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A Review of the Performance Management System In
municipalities: A Case Study of Mngquma Local Municipality



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Submitted in fulfilment of the requirements for the degree of Master of Administration
in the Faculty of Management and Commerce at the University of Fort Hare

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DECLARATION ON PREVIOUS SUBMISSION

I, **Yalezo Yanga**, student number **201820630**, declare that this Thesis, titled “*A Review of the Performance Management System In municipalities: A Case Study of Mquma Local Municipality*”, and submitted for the award of the Degree of Master of Administration in the Faculty of Management and Commerce at the University of Fort Hare, is my own work and has never been submitted for any other degree at this or any other university.

Date:

Signature:

14 June 2022

The image shows a handwritten signature in black ink that reads "Yalezo". To the right of the signature is the official logo of the University of Fort Hare. The logo consists of a shield-shaped emblem with a blue and yellow sunburst at the top right, and an open book at the bottom with the Latin motto "LUMINE TUO BIMUS LUMEN" written on it.

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DEDICATION

I dedicate this to all the women who work hard to achieve their goals, above all I dedicate this thesis to myself.



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ACKNOWLEDGEMENT

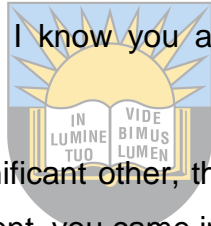
First and foremost, I would like to thank God, our heavenly father for the gift of life, good mental and physical health which assisted me to get this far. Without his unconditional love for me I would never have made it.

To my mother, Vivi Yalezo, thank you for being my number one supporter throughout this journey, thank you for never giving up on me. I will always make you proud.

I would also like to show gratitude to my children who sacrificed quality time with their mother while I spent hours reading and writing this thesis. You are the reason I found strength to persevere despite all the challenges. You motivate me to always do my best regardless of how difficult the situation may be.

I dedicate this thesis to my best friend and Grandfather, the late Golvet Yalezo. I thank you for the unconditional love and I know you are proud of the person that I have become.

As for my personal person, my significant other, thank you for your unconditional love, wonderful support and encouragement, you came into my life at the right time and made everything look easy to conquer.



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To all my family and friends, I know you felt that I neglected you while I found new love with my research, I appreciate you.

The administration of Mnquma Local Municipality, thank you. I will always remember the support you afforded me to conduct the study within the municipality. This study was at success because of your support; thank you all so much, especially all the respondents.

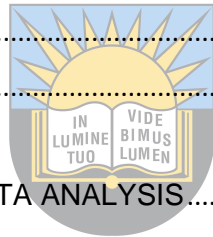
Further, I would also like to thank Dr. Tendai Gumbie for the long hours on the phone with me and as we walked this journey to submission.

Lastly, I would to thank the University of Fort Hare staff members and my supervisor Professor Mohamed Saheed Bayat for his invaluable academic mentorship.

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ABSTRACT

Mnquma Local Municipality is a category B municipality situated in Butterworth in the Eastern Cape with the population of 250 000. Mnquma Local Municipality has a mandate of ensuring that quality services are delivered to its counterparts. Mnquma Local Municipality has a performance management system in place used as a tool to fulfil the mandate. Performance management system is a system that is meant to ensure that the goals and objectives of organisations are achieved. PMS is used worldwide by both the private and public sectors. PMS was first used by the private sector to maximise profits and to minimise poor performance. The public sector also decided to introduce PMS in order to improve the quality-of-service delivery to the public. As such, PMS is a tool that is used to monitor, review, evaluate and assess performance of individual employees. PMS in the public sector especially in the local sphere of government is very important because municipalities are closest to the citizens and are at the core of service delivery.

This study sought to investigate how PMS at Mnquma Local Municipality in the Eastern Cape Province was utilised. The study utilised qualitative data collection and analysis techniques. Fourteen respondents were interviewed in order to get a better understanding of PMS at Mnquma Local Municipality. Data was analysed using thematic content analysis. The theoretical framework used in this study is goal-setting theory and control theory of performance management system

The key findings of the study were: the respondents regarded PMS as “tool” utilised to carry-out work in the municipality. Respondents believe that somehow all the employees are subjected to PMS one way or another whether knowingly or not. Municipality should offer employees performance bonuses to motivate them to achieve goals and objectives of the municipality. The recommendations are: the municipality should cascade the PMS to the lower-level employee of the municipality. The municipality should offer bonuses to the employees to elevate the performance of individual employees and to ensure that the goals and objects are achieved.

LIST OF ABBREVIATIONS AND ACRONYMS

AA	: Accentuality Agreement
BSC	: Balanced Scorecards
IDP	: Integrated Development Plan
KPI	: Key Performance Indicators
MLM	: Mngquma Local Municipality
NDP	: National Development Plan
PM	: Performance Management
PMS	: Performance Management System
POE	: Portfolio of Evidence
PP	: Performance Promise
SDBIP	: Service Delivery Budget Implementation Plan



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CHAPTER ONE: INTRODUCTION AND ORGANISATION OF THE STUDY

1.1 INTRODUCTION

According to Xiangdong (2015), the role of government in South Africa is to ensure that people benefit from the democracy gained by providing for the most critical needs of citizens. It is the scope of local government to ensure that citizens' needs are met because it is this sphere of government that is closest to the people (Van der Westhuizen, Taylor, & Van Zyl, 2017). Therefore, municipalities must have a performance management system (PMS) in place that can be used as a tool to track the performance of the institutions (Sehoa, 2015). PMS at the municipal level are used to evaluate, monitor and review the performance of the institution to identify challenges and assess ways in which such challenges can be overcome in future so that the standard of living of citizens can be improved.

According to Mquma Local Municipality (MLM) Annual Report (2016/2017), MLM is one of the Eastern Cape Province's municipalities that are faced with poverty, low education outcomes and a high unemployment rate. These factors make it difficult for a municipality to facilitate service delivery programmes properly. As a result, MLM has to make an effort to put together personnel and skills that will ensure the delivery of sufficient services. A proper PMS will therefore enable the municipality to achieve such goals and responsibilities. Hence, the overarching aim of this research study is to review the PMS of the local government sector through a case study of MLM which is situated in Butterworth under Amathole District Municipality (ADM) in the Eastern Cape province of South Africa.

1.2 BACKGROUND OF THE STUDY

According to Sehoa (2015), internationally PMS was introduced in public institutions decades ago to ensure that public institutions performed well and made sure that public resources were used and managed effectively by taking accountability for every action or decision that public officials made. In South African (SA) public institutions, PMS was introduced after the formulation of municipalities' post-1994 elections when the democratic government was elected (Khumalo, 2015). Sehoa (2015), asserts that the

exact year that the PMS was introduced in SA municipalities was 1998 with a policy called the White Paper on Local Government (WPLG). WPLG (1998), stated that PMS starts at the national level where systems that manage and review the performance of the municipalities are developed.

Khumalo (2015), highlighted that WPLG was not the only legislation that was formulated after the ouster of the apartheid government, there were further legislations that were formulated to redress the oppression of citizens by the apartheid government such as the Constitution of the Republic of South Africa (1996), Municipal Systems Act (2000), Municipal Structures Act (1998) and the Municipal Finance Management Act (2003). These legislations were developed to compel municipalities to put citizens and their basic needs and services first above everything else. As a result, municipal officials have the mandate to plan, delegate, and implement the projects and programmes that are prioritised by citizens (Ntlabezo, 2013).

PMS is a product of the Integrated Development Plan (IDP) which is used to guide municipal officials towards their targets and objectives to meet the needs of citizens. The IDP enables public officials to formulate the Service Delivery Implementation Plan (SDBIP) and divisional scorecards (DS) which serve as an implementation tool that contain targets that must be met to adequately deliver services to citizens (Ntlabezo, 2013). Therefore, PMS monitors and evaluates whether targets on the SDBIP are achieved or not achieved by the officials and takes corrective measures to ensure that planning is done and resources are used efficiently and effectively.

According to Sehoa (2015), PMS is a mechanism that can be used to reduce maladministration, waste, ineffectiveness and lack of productivity in the municipality while inversely guiding municipalities towards achieving public goals and objectives to improve service delivery. According to Munzhedzi (2015), performance in an organisation can have a different meaning for different officials and the way different organisations perceive and manage performance can also differ. For example, employees may measure performance focusing on the benefits that municipalities can offer rather than taking into consideration the productivity of the organisation as a whole meanwhile employers expect employees to perform in a way that benefits the

organisation in realising its objectives. Therefore, municipalities must develop PMS policies and procedures that serve as a guideline for employees and help employees understand clearly their roles and responsibilities as well as the consequences of poor performance so that employees can perform according to the institution's expectations and achieve goals set by the municipality.

