

UNION INTERPARLEMENTAIRE



INTER-PARLIAMENTARY UNION

**ASSOCIATION DES SECRETAIRES GENERAUX DE PARLEMENTS  
ASSOCIATION OF SECRETARIES GENERAL OF PARLIAMENTS**

**November 2021 Session – Madrid, Spain**

**COMMUNICATION**

**FROM**

**Ms Penelope Baby Tyawa  
Acting Secretary to Parliament,  
Parliament of the Republic of South Africa**

**ON**

**Assessing the Performance of Parliamentary officials: A case for  
the balance scorecard**

## 1. Introduction

The purpose of this paper is to present the experiences of the South African Parliament in as far as the practice of performance management in general, and the balance scorecard in particular is concerned. The paper argues that the balance scorecard system remains, without a doubt, one of the performance management tools that can facilitate change and improve organisational performance in the parliamentary environment. The paper draws learnings from various sources of theory on the evolution of performance assessments in the public sector, with perspectives on how best to measure performance.

As early as the 1980s, the Weberian notion of bureaucracy was slowly losing its heuristic value and was quickly reaching its end in time. Many western countries started to look for alternatives. Cameron (2009:5) states that, "in the 1980s the traditional bureaucratic public administration model of Max Weber and Woodrow Wilson was challenged in Anglophone countries such as England, Australia and New Zealand". That was not always the case, as before and after the second world war period, traditional public administration and simple notions of bureaucracy enjoyed currency and were prevalent. According to Gumede and Dipholo (2014: 43), they were seen as the most rational avenue for managing the affairs of the public.

But as the world changed politically over continental Europe and in the broader Western world from the early 70s onwards, the working logics of the traditional public administration and/or bureaucracy were deemed to be naïve and not in sync with the realities of imminent changes. Western governments during this time, particularly those in the OECD world, in the United Kingdom started to look critically at public administration. As Dorey (2015) points out - revealed by reform of Britain's public services since the 1980s, particularly in education and health (the National Health Service – NHS) - criticism was on the public sector for failing to provide its clients and users with a more courteous, efficient and higher quality of service.

It is against this backdrop, by force of argument and array of facts, that there was a paradigm shift from public administration to public management. The New Public Management (NPM) emerged as a new form of thought that came to shape and inform both the theory and praxis of public service. According to Gumede and Dipholo (2014:43), "globally NPM emerged in the 1980s as benevolent critic to the traditional public administration given the need to reinvent government and harness the entrepreneurial spirit to transform the public sector. More so, NPM's emergence was associated with the need to restructure government bureaucracy to promote productivity, competitiveness, and efficiency and effectiveness. (Gumede and Dipholo, 2014: 43) Inspired by the values and concepts of the private sector, this was seen as a way of cutting through the red tape and rigidity associated with old-style public

administration with the view to improving efficiency and service delivery (Cameron, 2009:5).

What is important to note in this regard is that, closely linked to NPM oriented public sector reforms over the years, has been a surge of new managerial practices of performance measurement, management and reporting. Johnson and Talbot (2007:114) points out that “many governments across OECD countries started to focus and produce performance information of various types published by the executive branch on its activities and those of the wider public services”. The defining feature of this growing phenomenon was output- or outcome-based budgeting or governance.

Cameron (2009:2) asks a critical question: To what extent has the South African public service been influenced by New Public Management (NPM) reforms?

In response to the posited question one may mention that, a lot has been written about the paradigm shift from public administration to public management in the South African public services. Some South African Scholars and policy analysts have even gone to the extent of arguing that, South Africa’s Public Finance Management Act of 1999, the Preferential Procurement Policy Framework Act of 2000, the Preferential Procurement Regulations of 2001 and the Municipal Finance Management Act of 2003 are all pieces of legislation which embrace the principles of the NPM trajectory (Gumede and Dipholo, 2014: 47). These researchers further argue that “the shift from Reconstruction and Development Program (RDP) to GEAR (Growth Employment and Redistribution) and New Growth Path is a clear sign of the victory of NPM principles in the new democratic South Africa”.

Nonetheless, while a lot has been written about the move from public administration to public management and the institutionalisation of performance measurement, management and reporting practices in the South African public sector, scholars and analysts have been offering an inconsistent and patchy account of those changes in our parliament. As such, this paper concerns itself with providing a critical account of the changes heralded by that paradigm shift (move from public administration to public management) in the South African Parliament, with a particular focus on the implementation of performance management using the Balance Score Card practices.

