relationship between the community and Municipality had deteriorated." Mr Ramakarane was appointed Municipal Manager on April 1, 2012 and his

first task was to recruit a Management team and Directors to respond to recommendations that came from the MEC's commission, as well as dealing with recommendations from the forensic investigations that were conducted. There were also issues of organisational review that needed to be dealt with as well as the need to review Policies and Procedures dating back to 2003.

Vision of a clean audit

It was a mammoth task. "I used to say I was banished to some Municipality in the farthest corner of the Free State," Mr Ramakarane said.

"However, we have had help when dealing with government issues, in particular from the Department of Water and Sanitation and COGTA. As of 2014/5 we received an unqualified audit opinion. Now the task is to galvanise the entire organisation behind this vision of receiving a clean audit."

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Learning Mastery of ePMS

During the six month period of the Good to Great Project, the council chambers of the Setsoto Local Municipality resembled a training camp, as the top four tiers of leadership in the organisation bustled to and fro between intensive workshops.

Although the specific training outcomes of the programmes were to develop organisational capacity and build specific skills in the electronic Performance Management System (ePMS), it also included engagement workshops for the leadership and the unique Pathfinder's Program.

The Pathfinders are the elected change ambassadors of the project and are there to ensure sustainability of the performance management project.

Some of the core engagements

included:

- a) Definition of the Performance Management Framework;
- b) Development of Performance Policies and Procedures;
- c) Skills Development on SDBIP Planning and Performance Management;
- d) Re-Statement of SDBIP using Results Based Planning Framework;
- e) Generation of automated Performance Agreements;
- f) Progress Reporting, Monitoring and Evaluation in the ePMS

In order to gauge the impact of the training, Vision Activ used a combination of quantitative analysis as well as qualitative approaches, such as engaging the top four tiers of leadership before and after the training, to assess the collective skills levels and organisational-wide changes in behaviour related to performance management. Figuratively speaking, the class of 2015/6 are poised to graduate with top honours in ePMS!

SLM Gets Back to Basics

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# Better Reporting and Governance Begins with a Quality SDBIP



Ever since Setsoto Municipality began their quest for a clean audit which resulted in the launch of the Good to Great Project in the spring of 2015, the two words that reverberated constantly throughout the corridors and halls of the Fiksburg building were... ‘quality SDBIP!’

The organisation developed a keen appreciation for the value of a quality Service Delivery Budget Implementation Plan (SDBIP) that lies at the heart of the performance management process.

The quality of the outcomes cascades from the SDBIP, *i.e.* performance agreements are prepared, progress is reported and monitored, and performance is evaluated.



## Results Based Planning

**Setsoto Municipality’s collective leadership (Directors, Managers and Supervisors), as part of the process to develop an effective and efficient ePMS, interrogated their current SDBIP for its robustness to enable efficient measurement, monitoring and evaluation.**

The collective leadership acknowledged the gaps that existed between their current SDBIP and the SDBIP’s which were required to be developed using a Results Based Planning Framework.

Vision Activ provided experiential training on Results Based Planning to the top four tiers of leadership to equip them with skills to address the shortcomings of their current SDBIP’s.

The training gave them an understanding of how to develop an SDBIP that:

- provided for alignment between national and provincial priorities;

- enabled a cascade of priorities from Directors to lower levels;
- improved the quality of indicators and measures;
- provided for assigned accountabilities that enabled ease of preparation of transparent performance agreements;
- fostered collaboration and teamwork to enable ownership of plans;
- created the basis for continuous improvement;
- improved the reporting and monitoring process;
- enriched management decision making;
- enhanced organisational communication and buy in; and
- enabled better performance evaluation

At the completion of this training, the collective leadership, now equipped with the blueprint for developing a quality SDBIP, had advanced to a healthier position in their quest to improve the quality of their reporting and governance processes.