1.3 STATEMENT OF THE PROBLEM

Various legislations have outlined the importance of developing PMS in municipalities. PMS is a process of monitoring, evaluating, and reviewing performance within institutions (Khumalo, 2015). Without PMS, it can be difficult for municipalities to measure their performance and to know whether employees are performing as expected. Citizens may suffer because their needs may not be satisfied due to poor performance by the municipality which is supposed to serve them. Therefore, PMS should be developed and reviewed to keep the performance of the municipality in check at all times so that the needs of people can be satisfied efficiently and effectively (Khumalo, 2015). PMS at Mquma Local Municipality is used as a mechanism that "promotes accountability between the communities of Mquma and the municipal council, the political and administrative component of the municipality, and each directorate of the municipality and the office of the municipal manager" (MLMPMF 2018/2019: 7). Therefore, every official in the municipality together with the political office bearers have a critical role to play for the municipality to deliver services to the public.

However, at Mquma Local Municipality, the PMS that is in place only evaluates and holds accountable the municipal manager (MM) and managers who are directly accountable to the MM and not ordinary or lower-level employees (MLM draft 2017-2022 IDP). The MM and the Directors depend on the middle management and lower-level employees to achieve targets set on the strategic objectives and SDBIP. Middle managers at Mquma Local Municipality are subject to performance evaluations using the targets in the SDBIP. However, there is no system in place to monitor, evaluate and review the performance of lower-level public officials and this brings into question the

PMS of the whole institution. Therefore, Mnquma Local Municipality has to find ways of cascading this system to lower-level employees.

According to MLMPMF (2018/2019), PMS also includes performance accountability agreements (PAAs) that are signed between those who are in authority such as managers and their subordinates to manage performance efficiently and effectively. These PAAs flow from top officials down to lower-level employees for example municipality agreements begin with the mayor down to the junior officials who implement projects.

At Mnquma Local Municipality managers together with junior officials are subject to these agreements but there is no PMS to evaluate whether lower-level employees are underperforming or not so that corrective measures can be implemented or offer rewards/incentives to employees who perform well. Mnquma Local Municipality is currently faced with financial constraints due to mismanagement of funds and poor performance by employees; therefore, there is a need for a PMS that guides lower-level employees concerning their roles and responsibilities so service delivery initiatives can be implemented efficiently and effectively.

According to Mnquma Local Municipality Annual Report (2017/2018), the Auditor-General (AG) found that there are some targets in the annual performance reports of executive managers that were not achieved and those that were reported as achieved were not supported by sufficient evidence. For example, the achievement of 6 959 beneficiary subsidies against the mentioned target and indicator could not be proven. In addition, the municipality failed to provide enough supporting documentation for the expenditure made by the municipality. Therefore, there was a need to explore the challenges emanating from the absence of PMS for middle managers and their subordinates at Mnquma Local Municipality.

1.4 RESEARCH OBJECTIVES

The purpose of this study was to investigate and review the PMS at MLM, as such the studies objectives were:

Main Objective

- To determine ways in which municipalities can develop a performance management system that monitors and reviews the performance of all employees.

Secondary Objectives

- To assess whether the performance management system of Mquma Local Municipality guides the development of employees so that they can perform remarkably in their roles and responsibilities.
- To investigate how employees at Mquma Local Municipality perceive the performance management system that is currently used in terms of fulfilling the IDP objectives.
- To provide some informed policy recommendations on performance management systems based on findings from Mquma Local Municipality.

1.5 RESEARCH QUESTIONS

- To achieve the main objectives, the study was guided by the following research questions:

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Main Research Question

- What are the other ways in which municipalities can develop a performance management system that monitors and reviews the performance of all employees?

Secondary Research Questions

- Does the performance management system of municipalities guide the development of employees so that they can perform remarkably in their roles and responsibilities?
- How do employees in the municipalities perceive the performance management system that is currently used by their respective municipalities in terms of fulfilling IDP objectives?

- Are there other informed policy recommendations on performance management system based on findings from municipalities?

1.6 SIGNIFICANCE OF THE STUDY

Citizens across South Africa are entitled to sufficient and high-quality service delivery. However, communities are still facing poor service delivery with many communities still lacking basic services such as water, housing and sanitation (Van de Westhuizen et al., 2017). PMS, therefore, plays a significant role in service delivery because according to Munzhendzi (2011), PMS is a way of monitoring, examining and reviewing the performance of the municipality and ensuring that corrective measures are taken to promote proper service delivery.

It is important to always ensure that employees in the municipality know their roles and responsibilities and there must be mechanisms in place to measure performance so that scarce resources can be used effectively (Maleka, 2014). This study sought to review the PMS of MLM in an attempt to add to the body of knowledge on performance management at the local government level. Further, the study also sought to investigate the situation of MLM's PMS in an attempt to identify challenges and solutions to find ways of improving PMS at the municipal level and effectively delivering services to citizens. There is little literature available on PMS at MLM; therefore, this study will contribute to this field of study. This study also dug deeper into PMS and its importance as a result opening up areas of further investigation within and across disciplines and fields as this is important for the development of the country as a whole.

1.7 LITERATURE REVIEW

The conceptualisation of the study will be discussed by looking at the views and objectives of different authors concerning PMS.

1.7.1 CONCEPTUALISATION OF THE STUDY

Local government is an important sphere of government for delivering services to community members; therefore, the performance of municipalities should be monitored constantly to provide citizens with quality services (Smit, 2015). According to van der

Westhuizen et al. (2017), the local government in South Africa (SA) still has a long way to go when it comes to uplifting the lives of community members who are still deprived of basic services. Hence the PMS in municipalities is important because PMS gives municipalities a sense of direction by playing an oversight role in fulfilling the municipality's role and responsibilities and also measures, monitors and reviews the performance of the municipality against targets that are set (Ntlabezo, 2013).

Furthermore, Ntlabezo (2013), pointed out that the main purpose of PMS is to help the organisation in shaping the performance of public employees working either as individuals or groups for the aim of promoting the good performance of the whole organisation. Sehoa (2015), agreed and stated that PMS was brought to light to make the development of municipalities a successful journey that will enable municipalities to satisfy the needs of the most vulnerable people within the country.

Khumalo (2015), argued that public institutions were faced with the problem of not being able to fulfil mandates towards satisfying the needs of people because outcomes were not managed efficiently and effectively. Therefore, PMS was introduced to ensure that the municipality produces the best results because PMS makes possibilities to use scarce resources efficiently and effectively, public officials are held accountable for their duties and outcomes are managed properly by producing a portfolio of evidence (POE) as tangible evidence that shows that the work has been done appropriately.

PMS may also enable public institutions to learn from each other on how to increase productivity by comparing results and finding ways of increasing those results in each financial year (Khumalo, 2015). Khumalo (2015), asserted that an organisation can also use a system of delegation of goal-setting that speaks to the objectives of the organisation to lower-level employees so that public officials can be able to identify with set goals and objectives and take pride when executing such goals. Ndevu (2015), agreed and stated that goals are supposed to be self-motivating and increase the performance of the employees.

Ndevu (2015), determined that performance can be measured and controlled in an institution using things such as KPIs, financial indicators and balanced score card. For

the performance to be managed effectively, the institution should first assess its internal strengths and weaknesses and the reason for its existence (Ndevu 2015). Performance is therefore measured by how much the institution has and what can be procured using available funds.

The institution has to outline its objectives and prioritise things that need to be done and strategically plan the way forward to accomplishing its objectives using available resources. Mdleleni (2012), agreed and stated that PMS is the use of performance standards, performance measures, progress report and quality improvement that speaks to the objectives of the municipality and are linked to the day-to-day activities of the institution. Mdleleni (2012), also added that managing performance is not a straightforward process because it differs from one person to another and from one organisation to another. As a result, PMS should be developed according to the internal structure of the municipality (Mdleleni 2012).

According to Nzimakwe and Ntshakala (2016), PMS is a technical tool that closes the gap between management and employees by promoting teamwork between the two to achieve set goals and objectives. Therefore, giving employees a chance to be part of the planning process helps management to improve the productivity and performance of the institution. Furthermore, Nzimakwe and Ntshakaza (2016) argued that the municipalities have a mandate of linking employees' goals with those of the institution and again to make sure that public officials understand their roles and responsibilities towards fulfilling the mandate of the municipality by signing PAAs.

The PAAs outline the day-to-day activities of employees in the implementation of the municipality's IDP. Munzhendzi (2011), believes that it is important for the institution to create clear guidelines such as policies and procedures that will give the administration an effective manner to follow and fulfil the given mandate.

According to Ntlabezo (2013), PMS is the product of IDP because IDP is a long-term plan that municipalities use to identify critical issues that are affecting communities around the country. A PMS is therefore an implementing tool for IDP objectives, through

the formulation of SDBIP that contains targets set to satisfy the needs of the people in IDP (Drakenstein IDP 2017/20220).

The budget is also part of PMS because it is used to fund the targets in the SDBIP (Drakenstein IDP 2017/20220). Westhuizen et al. (2017), agreed and stated that IDP, Budget, PMS and SDBIP should be aligned because for service delivery to be effective, these variables need to be used together and complement one another.