## **2. South Africa’s public sector transition from Public Administration to Public Management:**

In South Africa, the change from public administration to public management and the evolution of performance assessment in the public sector did not happen in a vacuum. It was embedded in the country’s transition from Apartheid to a new democratic dispensation, where there was a need for accountability by ensuring the tangible results to improve the lives of the majority are reported and are visible.

Even before the transition to democracy, there was an increasing realisation in South Africa, that bureaucratic red tape was affecting most government departments. Thus it came as no surprise that improved efficiency, greater competitiveness and accountability linked to New Public Management were the overriding aim of public sector reforms in South Africa since 1994.

### **3. Performance Management in a Parliamentary Environment**

Closely linked to the New Public Management oriented performance evaluation, management and reporting in the public sector was the issue of the balance scorecard. According to Dziak (2015), “a balanced scorecard (BSC) is a method of analysing organizations and creating strategies to meet organizational goals”. Balance scorecards align an organisation's goals and strategies with many performance measures and other factors such as customer satisfaction, financial performance, internal efficiency, and innovations (Dziak:2015). First popularised in the early 1990s by Drs. Robert Kaplan and David Norton, balanced scorecards underwent a long process of refinement in the next few years. In the early 1990s, Robert Kaplan and David Norton began studying and writing about various methods of measuring performance in businesses and other organisations. The researchers noted that many traditional methods were critically flawed and ineffective and that some approaches were too vague or subjective. Others focused only on the financial bottom line and left out all the other details of business. (Dziak:2015)

By the twenty-first century, the third major version of the balance scorecard system became a major management tool in organisations around the world. Many kinds of organisations, including businesses and industries, government offices, and non-profit groups, employ balance scorecard methods. (Dziak:2015). By setting targets and analysing performance in these categories, organisation leaders can assess whether the group is meeting its goals and make informed decisions about how to correct any problems within the organisation (Dziak:2015)

Kaplan and Norton began searching for more effective alternatives. They developed a new method of performance measurement referred to as a balance scorecard. The balance in the term refers to carefully weighed interactions between financial factors (traditionally favoured in performance measurements) and non-financial factors (previously overlooked elements such as goals and strategies). The researchers claimed that balancing these elements would give leaders comprehensive insights into the successes and failures of their organisations. (Dziak:2015)

A balance scorecard is based on an assortment of interrelated organisational elements. Scorecard users analyse these elements and set targets for how an organisation will address each element to meet its overall goals. In time, performance reports can be matched against the targets to help analyse how well or poorly the organisation is proceeding toward its goals.

Among the most important factors on a balance scorecard, are the vision and strategy of the organisation's leaders. The vision and strategy must take into account many other factors, including the knowledge of leaders and workers; the innovations used in training, research, and planning; the efficiency demonstrated in the internal workings of the group; the satisfaction of customers and other stakeholders; and the financial performance of the group. All of these factors are interconnected and must be addressed properly to ensure the overall success of the organisation. (Dziak:2015)

The balance scorecard also acknowledges a number of perspectives through which various data and measurements must be assessed. These perspectives help to ensure that the parts of an organisation all work together to benefit people inside and outside the organisation. Some important perspectives relate to the ongoing learning and training of the organisation's members; how effectively an organisation operates on a daily basis; whether the organisation is financially feasible; and how customers and stakeholders perceive the organisation and its work. (Dziak:2015)

According to Cristea, 2019: 154 and Vitale et al, 1994, "The implementation of the method involves completion of the following six stages:

- Step 1 – Specifying objectives – What do we want to achieve?
- Step 2 – Balancing measures with strategy – what is the most important?
- Step 3 – Identifying measures – what should we measure?
- Step 4 – Forecasting Results – What do we want to achieve?
- Step 5 – Specifying the objectives – what will change?
- Step 6 – Planning future actions – where are we headed from here?

In the South African Parliament, the balance scorecard has been adopted as one of the management systems designed to improve organisational performance. It's a framework used to identify the organisation's key value drivers and integrate their contribution for driving organisational performance. The scorecard is used, among other things, to align business activities to the vision and strategy of an organisation, monitor performance against objectives and improve communication of the strategy. It's a framework for translating an organisation's vision into a set of objectives and performance indicators distributed among four perspectives: Financial, Customer, Internal Business Processes and Learning and Growth.