## Winds of Change Blows Through Setsoto



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Mr Ramakarane said that Performance Management was the one area that was rife with challenges. “Although the Directors signed performance agreements, this was not the case with Managers and Supervisors.

“So you have a situation where you cannot hold people accountable. You cannot say ‘Look, this is what comes from the SDBIP – this is what you have done and what you have not done.’ There was also no proper rewards system to motivate performance.”

### Sedibeng DM benchmark

SLM began their journey of improving their Performance Management system by undertaking a trip to the Sedibeng District Municipality in Gauteng - home of the Freedom Charter.

“We wanted a benchmark of a similar municipality that had done well in performance management and we were made aware that Sedibeng District Municipality had received two clean audits. We

wanted to know how they did it. We interacted with their senior management at Sedibeng and they were kind enough also to deploy one of their employees, Motsumi Mathe, the ePMS Project Director there, to share their experiences with the implementation of the ePMS system they had installed. He has been of great help in guiding us on our journey and enlightening us with the importance of adopting a holistic approach when implementing an electronic performance management system.”

Six months ago, Setsoto Local Municipality contracted Vision Activ, a Gauteng based Performance Management Consultancy who had provided the integrated solution comprising the ePMS system, skills training and change management to Sedibeng District Municipality.

They also co-created a roadmap to embed a positive organisational culture for sustainability of the project.

“When we began this journey we knew it is not only about performance management – it is also about changing the

organisational culture,” Mr Ramakarane said.

“I would want to believe that we are almost there. When we deal with external audit of the Auditor General, we don’t need to be scrambling around for portfolio of evidence. On a daily basis we are able to track our performance.”

“You know one of the things that sustains humanity is hope. I am very hopeful that long beyond our departure this project will be sustainable, and we will make a success out of this. The level of commitment is what gives me that sense of comfort.

“That doesn’t mean there won’t be challenges but I am confident that if this momentum is sustained and cascaded throughout the organisation it will result in an improvement of service delivery to our shareholders, who are the community,” Mr Ramakarane said.

“For as long as we are able to do what we are mandated to do, it is easy to get the buy-in of the communities, who, I maintain, are not inherently unreasonable,” he said.



## ...and Icebergs Be Damned!

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The symptoms included extremely dissatisfied communities, poor service delivery and unhappy employees.

MANCO identified the underlying causes that must be tackled in order for the transformation to succeed.

These included lack of resources, lack of consultation, poor communication, lack of employee service commitment, corrup-

tion, poor service standards, lack of effective systems and processes, lack of trust, lack of skills and salary gaps.

Armed with clear, aspirational targets, having a clear roadmap with interventions that maintain energy and involvement throughout the organisation and getting commitment from each other gave assurance to MANCO that their organisational transformation will succeed.



# The Achievement of a Clean Audit Begins with a Robust ePMS

The level of confidence and assurance at Setsoto Local Municipality is at an all time high and the reason for that positivity is the robust performance management process entrenched in the organisation and powered by a tested and proven ePMS system.

When one takes a closer look at the key features of the new Setsoto automated performance management system it becomes clear why the collective leadership team is feeling such high levels of confidence.

Here are some of the defining characteristics of the ePMS installed at Setsoto:

- At the heart of the system sits a robust planning framework that is based on a logical and integrated framework. This enables leadership to see how the overall results are achieved through inputs cascaded from the various relevant levels;

- In the area of planning and reporting, the clarification of roles and responsibilities enables a seamless integration of organisational and employee performance processes;
- Performance agreements are objective and transparent, which provides for ease of delegation of responsibilities. Key responsibilities are assigned: business outcomes are the responsibility of the Municipal Manager (MM), outputs are the responsibility of the Directors, and activities are the responsibility of the Managers;
- The ePMS process is a virtual hub of collaboration and teamwork. By ensuring all key stakeholders are involved in the



planning process, the quality and robustness of the outputs are ensured. Further, the process provides an opportunity to build consensus and create ownership around shared objectives;

- It lays the foundation for continuous organisational improvement through its ability to quickly indicate the increase between the baseline and the new target;

- It enables status monitoring and reporting against outcomes / outputs and activities;

- It enables better management decision making as it focuses on results achieved against aspirational goals. This enables management to make decisions based on whether the activities people are currently engaged in will ultimately achieve the results desired;

- The ePMS process supports management's efforts to improve communication and obtain buy-in. The automated system is able to demonstrate objectively the areas of good and poor delivery, as well as subsequent risks to the business;

- The system enhances performance evaluation by focusing on the assessment between planned versus actual.