This research study is similar to research studies that have been conducted before. However, this research study will be different from other research studies because it will be about critically reviewing the PMS of MLM Therefore, the available literature will enable the researcher to evaluate and compare different views to review the PMS of MLM.

1.7.2 THEORETICAL FRAMEWORK

This study will also look at theories that explain what constitutes effective PMS. In particular, the study will be guided by Edwin Locke's goal-setting theory and control theory of the performance management system by Akanksha Dwivedi and Indra Giri.

1.7.2.1 GOAL SETTING THEORY

Goal setting theory was proposed by Edwin Locke in the year 1968 (Olufemi, 2014). According to Olufemi (2014), this theory is about showing and stressing the correlation between goals and performance and how goals are set is very important. Goal setting theory stresses that goals should be set in a way that motivates and grows employees of the institution (Olufemi, 2014). Employees should be able to deal with challenges and difficult goals that will enable them to perform to the best of employee's ability. This theory is stressing that employees should not be given everything on a silver platter, they should be able to earn their place as employees in the institution (Olufemi, 2014). PMS is a system that monitors and evaluates the performance of the institution therefore goal setting plays an important part in PMS.

Performance is measured through goals that are set. Goals that are set should speak to the institution's vision and mission and these goals should be aimed at fulfilling the

purpose of the institution. Therefore, goal setting theory will help this study by enlightening how important is goal setting in the PMS of the institution: that is MLM. Public officials of the municipality should be able to align goals with the IDP of the institution and the PMS should be able to evaluate whether such goals are achieved or not achieved by the public officials.

1.7.2.2 CONTROL THEORY OF PERFORMANCE MANAGEMENT SYSTEM

In an institution, PMS plays an important part as far as human resources of the institution are concerned because it links the performance of employees with those of the whole organisation (Dwivedi & Giri 2016) According to control theory, monitoring and measuring the performance of the employees is of great significance because it helps managers to generate the output that the institution desires to make sure that goals of the institution are achieved (Dwivedi & Giri 2016:2).

Dwivedi and Giri (2016), also stated that control theory uses a reward and recognition system to control the performance of employees in an institution. Employees in an institution are required to reach a certain level of achievement to get recognition or rewards (Dwivedi & Giri, 2016). Control theory will enable this study to determine how the institution, in this case, **MLM** can use its PMS to improve the performance of the employees. PMS of the institution can evaluate and measure performance by employees and employees can get performance bonuses or rewards based on the performance outcomes. This theoretical framework shows how managers should have control of their subordinates so that performance can be improved.

1.8 RESEARCH METHODOLOGY

1.8.1 RESEARCH PARADIGM

In research, the research paradigm determines which school of thought (between positivism and phenomenology) should guide the study. This study will be guided by the phenomenological school of thought which allows the researcher to adopt a qualitative interpretivist methodology as opposed to positivism which approaches research quantitatively (Taylor, Bogdan and DeVault 2015; van Rensburg, 2010).

When research is qualitative, the social phenomenon is explored and understood from the perspective of the individual, particularly how the individual assigns meaning to his or her subjective context; quantitative research on the other hand is about the objective truth that is read independent of the researcher's subjective realities (Taylor et al. 2015). Thus, Bless, Hugson-Smith and Kagee (2006:43), define qualitative research as a method that "uses qualifying words or descriptions to record aspects of the worlds." This means that the researcher looks at the opinions, ideas, experiences and expectations of the people using literature or words of the people. There are no hypotheses to be tested. This research study is about critically reviewing the PMS of MLM; therefore, words instead of numbers will be used throughout the study.

1.8.2 RESEARCH DESIGN

The researcher, in light of the qualitative research paradigm articulated above, will use an exploratory case study research design to investigate the study in more detail. The exploratory research design will be effective for this research study because the research will be able to investigate more about the topic and add more knowledge and insight since little is known about the topic (Bless et al., 2006). van Wyk (n.d), add that exploratory research design helps to bring more data about the topic that is being investigated also exploratory research design can be used in many ways and is not structured formally.

Despite the shortcoming that exploratory research design requires more time when conducting the study (Vosloo, 2014), the main aim of exploratory case study research design here is to identify a place where the problem originally occurred and to outline other problems or situations that might be relevant to the study (van Wyk, n.d). Thus, through the exploratory study, the researcher will gather qualitative data that identifies the challenges that are currently facing MLM about the development and implementation of PMS; and provides some informed policy recommendations on PMS based on findings from MLM.

1.8.3 INSTRUMENTS OR METHODS

In this research study, the data collection method that will be used is individual interviews. The researcher will then conduct semi-structured individual interviews, which allow the researcher to develop flexible but detailed guiding questions before fieldwork to assist with conducting in-depth interviews (Creswell, 2014). As such, the semi-structured individual interviews are the most appropriate ones because they will allow the participants to express themselves freely about their own perceptions and experiences.

Contrary to structured interviews, which according to Bless et al. (2006), are interviews that are based on an established set of questions with fixed wording and sequence of representation as well as more or less precise indications of how to answer each question, the semi-structured interviews will not impose limitations through pre-defined categories (Creswell, 2014).

Therefore, the employees of MLM will be interviewed using the flexible semi-structured interview guide as opposed to a questionnaire that contains standard questions for every participant who is asked and is expected to answer the questions as accurately and clearly as possible. The questions will be identified in such a way that the purpose of the research study is outlined. The questions for the interviews will be structured clearly and understandably so that the participants will find it easy to answer the questions and dwell more according to their understanding.

1.8.4 SAMPLING AND TARGET POPULATION

This qualitative study adopts a non-probability sampling procedure which, contrary to probability sampling, does ensure that each person who is part of the target population is guaranteed an equal chance of being selected to participate in the study (van Rensburg, 2010). Therefore, non-probability sampling will be used to gain an in-depth understanding of the social processes without the intention to generalise the findings to the broader population which the sample is being drawn from (van Rensburg, 2010).

In particular, the study will use purposive sampling defined as a type of non-probability sampling technique that chooses a sample from the population based on the judgement

of the researcher (Laerd Dissertation, 2012). This is a kind of sampling that helps the researcher to select a sample of individuals or groups in the population who are professionally designated and those who have experience in the phenomenon being investigated (Etlkan, 2015). Purposive sampling is about participants that are willing and interested in the subject investigated and have the ability to community experiences and opinions in an articulate, expressive and reflective manner (Flom, 2017). Therefore, this sampling will then be helpful to this research study because the researcher will be able to collect data that will provide in-depth knowledge about the phenomenon investigated and serve the objective of this research.

Thus target population size that will be participating in this research study will be drawn from Mnquma Local Municipality and will consist of municipal employees which are Four Hundred and 453 in total; the sample size will consist of Directors, Municipal Manager, Middle managers and employees from IDP, PMS division.

1.8.5 DATA COLLECTION

According to Vosloo (2014), using a qualitative approach will enable the researcher to conduct the research in a more natural setting or place where the participant will feel more comfortable which will lead to a participant sharing their authentic ideas and experiences. The qualitative approach also allows the participants to express themselves using words instead of numbers (Sutton & Austine, 2015). However, with the qualitative research design, it is difficult to test the reliability and validity of the study as compared to the quantitative research design (Rahman, 2014).

1.8.6 DATA ANALYSIS

The data analysis technique that will be used in this research to analyses the data collected from the participants is content analysis. This method of analysis allows data to be analysed as themes emerge from the interviews (Creswell, 2014) with participants. The researcher, after the information has been collected from the participants, will familiarise themselves with the interview transcripts by reading and re-reading them before the actual data analysis commences. Thereafter, the researcher will determine the scope of analysis by focusing on the research questions that guided

the data collection process to make sure that the analysis process assists the researcher to answer the main research question of the study.

Overall, data will be analysed to get in-depth knowledge and understanding of the concept of a PMS within a municipal environment. Data will also be analysed to outline the possible solutions that might solve the challenges that are currently facing MLM in the development and implementation of PMS; and further outline policy recommendations among other issues that can be raised regarding the study in question.

1.9 CLARIFICATION OF KEY CONCEPTS AND TERMS

Public Administration - is set out to be a duty that is given to the government by the people. Government has a huge mandate to deliver various services to its citizens. The main function of public administration is to make sure that the standard of living of people is uplifted by managing the affairs and laws of government effectively (Xiangdong, 2005).

IDP - can be defined as an instrument used by municipalities to plan upcoming developments that are aligned with community members' needs. IDP's main function "is to ensure that municipalities engage with respective communities with a purpose of improving services delivery" (MLM draft 2017-2022 IDP).

PMS - is an administrative system whereby performance is monitored and measured to ensure that the planning of the institution is implemented accordingly. The main function of PMS is to make sure that the mission and vision of the institution is realised by ensuring that outlined strategic goals and objectives are met (MLM Performance Management Framework 2018/2019).

KPIs - can be defined as something that can be measured through counting and comparing. The function of KPIs is to provide evidence of the degree to which an objective is being attained in a specified timeframe (Intrafocus, 2014).