The South African Parliament has modified the balance scorecard to ensure focus on the elements that are critical to its success. Some of the perspectives were renamed to align with the strategic themes in those perspectives. The following are the four perspectives in the Parliamentary Balance Scorecard:

- Financial Accountability Perspective
- Institutional Process Perspective
- Stakeholder Expectations Perspective
- Learning & Growth Perspective

In our context, the Financial Accountability Perspective in the original balance scorecard covers the financial objectives of an organisation and allows managers to track financial success and shareholder value. In our context the focus in the "Financial" perspective differs from that of the private sector. Private sector financial objectives are generally linked to profit and maximising shareholder value. In the public sector, on the other hand, finance is a resource that enables or constrains implementation of the strategy and is hardly the primary reason for the existence of the public sector organisation. Success for public sector organisations is measured by how effectively and efficiently these organisations meet the needs of their constituencies and/or stakeholders. The Financial Accountability perspective is critical in ensuring that public funds are spent in line with what they are appropriated for.

In the Parliamentary Services Balance Scorecard, this perspective measures the alignment of the budget to the strategy, cost efficiency, delivering maximum value to the stakeholders for money spent, compliance to applicable laws and policies and risk management.

On the other hand, the Institutional Process Perspective focuses on the objectives related to the successful implementation of the strategy. This includes management of processes to improve cross-functional coordination, innovation, operational excellence, meeting customer and stakeholder needs. This perspective includes the Customer Relationship Management that argues for refined internal business processes as per the Kaplan and Norton Balanced Scorecard and amplifies these by incorporating the execution rate of strategy.

The Institutional Process Perspective provides data regarding the action stage of the strategic management process. It enables alignment of organisational structures, processes and systems for cohesive execution.

In addition to that, the Stakeholder Expectations Perspective covers the objectives such as customer and stakeholder satisfaction, development and implementation of strategies, plans and programmes to serve customers and maintain constructive and sustainable relations with stakeholders. This perspective focuses on the perception and experiences of product and service attributes by stakeholders.

Stakeholder Management focuses on the ability of the organisation to provide quality goods and services to various stakeholder groups. The customer and stakeholder perspective takes pre-eminence and is concerned with overall satisfaction of customers and stakeholders.

Stakeholder management is a strategic imperative that informs both the strategy and operations of an organisation. Parliament, like many other successful organisations, has realised that managing its stakeholders effectively is key to its performance and this process entails establishing, monitoring and maintaining constructive relationships with stakeholders in order to increase their support and

minimise any possible negative impact. To this end, the need to measure and monitor the levels and direction of client satisfaction has to be evidence based – hence the continuous client satisfaction surveys.

The South African Parliament acknowledges that relationships with stakeholders must be mutually beneficial, constructive and sustainable, hence the need to focus on the quality of these relationships given their impact on its performance.

Lastly, the Learning and Growth Perspective in the South African Parliament context covers the intangible drivers of future success, such as development of talent, organisational capital and information capital, including skills, training, organisational culture and leadership and is similar to the Learning and Growth perspective in the Balance Scorecard. However, the key difference is the focus on managing talent and building required organisational capabilities.

This perspective focuses on the development of the talent required to implement the strategic plan of Parliament. The focus is to create communities of competence in the organisation to ensure that the organisation has all the competencies it requires to implement its strategy. The development of future capabilities is also a significant theme in this perspective. Other themes that should inform the work managers perform, are the need for strategies to retain talent and creating a conducive environment for talent to perform.

A significant part of organisational capability is the talent from extended communities. This includes former employees and talent from various knowledge communities, such as tertiary institutions whose capabilities can complete existing organisational capabilities. In this way, the talent from extended communities can serve as an important resource that enhances organisational performance. Organisational success depends, inter alia, on whether these capabilities are created.

For the BSC to be implemented effectively and embraced by all officials of parliament, a massive education drive took place which resulted in a slow but positive uptake.

Similarly the BSC aligned to the institutional strategy had to be cascaded throughout the organisation so that it coheres with the tactical and operational plans, where elements of the strategy must be translated to various functional areas and ultimately, to employees' day-to-day jobs.