## Re-statement of SDBIP

As mentioned before, the Results Based Planning Programme provided the collective leadership with the necessary training to address the gaps that existed between their current SDBIP and what they aspired for in their 2015/2016 SDBIP.

What was left to do, was a re-statement of their 2015/16 SDBIPs within the framework of a 'Results Based Plan.'

The exercises facilitated in the Re-statement Sessions provided the leadership team with the necessary skills to help them prepare a robust 2016/17 SDBIP.

The Re-Statement sessions provided for significant understanding of the distinction that exists between what is considered an outcome, an output and an activity. They were also exposed to the importance of defining measurable indicators and targets – an essential component of a robust SDBIP.

The sessions began to sow the seeds for a culture of improved performance.



# Engaging the Collective Leadership on the Impact of Great Performance



In his address to the top four tiers of leadership during the initial stages of the transformation journey, Municipal Manager, Mr Tshepiso Ramakarane, emphasised that an efficient and effective performance management system is a key legislative requirement, as stipulated in the Municipal Systems Act of 2000.

He said that, traditionally, when people speak about performance management they place too much importance on rewards and consequences, which under-

mines its main imperative – i.e. its role as a key driver to improve operational efficiency and effectiveness.

Ultimately, an effective performance management system has a positive impact on “improving service delivery to the Municipality’s shareholders, who are the communities it serves.”

He said, “In this context, the success of the project goes beyond a clean audit and talks to the fundamental reason of why Municipalities exist in the first place.”

Mr Ramakarane urged the collective leadership team to show a unity of purpose and transparency in embracing the ePMS initiative. He said the success of the project was on par with other important national projects to improve service delivery, including interventions rolled out by the Ministry of Monitoring and Evaluation and the National Planning Commission.

“It is in line with the Millennium Development Goals and the National Treasury’s ‘Standard Charter of Accounts,’” Mr Ramakarane said.



## Mentorship from Sedibeng District Municipality

Motsumi Mathe, Sedibeng District Municipality’s (SDM) IGR Peer Advisor, played a pivotal role in Setsoto Local Municipality’s initial journey of transformation.

Sedibeng had deployed Mr Mathe to share his experiences as a result of Setsoto’s Management Committee (MANCO) visiting Sedibeng two years ago to benchmark and understand the Vision Activ ePMS system they had installed which had consistently delivered a clean audit since its implementation in 2011/12.

Setsoto’s MANCO acknowledged that their attraction to the Vision Activ ePMS system that was purchased by Sedibeng was its:

- Cost effective holistic solution;
- Robust transformational process to enable sustainability of intervention;
- Proven track record;
- 100% BEEE status;
- Impactful training programmes;
- Communication vehicles to embed culture change;
- Simple user friendly ePMS solution

In his address to the four tiers of leadership during an engagement workshop at Setsoto Municipality, Ficksburg, Mr Mathe highlighted the Auditor General’s emphasis of the alignment between performance management and service

delivery, which cascades from the IDP down to the SDBIP’s. Mr Mathe pointed out that the risk management and auditing of all inherent activities are effectively integrated in the ePMS.

He emphasised compliance and proactive action planning, underpinned by effective timelines, associated measures and evidence of performance.

He presented the history of successes achieved by SDM from the time they implemented the ePMS in 2011/12 including consistent clean audits year after year.