Local Government - "can be described as some government bodies elected by the people that have administrative, legislative and executive functions on the territories

under their jurisdiction. It is defined as an authority that decides or determines certain measures within a given territory" (Ndreu, 2016:6). Main function of local government is to give basic services to the citizens.

Community - can be defined as a geographic place whereby people live together and have daily interaction with one another (Goel, 2014).

Accountability Performance Agreement – is the agreement between the supervisor and the subordinate regarding the day-to-day activities of the subordinate.

Service Delivery - is the tool to improve the lives of citizens. People around the country have needs that have to be satisfied through service delivery such as shelter, food, infrastructure and social services (Nkomo, 2017).

1.10 STRUCTURE OF THE THESIS

Chapter Two: Literature Review



This chapter will review contemporary debates on the three spheres of government in South Africa as well as the various forms of PMS and its role at the local government level. This chapter will also critically analyse the legislative framework that guides performance management at a municipal level.

Chapter Three: Research Methodology

Chapter 3 discusses the methodological considerations of the study, including the research approach; data collection and -analysis strategies; sampling methods; issues of reliability and trustworthiness; and ethical considerations.

Chapter Four: Interpretation of Results

Chapter 4 critically discusses the findings of the study, which are organised, analysed, and discussed thematically.

Chapter Five: Conclusions and Recommendations

Chapter 5 concludes the study by summarising the whole thesis. The chapter summarises the findings and discusses how PMS at the municipal level can be improved for it to be more effective as well as increase the morale of employees.

1.11 CONCLUSION

PMS is the tool used to monitor, review and assess the performance of the employees to improve the performance of the entire institution. Municipalities are also subjected by law to implement PMS to ensure that good quality services are delivered to the public. For municipalities to achieve goals and objectives, PMS has to be cascaded down to lower-level employees so that they know and understand the roles and responsibilities assigned to them and also to enforce accountability. PMS will be discussed further in chapter two, whereby various authors will be discussed who highlight the important objectives pertaining to PMS, answering research questions raised in chapter one and discussing PMS legislative framework.



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CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

This study investigates the role of the Performance Management System (PMS) in municipalities, particularly the case of Mngquma Local Municipality (MLM). This chapter discusses the literature on PMS and how it influences and affects the performance of local municipalities. The purpose of a literature review is to highlight the importance of the study conducted in relation to other studies, provide solutions to problems and also create knowledge (Maggio, Sewell & Artino, 2016).

The chapter discusses the three different spheres of government. Particular attention is focused on the local sphere of government on which this study is focused. The chapter then sheds brief light on MLM as the case study. A discussion is presented on PMS and its importance, its functions and its role within local government. In the concluding section, a discussion on public participation and PMS is conducted.

2.2 SPHERES OF GOVERNMENT IN SOUTH AFRICA

South Africa is a democratic country which has three spheres of government namely: national, provincial and local government (Thornhill, 2011). According to the Constitution of the Republic of South Africa (1994), these spheres are distinctive, interdependent and interrelated and each sphere has its executive powers. Maluleka (2019) asserts that these three spheres were developed to overcome socio-economic problems such as poverty and inequality while also promoting transparency with regards to service delivery with the belief that this will improve the livelihoods of people who suffered under apartheid.

2.2.1 NATIONAL SPHERE OF GOVERNMENT

According to Thornhill (2011), the National Sphere of Government (NSG) also known as Parliament is the sphere that is ranked at the top, because this sphere develops and approves policies that have to be adhered to by all the other spheres of government. Chikwema and Wotela (2019) for example, pointed out that NSG is the only sphere of government that is responsible for the passing of the bill of rights, which states the level

of authority the provincial government has. Madumo (2015) argued that the provincial government however has a right to accept or reject these bills of rights and send them back to Parliament with comments. NSG also has a mandate of developing the National Development Plan (NDP) which details the state of the country, national development challenges, suggested solutions that can be attempted, the resources needed, future forecasting and everything else that the country needs to pay attention to (Masilela, 2013). NDP is developed at a national level; the implementation is mostly done at a provincial and local level because these two spheres are closer to the people to whom this plan is directed (Subban & Theron, 2016).

LEGISLATIVE FRAMEWORK FOR NATIONAL SPHERE OF GOVERNMENT

The Constitution of the Republic of South Africa, Act 108 of 1996 prescribes that the NSG must represent all the spheres of government while also being responsible for the making and approving of the policies of the Republic. The Constitution further prescribes that other spheres of government are not allowed to make policies that contradict the policies that are adopted at a national level. The first chapter of the Constitution clearly states that citizens are equally entitled to the rights, privileges and benefits of being citizens of South Africa. The tenth chapter goes on to discuss the actual public administration of the public sector emphasizing the purpose of the public sector in South Africa. Section 195 states the basic values and principles that are governing the public sector. These principles give guidance and a mandate to the public sector.

2.2.2 PROVINCIAL SPHERE OF GOVERNMENT

According to Mathonsi (2020), the provincial Sphere of Government (PSG) was recognized before the 1994 elections. In the negotiations that were held It was agreed upon then that power should be given to regions. As a result, nine provinces were identified namely: Western Cape, Eastern Cape, Kwa-Zulu-Natal, Gauteng, Northern Cape, North West, Limpopo, Mpumalanga and Free State (Ngaka & Zwane, 2017).) The decentralisation of power to PSG was meant to bring the services closer so that citizens could easily access the services they need. Each province is responsible for

developing its development plan using the NDP as a guiding framework (Cole, Bailey & New, 2017). The provincial government is largely responsible for the following services in each province: education, health agriculture, tourism, transportation and human settlements (Mathenjwa, 2014).

LEGISLATIVE FRAMEWORK FOR PROVINCIAL SPHERE OF GOVERNMENT

The Constitution of the Republic of South Africa, Act No 108 of 1994 prescribes clearly how the provincial government is formulated and funded, its powers as well as its functions. Provinces thus make their policies based on the constitution. The constitution also enforces participation by citizens in the activities of each sphere of government including the provincial government. For example, National Health Act No 61 of 2003 indicate clearly how health facilities in the country should liaison with community members and also formulate structures that will facilitate the participation of community members on health issues.



2.2.3 LOCAL SPHERE OF GOVERNMENT

The local sphere of government which is represented by municipalities in South Africa works closely with community members to build and develop the livelihoods of citizens (Akinboade and Kinack (2012). Municipalities are entrusted with a huge responsibility which is to develop the most vulnerable parts of the country and curb inequality (Khoma, 2012). According to Van der Westhuizen, Taylor & van Zyl, (2017), there are 278 municipalities in South Africa. These municipalities are made up of 226 local, 44 districts and 8 metropolitan municipalities. These municipalities are responsible for the development of local economies as well as for the provision of proper services such as roads, electricity, clean water and housing in the areas they serve (Van der Westhuizen et al., 2017).

Municipalities as prescribed by legislation in South Africa have a mandate to provide high standards of service delivery to citizens as well as provide dignity by developing local communities so that citizens can live in a more conducive environment (South African Local Government Association; Department of Environmental Affairs, 2015). The White Paper on Local Government (1998) prescribed that all government spheres

including local spheres of government should be guided and should abide by the principles prescribed. Municipalities are therefore required to develop systems that will help in delivering quality services to the public, these systems should be interlinked and cover every jurisdictional area within the municipality (Manyaka & Sebola, 2015).

LEGISLATIVE FRAMEWORK FOR LOCAL SPHERE OF GOVERNMENT

The Local Sphere of Government is guided by the Municipal Systems Act (MSA), No. 32 of 2000. The Act provides a framework that details the core principles, procedures and mechanisms that are necessary to enable municipalities to move progressively towards creating social and economic sustainability in their local communities. As a result, chapter four of the Act indicates that municipalities should establish a Performance Management System (PMS) that supports its available resources and fits well with its needs. The PMS forms part of the municipality's policies and helps to outline the municipality's priorities, objectives, key performance indicators (KPIs) and targets. All these items are directed and identified in the municipal Integrated Development Plan (IDP). The MSA (2000) further states that municipalities should establish a PMS that can leverage support from political structures, political office bearers, councillors and its administration to work towards the common vision and mission of the municipality. Further, the PMS must also coordinate duties and responsibilities in an economical, effective, efficient and accountable manner (MSA, 2000).

With the White Paper on Local Government (1998) articulating the objectives of local government, it became imperative to enact legislation that stipulates the structures that must govern municipalities. In 1998, parliament promulgated the Municipal Structures Act (Act 117, 1998). This Act is designed to regulate the internal systems, structures and office bearers of municipalities. In regulating the internal systems of municipalities, the Municipal Structures Act (1998) in Section 19.2(d) and (e) states that "a municipal council must annually review its organisational delivery mechanism for meeting the needs of the community and its overall performance in achieving the objectives of local government found in Section 152 of the Constitution of the Republic of South Africa". Every municipal council therefore must review delivery mechanisms such as the IDP

and PMS to ensure that they meet the objectives that they have set to address the needs of local communities (Khumalo 2015).