But based on the above, the critical question that might arise is whether the balance scorecard is a correct indicator on parliament performance and the performance of parliamentary officials. Further to this, whether parliament's administration has appreciated the introduction of the BSC, is the tool of

measuring its suitability in an institution where there might not be tangible delivery of services, such as the building of schools and houses. The change management and the internalisation of measuring performance has gone a long way, notwithstanding push backs that arise from time to time. The fundamental challenge remains that of aligning and identifying performance at the lowest level with the various perspectives and measuring this correctly to incentivise correctly. This implies the maturity of goal setting, measuring and focusing on the outcomes and outputs rather than activities.

The South African Parliament has developed a performance management policy that ensures the integration of organisation and individual performance. What this means in practice is that, individual employee performance speaks to organisational performance to give effect to the organisation's strategy, goals, objectives and values. Correspondingly, the employees' roles and job responsibilities should be aligned to the performance goals of their teams and organisation. Closely linked to that has been the practice of performance monitoring, review and/or assessment. From these periodic assessments, it is easier to discern whether the balance scorecard is a correct indicator on parliament's performance and the performance of parliamentary officials.

#### **4. Conclusion**

As it has been argued in this paper, it is without doubt that the Balance Score Card system remains one of the performance management tools that can facilitate change and improve organisational performance in the parliamentary environment.

Our experience is that the four critical elements of the Balance Score Card, namely; financial accountability perspective, institutional process perspective stakeholder expectations perspective, learning and growth perspective can have an added value in harnessing organisational performance and helping to realise institutional strategic goals and outcomes.

The balance scorecard is indeed the correct indicator of the institution's performance and that of its employees. It has become a tight and refined measure of performance outcomes of officials - a critical aspect to ensure the effectiveness of Members of Parliament in carrying out their constitutional mandate.

The obvious question not addressed in this paper is whether such measurement is suited for Members of Parliament; in this regard with reference to Parliament. While the measurement of the performance of of Members of Parliament may not be subjected to tools such as the Balance Score Card, surveys have been conducted to assess the extent to which Parliaments have effective and impact driven targets that are set and met - these are mostly the effectiveness of oversight

and holding the executive accountable. (The IPU and the Afro-Barometer have reports that assess the impact of oversight and accountability as well as public participation on the majority of its member parliaments.)

Ideally parliaments have to develop performance indicators against which they measure their performance, set targets informed by the indicators that speak to the key impact outcomes – such as elimination of poverty, reduction of inequality, job creation and skills development for economic growth; these indicators are indeed universal and have base indicators as expressed in the SDG and AU Agenda 2063. This was not the focus of the paper, notwithstanding, this is maybe an area of focus in the near future, mostly because the outputs of the officials of parliament is the input into the work of members. It can be argued that parliamentary officials who operate with no outcomes measured (BSC) will not be able to assess the quality and usefulness of their support to those they serve.

Indeed the adoption of BSC is set to mature further in the parliamentary practices and organisational performance.

End.

## Bibliography

Cameron, R. New Public Management Reforms in the South African Public Service: 1999-2009. *Journal of Public Administration* 44 4 (1), 2009, 897-909.

Cristea, Andrei Mihai. *Performance Management by Implementing the Balanced Scorecard System- The System of Indicators*. Hyperion International *Journal of Econophysics & New Economy*. 2019, Vol. 12 Issue 2, p149-158. 10p.

Dorey, Peter. 2015. The Legacy of Thatcherism - Public Sector Reform. *Observatoire de la Société Britannique* 17 , pp. 33-60.

Dziak, Mark. 2015. Balanced Scorecard. Salem Press Encyclopedia, 2015. 2p

Gumede, N. and Dipholo, K.B. Governance, Restructuring and the New Public Management Reform: South African Perspectives. *Journal of Educational and Social Research* Vol. 4 No.6 September 2014

Johnson, C. and Talbot, C. The UK Parliament and performance: challenging or challenged? *International Review of Administrative Sciences* 2007; 73; 113, Sage Publishers

Kaplan, Robert S. and David P. Norton. "Using the Balanced Scorecard as a Strategic Management System." *Harvard Business Review*. Harvard Business School Publishing. Jul. 2007. Web. 26 Jan. 2015. <https://hbr.org/2007/07/using-the-balanced-scorecard-as-a-strategic-management-system>

Oecd (2009) *Measuring Government Activity*. Paris, OECD.

Vitale M., Mavrincac S.C., Hauser M. (1994), New Process/Financial Scorecard: A Strategic Performance Measurement System, *Planning Review* no. 22, pp. 12-16.