



ROAD AUTHORITY
INSTITUTIONAL GOVERNANCE
&
NETWORK MANAGEMENT

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SARF

Founded in 1950



South African Road Federation

GOVERNANCE

- Conducting of the affairs of an organisation
- Encompasses
 - authority
 - stewardship
 - direction
 - control
 - leadership

Primarily about LEADERSHIP

- Traditionally related to private companies, but also applicable to State departments and enterprises

WHY NECESSARY?

- SAICE report
- Auditor General's report
- PSC report
- Statements by President, Minister of Finance, and many other Ministers and authorities

LEADERSHIP

- STRATEGIC LEADERSHIP
- “DELIVERY” LEADERSHIP
- RELATIONSHIPS LEADERSHIP
- PERSONAL EFFECTIVENESS LEADERSHIP

STRATEGIC LEADERSHIP

- Vision and strategic direction
- Ethical and inspirational leadership
- Change leadership
- Continuous improvement and innovation
- Conceptual thinking
- Strategic relationship management

DELIVERY LEADERSHIP

- Project management
- Performance management
- Finance management
- Logistics management
- Compliance management
- Risk management
- People management
- Customer focus
- Problem solving and decision making

RELATIONSHIP LEADERSHIP

- Mentoring and developing others
- Impact and influence
- Communication and information sharing
- Relationship building
- Team effectiveness
- Conflict management

PERSONAL EFFECTIVENESS LEADERSHIP

- Self management
- Self development
- Emotional intelligence
- Resilience
- Results focused
- Technical skills and knowledge

CHARACTERISTICS OF GOOD GOVERNANCE

- Discipline
- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- Social responsibility

DISCIPLINE

- Commitment to adhere to universally recognised managerial behaviour

TRANSPARENCY

- Ease, by public, in obtaining appropriate and relevant information
- Measured by how effectively management can make information available
- Information must be accurate, and timeously made available
- Does it enable true picture of institution to be obtained?

INDEPENDANCE

- No political influence in operations of institution
- No conflict of interests or power relationships
- No nepotism
- Objective decision making

ACCOUNTABILITY

- Obligation to account for a conferred responsibility
- Appropriate mechanisms must be in place
- Must provide ability for investors and public to assess actions of management
- Must conform to Public Finance Management Act

RESPONSIBILITY

- Put in place mechanisms to set and keep institution on right path
- Must be able to implement corrective action and penalise mismanagement

FAIRNESS

- Acknowledge and respect rights of all role-players and clientele
- Balance conflicting interests

SOCIAL RESPONSIBILITY

- Be aware of, and respond to social issues
- Place high priority on ethical standards
- Operate in a non-exploitative, non-discriminatory and environmentally sensitive fashion
- Respect human rights

ROLE OF PARLIAMENT IN GOVERNANCE FRAMEWORK

- Public rights are exercised through Parliament
- Parliament oversees management and performance of State organs through Select Committees of parliamentarians
- Parliament oversees financial management of State organs through assessing conformance with PFMA

ROLE OF RESPONSIBLE MINISTER IN GOVERNANCE FRAMEWORK

- No general guidance on how Minister performs his or her role
- Specific responsibilities
 - Appoint D/G or Board of State Enterprise
 - Table accountability reports and Budget in Parliament
- Ensure implementation of Government policy
- Answerable and accountable to public for effective performance of Portfolio
- NOT to micro-manage department

ROLE OF D/G OR BOARD/CEO IN GOVERNANCE FRAMEWORK

- Ensure fiduciary probity
- Draw up and implement strategy to achieve policy goals
- Oversee and monitor management
- Be responsive to public needs/issues

A CASE STUDY OF THE MONITORING OF INSTITUTIONAL GOVERNANCE

TRANSPORT INSTITUTIONAL RESTRUCTURING

- Aim – address service delivery challenges through increased efficiency and accountability, with reduced bureaucracy
- Approach – creation of agencies at “arms length” from government
- Basic building blocks - ownership
 - financial sustainability
 - responsibility
 - sound management

CREATION OF AGENCIES

- Mid 1990s – move towards institutional restructuring in the Transport sector
- Creation of four agencies - CBRTA
 - SACAA
 - SAMSA
 - SANRAL
- Early 2000s – performance evaluation

Raison d'être for Monitoring

- Taxpayer pressure for improved service
- Move towards commercialisation/privatisation of public services
- Demand for curtailing expenditure
- Ensure accountability to legislature and public

A new way of thinking about how performance is defined and measured

METHODOLOGY

- “Mixed-methods” research approach (i.e., qualitative and quantitative)
- Assess performance against objectives
- Discussions with CEOs and senior personnel to examine a wide spectrum of issues
- Assess nature of stakeholder interactions with agencies
- Questionnaire on performance criteria rating of individual agencies

PERFORMANCE FRAMEWORK

- Clarity of mandate - primary market (who?)
 - primary service (what?)
 - primary service technology (how?)
- Clarity on major generic functions and outcomes sought
- Financial management - PFMA
- HR management

BASIS OF PERFORMANCE MONITORING

- Public accountability
- Sound management
- Efficiency and effectiveness of service provider
- Communication with legislature and public

BUT

Indicators required to assess performance

CRITERIA FOR INDICATORS

- Must include outcomes and outputs related to key goals and key targets
- Sometimes more specific and readily measurable indicators are necessary
- Surrogate criteria sometimes used
- “basket approach” necessary – no single criterion can be used
- Distinguish between “outputs” and “outcomes”
- Criteria should have “benchmarking” capability

REQUIREMENTS FOR SELECTING INDICATORS

Relevance

Measurability

Accuracy

Repeatability

- Interpreted against
- trends in the economy
 - agency internal targets
 - overall performance of agency
 - government's expectations
 - international benchmarks