The main purpose of the White Paper on Local Government (1998) is the transformation of the local sphere of government as a whole, to promote a better life for all. The White Paper covers both administrative and political roles and responsibilities to improve the lives of ordinary citizens. This study focuses on the PMS at the local government level, the study chose Mquma Local Municipality (MLM) as its case study because the municipality utilises PMS as part of its tools to measure and evaluate performance. A brief description of the municipality is discussed in the following section.

2.3 CASE STUDY OF MNQUMA LOCAL MUNICIPALITY

This case study is extracted from Mquma Local Municipality's Integrated Development Plan (2020) indicating that MLM is a Category B municipality (Area: 3 270km²) located in the southeastern part of the Eastern Cape Province. It falls under the jurisdiction of the Amathole District Municipality (ADM) and comprises an amalgamation of the former Butterworth, Ngqamakwe and Centane Transitional Regional Councils. It is one of six municipalities in the ADM. The main cities or towns in MLM are Butterworth, Centane and Ngqamakwe. The main economic sectors are community (government) services, wholesale and retail trade and manufacturing. According to the 2011 Census, MLM has a total population of approximately 252 390 people, 99% of which are Xhosa speaking. The remaining 1% of the population includes English, Afrikaans, Zulu and Sesotho-speaking people. This municipal area comprises 53.4% females and 46.6% males and consists of approximately 69 732 households.

A study of the age distribution revealed that the bulk of the population (40%) is children between the ages of 0 and 19. About 5% fall within the pension group (over 65 years), whilst 55% are economically active (20-64 years). This means that 45% of the total population is dependent on the 55% that is economically active. As part of the Eastern Cape Province, Mquma has some of the highest levels of poverty, illiteracy and unemployment. An estimated 11% of the population is unemployed, 25% are employed while 64% of the municipal population is considered economically inactive. The area

has limited employment opportunities and this has huge implications for the increased need for welfare and indigent support in the municipal area. The municipality, therefore, needs to prioritise service provision, skills and social development. The way they can do that is to enhance the performance and productivity of the municipality within its budget through the PMS.

MLM also have seven directorates which are playing a pivotal role in the service delivery to communities. These directorates include Corporate Services directorate which deals with human resources management, labour relations, and administration and information technology services. The budget and Treasury office directorate is responsible for managing the finances of the municipality, how is the revenue collected, the expenditure of the available funds, budget and financial reporting according to the legislative framework, the management of procurement processes through supply chain management, the management of assets, fleet and logistics. Community Services directorate which deals with the cleanliness of the towns and townships, traffic officer services, and management of cemeteries and beaches around Mngquma jurisdiction. Local Economic Development and Planning directorate which is responsible for maintaining tourism sites, research, development of small business enterprises, and development of the municipal land. Infrastructural Development is responsible for the maintenance of municipal buildings and redistribution and development plan houses, the electrification, plumbing, road construction and maintenance. Strategic Management directorate, which deals with public participation, special program unit for both employees and community members, communications, and political offices such as the office of the Mayor, Speaker, Chief Whip and Municipal Public Accounts Committee Chairperson (MPAC) are also under this directorate, the PMS/ IDP responsible for the management of performance of the entire municipality. Compliance directorate which deals with legal compliance, internal audit, and risk management within the institution.

2.4 PERFORMANCE MANAGEMENT IN GOVERNMENT

Performance management (PM) is defined by Qureshi and Hassan (2013:56) as "a method of establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way that increases the probability that defined outputs will be achieved in both the short and long term". According to Marr and Gray (2012) PM can also be viewed as a platform whereby managers interact with employees to reach goals set by the institution.

Performance in municipalities is under the microscope because it is something that can make or break the purpose of a democratic government (Jain, 2014). The main purpose of democratic government is to distribute services equitably to all citizens. The government has allocated resources that enforce great performance in municipalities (Farvacque-Vitkovic & Kopayi, 2019). According to Olufemi (2014), performance management in African public service has only recently been introduced. The reason behind introducing this concept to the public sector was to establish the standards and ethics of the private sector so that macro-economic stability is maintained, inflation is eradicated, the scope and cost of government are reduced and deficit spending is minimized considering that municipalities are responsible for serving the public (Harris, 2017). Van der Waldt (2016) asserted that the mandate of local government is to ensure that public money is spent wisely so that people receive services that restore their dignity as community members and make them proud to be South African. As a result, Jonas (2011) pushes forwards the notion that PM strategies were introduced as a system used to uplift the level of performance of public institutions to enhance service delivery.

In his study, Turok (2014) pointed out that there has been a transformation in South African municipalities since the democratic government came to power. Harrison and Todes (2015) further stated that these changes were made to correct the damages made by the apartheid regime, to adapt to the ever-changing dynamics of the world, and to facilitate development in all spheres of government. In line with this, Eden District Municipality Performance Management Policy Framework (PMPF) (2015) pointed out that the day-to-day activities of this new reformed local government have more to do

with proving beyond limits that performance is managed, measured and improved, which ensures that community members need take priority above everything else.

Nowadays, public administration is about ensuring that performance across spheres of government is improved by putting performance measures in place and conducting comparisons between government departments, public bodies and local government (Sarker, 2019). LG has to be more willing to dedicate its capabilities to strengthening its strategic and operational goals and objectives as well as introduce policies and legislative frameworks that give clear guidelines to be followed by municipalities to improve performance (Tukwayo, 2018). Paile (2012) supports this assertion by pointing out that legislation and regulations are amended from time to time so that the performance of public institutions is measured and evaluated according to the relevant context and is aligned with the demands of community members.

According to Aguinis (2019), PM is not something that has to be done for the sake of complying with human resources standards. De Waal (2011) stressed that PM is an ongoing process whereby the performance of the employees is examined and monitored continuously in an institution and support is given where needed. Paile (2012) also asserted that PM is the engine of the institution because it is used as a tool to carry out the institution's goals and objectives and to find ways of achieving these goals. Institutional budgets should speak to the goals and objectives of the institution so that both the performance and budget get implemented accordingly and concurrently to improve service delivery to communities. (Sofyani, 2018).

2.4.1 PURPOSE OF PERFORMANCE MANAGEMENT

Performance Management seeks to drive an institution towards being responsive and accountable, from the individual employees to the teams within it (Ntlabezo, 2013). Mone and London (2018) further asserted that PM framework was established to systematically detect gaps such as under-performance by employees of the whole institution and to come up with solutions for underperformance versus over-performance by employees of an institution so that rewards can be given accordingly on merit.

In addition, Van Dooren, Bouckaert and Halligan (2015) highlight the importance of skills development and training; they assert that the lack of capacity by employees means that employees are not sure about their roles and responsibilities because they lack skills that can improve their performance. Van Dooren et al. (2015) recommend that institutions come up with various alternatives that can help employees to improve performance such as accredited training and development programmes, targeted capacity building and support programmes.

Furthermore, Buick (2021) states that the purpose of PM is to outline whether municipalities are capacitated enough to develop and review their PMS, this can guide municipalities to achieve objectives and to develop strategic plans such as the Integrated Development Plan (IDP). The IDP then outlines goals and actions required to realize these goals in a municipality by using tools such as Mid-term Revenue and Expenditure Framework (MREF), Service Delivery Budget and Implementation Plan (SDBIP) and Divisional Scorecard (DS) (Kelly & Rivenbark, 2014). The PM also asserts that the intentions of PMS are based on improving performance in terms of introducing change in various structures; encouraging public officials to show dedication and interest towards the fulfilment of vision and mission; teamwork; people taking accountability for work assigned to them and applying creative thinking and decision-making that contributes to the development of LG system in the country; contribution towards early detection of performance status and implementation of intervention mechanisms that are needed.

2.4.2 PERFORMANCE MANAGEMENT CYCLE

A PM cycle by Carr and Kline (2016) outlines the starting point of PM and where it should conclude, with the purpose of managing performance in an institution. The duo goes further, to explain that the cycle includes six steps which are: collaborative performance planning, planning towards future events, putting a plan of action, feedback from the manager, assessing the process, and review of the process (Carr and Kline, 2016). Helden, Johnsen and Vakkuri (2012) emphasised that the collaborative performance planning step requires an employee and a manager to develop a strong working relationship whereby they have to sit together to verify and

agree on what measurable results or outcomes will be examined after a PM cycle. This is important as it improves accountability because of the well-defined roles and responsibilities between managers and employees.

Planning towards future events requires a manager and a subordinate to develop a plan of action that will focus on future events that might arise relating to the vision and mission of the institution and how performance should be managed in order to realise such goals in the future (Armstrong, 2021). Helmold and Terry (2021) explained that putting a plan of action together means that once a plan is in place and necessary resources are made available, the employee is expected to kick-start the process of working toward agreed-upon goals within a given period. In return, the manager should plan oversight by constantly observing, reviewing and monitoring the process to see whether necessary progress is made towards the right direction.