He demonstrated how other Municipalities also benefited from the Vision Activ ePMS.



Motsumi Mathe (2nd from right) at Setsoto Municipality, Ficksburg



# SLM Gets Back to Basic Principles

**MANCO established a set of principles to guide their transformation journey.**

It was underpinned by the need to create an environment where dialogue is facilitated and people are encouraged to share their frustrations in order to build a climate of organisational trust.

The initial engagement sessions provided an opportunity for the different directorates to reflect on their personal value add, risk profile and team profiles.

It highlighted the need for the collective leadership to affirm core principles, in so much as to:

- Realise they are all integral units in fulfilling Setsoto’s mandate;
- Avert collusion with service providers on unethical practices;
- Ensure employment of staff with minimum legislated competencies;
- Adopt potential improvement initiatives if adequate resources were available;
- Improve time management and expeditious reporting for effective decision-making;
- Establish time frames for improvement of activities;
- Develop risk mitigation strategies;
- Eradicate working in silos and any non-compliance;
- Investigate all serious issues raised.



*Acting Manager in the Office of the MM, Mr Silvanus Makhele*

**We asked Performance Manager, Mr Silvanus Makhele of Setsoto Municipality what he thought was the ‘wow’ moment in the Good to Great workshop?**

**Makhele:** “We shattered the notion of ‘us and them’. In the room were different levels of leadership made up of senior managers, middle managers and supervisors and for the first time we started seeing not ‘he’ or ‘she’ but ‘we.’

“There was unison in the room – we began talking in one voice.”

**Q: What was the ‘aha moment’?**

**Makhele:** “We defined what we want to achieve and what it will take us to get there.

“The ‘aha moment’ came when we realised that we can’t achieve it if we are not united. The openness that people displayed helped Vision Activ

to facilitate a challenging but integral discussion that will assist the Municipality to go forward.”

**Q: What do you take from the experience?**

**Makhele:** “We can pride ourselves in saying that we were brave enough to take on this task of evolving our performance management system.

“When we leave this institution we could be able to say, yes, we were the pioneers of the performance system that laid the foundation in taking Setsoto from ‘Good to Great.’

“If we hadn’t gone on this journey we wouldn’t have borne this fruit.”

**Q: What will be your legacy?**

**Makhele:** “As long as we become efficient and useful to the people of Setsoto we are confident that the seeds we are sowing now will bear great fruits.

“That will be our real legacy.”





## 'Generating Performance Contracts Has Never Been Easier'

After the capturing of their SDBIPs, the relevant departments at Setsoto Municipality participated in focus group sessions which enabled them to generate their automated performance agreements.

Users logged into the system and completed their performance agreements online. At a touch of a button they were able to submit it to their Line Managers for approval.

The automated system enabled them to prepare the performance contracts in a fraction of the time they would have taken to do it manually.

"The preparation of performance contracts have never been easier," claimed some of the users.



## Internal Audit Gives the ePMS the Thumbs Up

The new ePMS system received a resounding endorsement from a critical player in the process.

The Internal Executive Auditor claimed "this electronic performance management system will greatly assist us in lessening the workload and reducing the man-hours.

"Previously it would take two weeks to audit performance – now it only takes two days to produce a report."

"Without the system we would have to go through lots of files to go check evidence," she continued. "With the system, you check the actuals and the portfolio of evidence is already loaded. The system is user-friendly.

"You can even go back. The system tracks everything. Comparison for analytical review is robust and quick."

The system enables people to automatically consolidate their plans from their SDBIP.

"It enables them to link to job description and assign weighting. It generates reports by section, by department and at municipal level.



Chief Audit Executive of SLM, Ms Selina Lebeko

"We are supposed to be reporting to council on a quarterly basis and the system will be able to generate those reports at a touch of a button," she said.

"It enhances credibility because of the automated nature of these reports and evidence is loaded automatically. It is designed with all sorts of security access levels that allows you do certain things only. This makes our job of providing assurance on the system itself that much easier," she said.