PROCEDURE IN MONITORING AGENCIES

- Stakeholder interviews (more than 50) – qualitative
- Service delivery rating questionnaire on 11 facets - quantitative

CONCLUSIONS

- Agency approach substantially improves performance – but room for improvement
- Variation in performance between agencies – leadership is prime differentiating factor
- Some deficiencies - transparency and accountability
 - board structure and processes
 - chain of relationships between Minister DoT and agency often dysfunctional
 - sometimes inadequate expertise on Board of control
 - inadequate managerial skills

THE SYSTEMS APPROACH TO ROAD NETWORK MANAGEMENT

ROAD NETWORK MANAGEMENT

- Road investment constitutes a major part of government's stock of capital
- Roads are “big business”! And would rank high on the “Fortune 500” list of companies
- They need sound management
- Symptoms of poor management
 - lack of an adequate comprehensive and integrated management system
 - insufficient and unsustainable financing
 - inadequate management capacity and leadership
 - inappropriate design standards and poor maintenance of assets

INTEGRATED APPROACH TO MANAGEMENT OF THE NETWORK IS NEEDED

GENERALISED ELEMENTS OF RNM

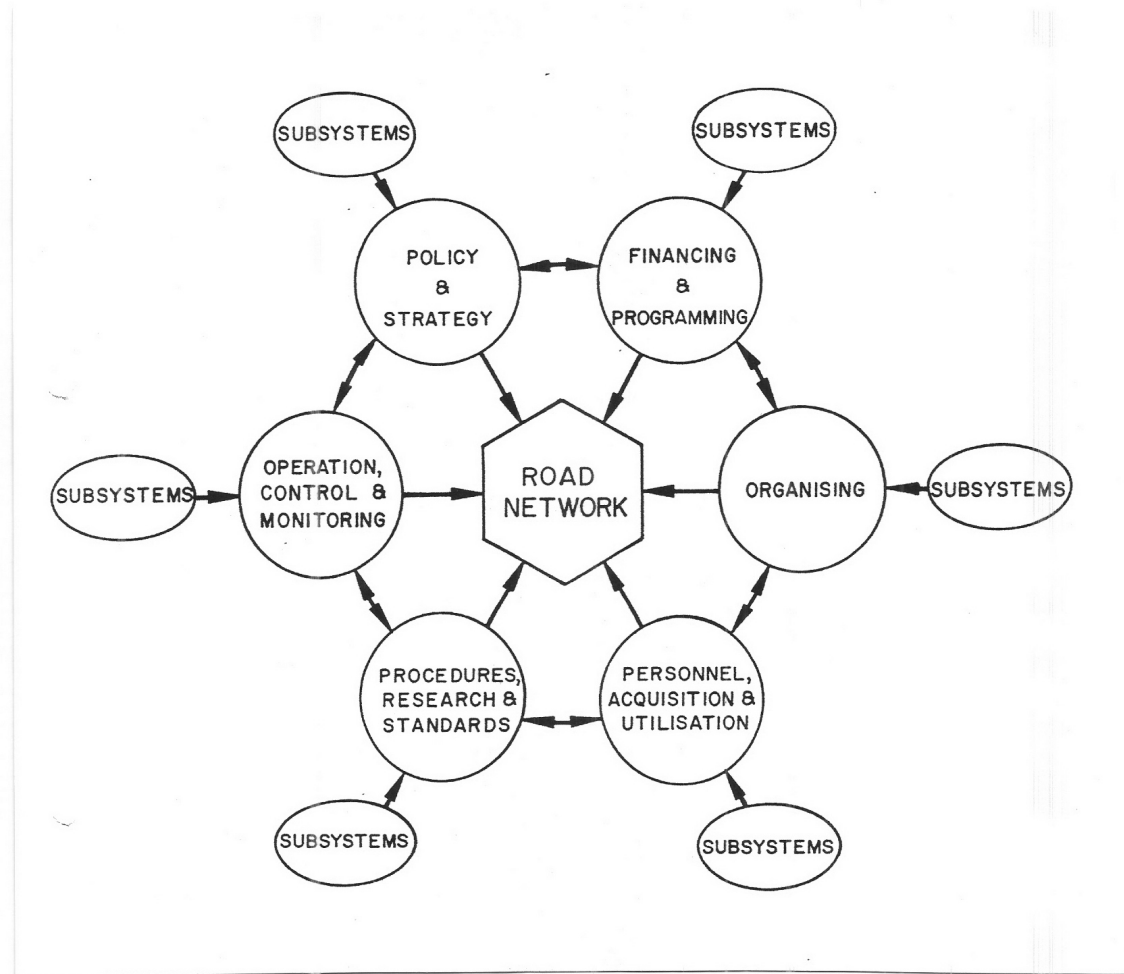
- Set policy
- Define activities
- Plan and design
- Manage and allocate resources
- Organise and motivate personnel
- Implement and control the work
- Monitor and evaluate performance
- Feedback towards improvements

ALL INTERACT WITH AND ARE DEPENDANT ON EACH OTHER

SYSTEM

- “System” - a set of things forming a whole
 - ordered group of activities
 - structure through which elements are together
- RNMS (broadly) – set of procedures for providing an effective road network at minimum cost and maximum efficiency

ROAD NETWORK MANAGEMENT SYSTEM



ROAD NETWORK MANAGEMENT SYSTEM

- Increasingly complex environment
- Demands generally exceed resources
- Necessary to optimise resource usage
- Need to integrate various sub-systems
- Accurate data of prime importance

Essentially RMS's are designed to provide real solutions to real problems by authoritative decision makers