Hutchinson (2013) points out that feedback from the manager goes a long way in that managers in their capacity regularly look at the employees' work, so they should provide feedback to employees, reinforcement, and resources to support growth and to ensure that everything is done according to plan. This process will prevent problems that might hinder performance in the long run and delays can also be avoided. When assessing the process, both manager and employee should assess the whole process by checking whether work has been done properly and whether set targets have been achieved within a prescribed timeframe (Agars and Cazares, 2017). Management by objectives should be included where applicable. Marr and Grey (2012) state that reviewing the process is the final step in the cycle which entails the performance review discussion, in which employees and managers meet face-to-face to analyse the quality of progress made.

2.4.3 PERFORMANCE MANAGEMENT PROCESSES

According to Khourshed (2012) PM should follow processes which include: the creation of a shared vision, clarifying the role of individual employees, providing for a fair evaluation, performance drivers/incentives, interim assessment of employee performance and final assessment. Hague, TitAmayah and Liu (2018) emphasised that

vision is a reason for the existence of an institution and therefore vision should be shared with everybody involved, whether internally or externally so that everyone can be included in achieving a common goal. Gruman and Saks (2011) argued that in clarifying the roles of individual employees, supervisors should first develop a process plan of cascading duties to the employees and then, supervisors should assign these duties and responsibilities to different employees after looking at their educational backgrounds, skills and capabilities so that each employee can be assigned with duties that talk to his or her special qualities. By doing this, no employee is left conflicted.

With regards to employees' job evaluation, Vainieri, Vola and Nuti (2016) assert that this should be done to ensure that tasks given to employees correlate with the rewards being received. There should also be measures, policies and procedures in place for job evaluations. Abraham and Lattal (2014) asserted that performance drivers which can also be referred to as performance boosters or incentives are important for improving the performance of employees. By so doing, the aims and objectives of an institution are achieved even under abnormal circumstances as employees will be dedicated and incentivised (Buckingham and Goodall, 2015).

Performance drivers may include the following: rewards such as salary increases, increases in benefits and allowances, recognition of performance by appraising and awarding best-performing employees, development of actions, encouraging performance excellence by allowing employees to develop their strategies and implement them, giving the freedom to take charge of their work, and resolving performance problems so that unnecessary delays can be avoided and goals can be achieved on time (Aguinis, 2019). The assessment of employee performance is usually done quarterly, bi-annually and annually in municipalities through divisional scorecards, accountability agreements and performance promises (Frangopol, 2011; Mone & London, 2018).

2.4.4 REQUIREMENTS OF EFFECTIVE PERFORMANCE MANAGEMENT

Performance management as a tool is meant to enhance excellence and productivity for both organisations and employees (Khumalo, 2015). An organisation's management

structure sets organisational goals, determines standards, assigns and evaluates work and distributes rewards (Wigert & Harter, 2017). PM is routinely used to track organisational priorities; thus it is the duty of managers to provide subordinates with timely, accurate and clear information and instructions in order to eliminate unnecessary delays by pre-emptively identifying errors that might occur (Shah, 2019).

PM requires follow-up actions to address organisational priorities; therefore, managers have to develop a system of following up on the performance of the employees so that the most critical objectives of the municipality can be addressed. This allows employees to complete duties in order of preference, which means that employees are able to separate the most important from the least important at any given period (Murphy, 2020). Further, managers should be able to detect good performance and bad performance through constant monitoring of performance; they should be able to know the level of performance of each employee in the organisation (Chikwariro, Bussin & Braine, 2021). This will enable managers to reward the best performance and condemn bad performance to elevate the performances of individual employees (Kuhto & Pankov, 2017).

For effective PM, it is important to involve employees and stakeholders in taking ownership of a performance management system because these parties are key role players in achieving the goals of the municipality (Pinto, 2019). Without them, not much can be achieved, therefore employees should be fully involved in the development, monitoring and reviewing of PMS so that they can take ownership/and accountability (Cepiku et al., 2017). In the context of a municipality, Pandeya and Oyama (2019) emphasized that stakeholders are just as affected by the performance of the municipality as everyone else, they should therefore be fully involved in the PMS of the municipality. This will enable stakeholders to provide support where needed. Stakeholders also take accountability and responsibility in ensuring that the municipality is performing well and services are delivered to the people (Litheko, & Potgieter, 2019). The following section will discuss PMS in greater detail in the context of Mngquma Local Municipality.

2.5 PERFORMANCE MANAGEMENT SYSTEM

PMS is a system that is set out to measure performance by aligning the system with the municipality's goals and objectives so that positive outcomes can be achieved. Sehoa (2015) puts forward the idea that there are two main purposes of PMS which are operational and cultural. Sehoa (2015) further explains that the operational purpose is about giving direction and control measures that enforce productivity in an institution. For the sake of longevity, employees as the drivers of the institution must know the goals and objectives of the institution (Jain & Guatan, 2014). By so doing, Jain and Guatan (2014) assert that employees will take ownership of what has to be done to achieve the goals and objectives of the institution. This is because PMS in an institution compels people to work towards a common vision and mission and to adhere to policies and strategies within the institution (Sisa, 2014). As a result, PMS should drive municipalities to continuously monitor and review employees' performance to identify good performance and reward it.

Another purpose of PMS is cultural, which according to Parkies (2015) is about being able to develop working and open relationships with the employees of the municipalities who will work together towards improving service delivery to community members. In addition, Parkies (2015) explains that the cultural purpose leads employees in an institution to work successfully as a team with the common aim of increasing productivity which leads to service delivery. This calls for employees to have a culture of collecting ideas and putting them together to attain the goals and objectives of the institution (Radebe, 2013). Also, Ndevu (2015) is of the opinion that employees should be able to identify different skills amongst the collective so that the performance of a municipality can be improved; thus this encourages employees to learn from each other which leads to development in an institution. Furthermore, diversity in the employee structure plays a critical role and different ways of thinking can be grouped to find solutions for different problems that can be encountered (Moon & Christensen, 2020)

However, Sehoa (2014) argues that there are some circumstances where you find employees in an institution battling to work towards a common vision and mission of a municipality. Public officials often have different opinions and perceptions that make it

difficult for them to reach common ground. Lack of effective leadership within municipalities makes it difficult to encourage a culture of teamwork among employees, and this makes it difficult to attain the goals and objectives that are set (Savas, 2019). Many divisions within a municipality depend on unity, tolerance and understanding to objectively overcome them and achieve set targets, as such if employees are frequently in conflict it results in low productivity and poor service delivery (Sanyal & Hisam, 2018). PMS plays a significant role in improving people's lives and giving communities the growth that is required, therefore PMS should be implemented as stated in various legislations and be the daily bread of the municipalities so that performance can be improved at all times (Ndevu & Muller, 2018).

For the purpose of this study, performance management is integrated into Mngoma Local Municipality's performance management framework. This framework serves as a policy that guides the PMS of MLM. The framework is developed by adhering to other prescribed legislative frameworks. Objectives of the MLM performance management framework are aligned with the prescribed objectives of PMS which are to plan, monitor, measure, review and report on the organization's performance. This policy is reviewed annually by the municipality to ensure that it is aligned with the changing environmental issues. One way of monitoring and reviewing employee performance is through performance appraisals.

2.5.1 PERFORMANCE APPRAISAL

Performance Appraisal (PA) is an individual performance assessment that is used to assess the way employees performed throughout the year (Thaba-Nkadimene, 2020). In its nature, PA is expected to meet many conflicting objectives which include feedback, coaching, goal-setting, skills development, pay determination, legal documentation, employee comparison and layoff selection thus different types of resources are required (Chubb, Reilly & Brown, 2011). Hence, Panda (2011) suggested that human resources (HR) should formulate policies that speak directly to improving the performance of an institution. Al-Jedal and Mehrez (2020) added that PA starts from the development of Specific, Measurable, Attainable and Time-bound (SMART) goals and objectives that will allow employees to do remarkable work. Van Woerkom and

Kroon (2020) believe that PA is not as frantic as it sounds because it is not a continuous process, it is only done periodically.

The main objective of conducting performance appraisals is to be able to separate the best performers from the poor performers (Sarwar, Ahmed & Muneer 2013). The HR department of an institution has a big role to play as PA encompasses actions to be taken for example rewards, cancelling, transfers, career planning, training and termination for employees ((Sarwar, Ahmed & Muneer 2013). Therefore, PA is about satisfying the needs of the institution and of the individual employees (Qureshi & Hassan, 2013). Furthermore, Quewshi and Hassan (2013) pointed out that it is imperative for institutions to hire the best qualified and experienced people for specific jobs in order to save on the costs of capacitating someone that is not competent for that job.

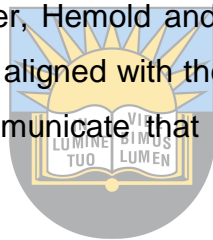
Many organisations have PMS which goes together with performance appraisal, although the two are different (Selepe, 2018). Performance appraisal is a function of HR, and it is conducted periodically, to assess the individual performance of employees to justify things such as performance bonuses which are awarded to the best-performing employees as part of enhancing motivation and morale (Selepe, 2018). However, PMS serves as a tool that is used to detect the status quo of the institution and to ascertain whether the institution is achieving its objectives or not. PMS also facilitates the provision of coaching, feedback and corrective measures as far as the performance of the institution is concerned (Mofolo, 2012).