## Smiles over the Ease of Progress Reporting and Monitoring



There were smiles and relief on the faces of the collective leadership after seeing how the ePMS system mitigates some of the major challenges around progress reporting and monitoring.

People acknowledged that previously they had experienced frustration in completing Quarterly progress reports due to the inability to complete progress updates timeously, delays in the process, lack of evidence, and lack of data integrity.

The ePMS system enables people to update progress and upload on-line evidence with greater simplicity and efficiency. The feature of reports and dashboards in the system improves the effectiveness of the monitoring process.

"Progress reporting and monitoring is now a breeze," said Performance Manager, Mr Silvanus Makhele.



The team of Pathfinders, i.e. elected representatives of each department at Setsoto Local Municipality, who have become the Change Ambassadors of the Good to Great Project

Management were engaged on the results the Pathfinders will need to achieve. Each Director enthusiastically provided their support to the elected representative from their Department.



Engineering Services Department



Development Planning and Social Security Department



Corporate Services Department



Treasury Services Department



IDP/PMS Division - Office of the Municipal Manager

## Managing Change, Sustaining Interest

**Change Management in the form of engaging, supporting and embedding the new ePMS represents a key risk to a successful project.**

To mitigate this risk, Pathfinders, who are elected as change ambassadors, are appointed within each Department to represent their respective function. The Accountabilities of Pathfinders comprises five key areas:

- **Performance Management Accountability** - this comprises the requirements to be fulfilled to embed the Performance Management System and Performance Processes within the

organisation

- **Communication Accountability** - This comprises the fulfillment of communication requirements (covering engagement and feedback) to functional teams and key stakeholders

- **Governance Accountability** - This comprises the planning, reporting, monitoring and evaluation of project timelines relative to the embedding of the performance management system and process

- **Leadership Transformation Accountability** - This comprises

es the guidance and support to be provided to the leadership of the department to enable the transformation to take place within the department

- **Team Transformation** - This comprises the guidance and support to be provided to the teams of the department to enable the transformation to take place within the department

Management were engaged on the results the Pathfinders will need to achieve.

Each Director enthusiastically gave their support to their Pathfinder.

## Training captures the spirit of Setsoto



# SLM Management Team are ready to embed ePMS

Management, supported by Pathfinders and Vision Activ are set to embed the ePMS with forthcoming events comprising completion of on-line Performance Evaluation, Quarterly progress reporting and preparation of 2016/17 SDBIP's.



Upcoming Events 2016

| Process                         | Activity   | Narration  | Timeframe        | Responsibility                            |
|---------------------------------|--|--|------------------|---|
| Mid-year Reporting              | Production of a system generated report and quality assurance                      | Vision Activ<br>IDP/PMS Office<br>Internal Audit Unit  | 23 February 2016 | Vision Activ<br>IDP/PMS Office<br>IA Unit |
| Revised SDBIP tabled to council | Restated SDBIP revised and adjustment budget configured into the electronic system | Council resolution and the publication of the revised SDBIP as well as the adjustment budget | 26 February 2016 | Municipal Manager                         |
| E-PMS Training                  | Alignment of the new system  | Super Users<br>Pathfinders<br>Senior Management<br>Middle Management<br>Supervisors          | 07-11 March 2018 | Vision Activ<br>IDP/PMS Office            |
| 3 <sup>rd</sup> Quarter         | 3 <sup>rd</sup> Quarter Assessment   | Municipal Manager  | 08 April 2016    | Assessment Panel                          |

### Next steps...

#### Completion of on-line Performance Evaluation

This process will involve employees completing performance evaluation on-line

#### Preparation of 2016-2021 IDP Plan

The insights and learning has prepared the organisation well to be able to enhance the development of the quality of IDP and SDBIP's in the future




**The idea of a 'clean audit' is not a path to follow... but a trail to blaze!**

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