2.5.2 THE IMPORTANCE OF A PERFORMANCE MANAGEMENT SYSTEM IN LOCAL GOVERNMENT

The South African government has adopted an unequivocal performance-based governance system for public service delivery (Tseole, 2013). South African public sector institutions at national, provincial and local government levels are in terms of official government policy supposed to develop systematic sectorial policy output and outcome indicators to measure service delivery progress (Masuku & Jili, 2019). This is corroborated by Ndevu and Muller (2018), who state that the South African government has since embarked on a process of developing more legalizations and policy

frameworks to improve service delivery in the country. Local government is referred to as the people's government as municipalities interact directly with citizens (Rogerson, 2019). But, because the quality of service delivery by municipalities has declined over the years, the national government has introduced and implemented PMS in municipalities (Grossi, Kallio & Sargiacomo, 2019).

As a result, municipalities in South Africa are using PMS and balanced scorecards to improve the quality of service delivery as well as bring municipal employees to account (Dweba, & Thakhathi, 2021). Enwereji and Uwizeyimana (2019) affirmed that PMS is an important framework when it comes to service delivery as it serves as a guideline on how public money is used. The implementation of PMS starts by taking the formulated vision and mission of a municipality and aligning that with the goals and objectives, thereby uplifting the performance of the whole institution (Blackman, Buik, O'Flynn, O'Donnell & West, 2019). Thereafter, Hemold and Samara (2019) point out that once the vision and mission are perfectly aligned with the strategic planning of the institution, the next step is to effectively communicate that to the employees so that they can execute these goals and objectives.

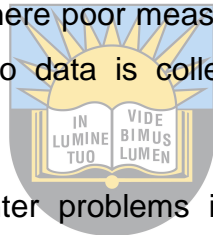


PMS is also an important way of shaping HR for municipalities. HR is one of the most important resources of a municipality and therefore, PMS guides the performance appraisal of employees and assesses the performance of public officials which contributes to the development of personnel because it reveals who should be trained and in what fields (Jain & Guatam, 2014; Amstrong, Lander & Collmus, 2016). Therefore, PM can be used as a source of information in feeding the hiring system of the institution so that the right people are hired for the right positions with the purpose of achieving the goals and objectives of a municipality (Demartini, 2014). As such, effective PMS must be able to guide the municipality into making the right decisions about its HR. Ndevu and Muller (2018) put forward the idea that PMS is a tool that can be used by employers to identify which parts of work, resources and skills are inadequate to enact interventions that will result in municipal objectives being met. PMS also compels management to provide employees with the equipment that is needed to execute daily duties to achieve set objectives (Faeq, 2020). However, PMS within

municipalities also has its challenges. These will be discussed in the following subsection.

2.5.3 PERFORMANCE MANAGEMENT SYSTEM CHALLENGES IN MUNICIPALITIES

A major challenge of PMS is aligning the vision and mission of the municipality with those of employees. This is because in most cases, the top management excludes employees' input in the formulation of strategic goals (Ngumbau, 2013). The nexus between strategy formulations, budgeting allocation and operational planning is administered by unique groups of people from different directorates or divisions with different methods being used. For example, strategic formulation and operational planning are done by the strategic directorate, while budgeting is done by the Budget and Treasury Office (BTO). These have to be aligned. Other challenges occur at various levels of the municipality where poor measurements are developed to measure the set targets. In other cases, no data is collected or kept as evidence to track performance (Armstrong, 2009).



In addition, public entities encounter problems in implementing PMS because the management of institutions can have 'uncertainties' in the roles and responsibilities that are assigned to them (Sisa & Naidoo, 2014). Also, changes made as a result of managing performance can make political office-bearers, management and employees fearful of the unknown and resistant to change which can threaten the successful implementation of PMS. Further, according to Ntlabezo (2013), challenges that hinder the effective implementation of PMS include but are not limited to municipalities failing to construct an IDP that works for their jurisdiction and the lack of alignment between the IDP, budget, SDBIP and PMS which leads to non-achievement of targets. Policies that align with PMS are usually not clearly defined and do not express the main objectives of PMS in that particular municipality (Ntlabezo, 2013). The following section will discuss the Integrated Development Plan (IDP), a key policy document in the formulation of PMS at the local government level.

2.6 INTEGRATED DEVELOPMENT PLAN (IDP)

After the democratic government came into power, it had to correct enormous wrongs that were brought about by the apartheid government (Powell, 2012). The new government came up with the decision of having the local government as a grass-roots sphere of government that would interact directly with communities (Mohlomi, 2019). Subban and Theron (2016) pointed out that IDP is an integrated plan in nature which means that it takes consideration of provincial and national government plans and links these plans with those of the municipality. The provincial and national government are supporting tools for LG and provide support where it is needed for the planning of these spheres to complement each other (Koma & Kuye, 2014).

For local governments and in particular municipalities to achieve the mandate given to them, policies and strategic documents had to be drawn up which resulted in the birth of the IDP which serves as a guideline and a tool to fight poor service delivery to the most disadvantaged citizens of the country (Mathebula, 2018). However, Ntlabezo (2013) points out that when IDP was first formulated, there were some difficulties as this way of doing things was new to municipalities and personnel had little knowledge of what was expected of them. There was so much to be done such as providing training and workshops to public officials and community members on how to participate in the formulation of IDP (Naidoo, 2011).

According to Mnquma Local Municipality Integrated Development Plan (2018/2019), IDP is defined "as a central planning tool for a government that embodies local government's development goals and comprehensive service delivery program". Thebe (2016) added that IDP is a long and critical document which covers the five-year plans of the municipality including the important needs of community members and also outlines the implementation of these needs through public participation. Amathole District Municipality Process Plan (2019/2020) pointed out that for the IDP to be functional and able to adapt to the changing needs of the people, key performance areas (KPAs) have to be reviewed annually so that proper and adequate services can be delivered. As a result, the IDP has to be developed every five years when a new council is appointed. Further, the IDP is continuously reviewed to make sure that the

policy adapts to the changing lifestyle of citizens (MLM IDP, PMS and Budget Process Plan, 2020).

2.6.1 OBJECTIVES OF INTEGRATED DEVELOPMENT PLAN

According to the local government Municipal Systems Act No 32 of 2000 Chapter 05, the main reason for the existence of municipalities is to implement development to the most disadvantaged members of its jurisdiction so that municipalities can accomplish the intentions of local government as set out in section 152 of the Constitution, take accountability of development duties as required by section 153 of the constitution; and ensure that municipalities adhere to other responsibilities prescribed by the Constitution of the Republic of South Africa. The only way local government can achieve this is by developing and implementing the IDP.

Khambule and Gerwel-Protches (2019) are certain that IDP is the main constructor of local economic development (LED). LED is a process that involves tons of procedures to be followed, which the stakeholders involved must also be taken into consideration (Koma, 2012). As such, IDP is a tool used to make LED possible as it outlines each step to be taken for communities to be fully developed for a long period of time (Abrahams, 2018). SALGA LED Position Paper (2010) points out that for municipalities to ensure the implementation of sustainable LED in their respective communities; they must develop a five-year plan in the form of the IDP and outline future development approaches.

A benefit of having the IDP is that it helps to attract additional funds. If municipalities have a detailed plan with all the pros and cons stated, the government can allocate funds and identify places where municipalities may experience shortfalls (Dlamini & Reddy, 2018). Such a plan can also help municipalities source funding elsewhere and can even attract potential investors such as private-public partnerships or other government parastatals (Kumar Reddy & Raj, 2019). According to Fuo (2013), IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes not only the ones that concern municipalities but also overall role payers and stakeholders. A municipality must plan

according to its capacity so that the IDP is not used as a wish list that could come with a lot of uncertainties and unachievable goals in the long run (Van der Westhuizen et al., 2017).

2.6.2 KEY ROLE PLAYERS IN THE DEVELOPMENT OF MNQUMA LOCAL MUNICIPALITY INTEGRATED DEVELOPMENT PLAN

According to Mnquma Local Municipality Final Integrated Development Plan (2019), there are various stakeholders involved in the development of the IDP up until the final stage. These stakeholders include the municipal council which is responsible for the consideration and adoption of IDP, an executive mayor who is responsible for facilitating the development of IDP and its annual review, a mayoral committee responsible for the oversight of the development of the IDP, municipal manager who is responsible for ensuring that the IDP is developed, adopted by the council and implement the IDP and also IDP/PMS and Budget Technical Steering Committee responsible for guiding the process of development of the IDP.

2.7 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

According to Ngcobo and Ndani (2015), South African municipalities have been failing in terms of delivering proper quality services to citizens. As a result, the media has been reporting numerous incidents of service delivery protests by community members which have had fatal results and have led to the damage of property, injury and death of community members (Wasserman, Chuma & Bosch, 2018). Hence, municipalities need to emphasise the proper development and monitoring of the Service Delivery Budget and Implementation Plan (SDBIP) which is a detailed document that is informed by the IDP (Ngcobo & Mdani, 2015). SDBIP is a step-by-step kind of operational plan which shows how municipalities will achieve their goals and objectives as set out in the IDP (Ray Nkonyeni Local Municipality SDBIP, 2017). eThekweni SDBIP (2018) states that the SDBIP is one of the main engines that are involved in the running of PMS because the SDBIP informs the process of signing the performance contracts by the executive management of the municipality and also involves the process of setting annual and quarterly targets that monitor the PMS of the whole institution.

Furthermore, SBDIP is a true reflection of democracy that was initiated post-1994 elections because SDBIP in nature have ways of making individual employees take ownership of duties and responsibilities assigned to them (Nkadimeng, 2019). As a result, individual employees pour their sweat and blood to ensure that these duties are executed in an exceptional manner that will benefit everyone involved (Mofolo, 2012). Asha and Makalela (2020) added that SDBIP forces employees to answer to both completed and incomplete work when reviews are done by the institution. Also, SDBIP brings out everything to be done in the open as targets in the SDBIP are to be discussed on broader platforms such as internal and external counterparts to ensure that these targets speak to the KPIs in the IDP Frances (Baard District Municipality, 2020).

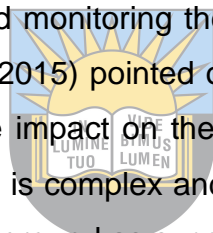
SDBIP is an annual operational plan that facilitates proper spending of funds and enables the institution to allocate funds in an appropriate manner which in return gives positive effects on the IDP and service delivery (Ho, Lu & Lucianetti, 2021). In doing so, the municipality is then able to take into consideration the vision, mission and strategic objectives of everyone involved and makes sure that they are realised so that community members get the satisfaction that they desire (City of Mbombela SDBIP, 2019). According to the City of Johannesburg SDBIP (2020), SDBIP is used as a transformation tool around its jurisdiction areas. The municipality plans with citizens and then transforms these plans into reality whereby all the sections, divisions and directorates come together and ensure that the municipality undertakes its mandate using available resources.

2.8 BALANCED SCORECARD IN THE GOVERNMENT SECTOR

Balanced scorecards (BSC) are operational or task control, meaning that BSC measures and monitors the performance on the ground by ensuring that tasks given to public officials are carried out successfully (Kaplan, 2012). Also, BSC is a great indicator of the quality of day-to-day operations and achievements of individual employees in an institution and allows employees to get necessary feedback that will inform their performance and skills needs (Taylor & Baines, 2012).

According to Ndevu (2015), BSC plays a vital role in managing performance and as a result, service delivery can improve gradually. Furthermore, BSC was originally used by the private sector and has recently been transferred to public entities so that the mandate given to the government can be realised (Sharma & Gadenne, 2011). Northcott and Taulapapa (2012) highlight that BSCs in their nature bring life to municipalities by supplying the municipalities with ways of turning their mission and vision into active programmes those municipalities execute. In essence, BSC is a PMS mechanism that is used to show the roles and responsibilities of public officials by setting up targets that speak to KPIs in IDP and performance is measured in terms of providing portfolios of evidence (POE) for each target implemented so that accounting officers can know whether the target was achieved or not (Sibanda & Von Solms, 2019).

According to Humpreys and Trotman (2011), BSC as a performance measurement system is directed at evaluating and monitoring the present and future performance of an institution. As a result, Chaven (2015) pointed out that the decision-making process can be revived and have a positive impact on the running of the institution. However, this process of BSC is not simple; it is complex and forces the institution to consider all its structures including those on the ground as success is not the only thing that matters but also those that are affected by such success (Kaplan, 2012).



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IMPORTANCE OF BALANCED SCORECARDS IN MUNICIPALITIES

Municipalities are an important part of the government structure, this is where development is brought to life because municipalities as a sphere of government are closest to the public, they can link individual needs with the resources of the municipality so that proper service can be delivered (Ndevu & Muller, 2018; Fatima & Elbanna, 2020; Zawawi & Hoque, 2020). Employees should also be able to identify and own the targets in the BSC so that they can be motivated to achieve such targets and go the extra mile into making sure that service delivery is the priority in a municipality (Erawna, 2020).

Mbala (2016) asserts that PM in municipalities is not meant to focus only on how services are delivered but also on how municipalities manage their finances therefore

BSC was developed to solve various difficulties and problems associated with PM. The development of BSC gives new perspectives to the development, implementation, measuring and setting of targets that create clear paths in terms of monitoring and measuring objectives (Adonis & Van der Walt, 2017). Craig (2017) also puts forward the idea that BSC also allows for targets set to be evaluated at all levels to ensure that the people involved in the setting of the targets link strategic goals with those of the organisation as a whole and also guide the municipality to achieve its objectives.

For example, the Department of Water and Sanitation which faced many challenges of a lack of water supply in municipalities came up with a means of overcoming its problems to prevent depriving citizens of this basic need by strategically planning in the form of BSC (Brandford & McKenzie, 2012). As a result, BSC have practically helped water supply departments not only to overcome their internal problems but to also help staff to come up with ways to educate citizens on how to calculate the use of water and how to use water responsibly.

Madsen (2019) argues that every organisation whether public or private are obliged to make a thorough Strengths Weaknesses Opportunity and Threats (SWOT) analysis. This will help the organisation pave the way for developing PMS strategies including BSC aligned with the mission and vision of the organisation (Sarsby, 2016). Seabi (2020) assert that if this analysis is not made by the organisation then the PMS used can be unreliable and fail to serve the purpose of delivering services to the public. There are so many gaps that have to be filled in as far as the development of scorecards in government (Neshamba, 2019).

MLM 2018/2019 IDP points out that MLM has strategic scorecards that are being reviewed annually which are channeled down to the SDBIP which serves as an operational plan and directorates of the municipality are required to develop their divisional scorecards. These strategic scorecards show the long-standing plans that the municipality has for the future; using KPIs as a platform with the objective of achieving them for example priority area followed by IDP objectives, IDP strategy, baseline, indicator and annual targets for the financial years (Mnquma Local Municipality IDP, 2019).

2.9 BUDGETS, GOVERNMENT AND SERVICE DELIVERY

The national government has been elected by the voters to manage finances that are used to provide for people's needs, taking into particular consideration the needs of the most vulnerable citizens (Reddy, 2016). As such, a budget is a mechanism of spending money so that needs can be satisfied efficiently, economically and effectively. A budget is a tool for effective financial management where the institution plans according to its revenue, objectives and expenditure for a specific timeframe (Tawiah, 2018; Burdekin, 2019). A budget is therefore the main funding of PMS in the municipality because the budget is used to attain the service delivery targets that are formulated. Budget and PMS should always be aligned and inform one another (Goksu & Altundemir, 2017)

Budget Reviews (2019) pointed out that local government as the closest sphere of government to the people and responsible for providing essential services receives the smallest share of the division of nationally raised revenue (9%). However, Khambule and Mtapuri (2018) argued that the local government has the capacity of raising its revenue and that is why they receive a small share. Sources of revenue that are raised by municipalities include rates, refuse, traffic fines, rentals, licences and permits (Khambule & Mtapuri, 2018).

Budgets have two parts which are capital and operational budgets. Alexander (2015) argues that these budgets are drafted separately but at the same time, they serve the same purpose and should therefore be integrated in future. Bonfatti and Forni (2019) lament that capital budgeting is a plan that focuses on purchasing items that have a longer lifespan and are going to serve their purpose even beyond the financial year. These are the fixed assets such as vehicles, building and roads. However, these plans are reviewed annually to keep them up to date on their condition. Birskyte (2019) emphasised that capital budgets take up a large portion of the revenue of the institution. These are investments projected and are the biggest expenditure budgets in the institution. The operating budget on the other hand is used to fund the day-to-day running of the municipality i.e. the operations which should not exceed a year (Alexander, 2015).

2.10 PUBLIC PARTICIPATION

The Western Cape Government (2019) stressed that it is very important for the government to allow the public to be involved in the decision-making of services to be delivered to them as community members. Mkhwanazi (2019) on the other hand defines public participation as a mechanism in which people make contributions to the democratic institutions governing their lives and this brings back power to the disadvantaged groups.

According to Girma (2014), the International Association for public participation has developed seven core values of public participation that can be used in its development and implementation. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process (Nabatchi & Leighninger, 2015). Quick and Boyer (2019) agreed that public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision-makers. Hensengerth (2019) adds that public participation provides participants with the information they need to participate in a meaningful way and also promotes feedback. Creighton (2019) added that public participation enforces accountability because the general public and local businesses use this platform to air their grievances and also enforce public officials to come up with effective solutions to problems faced by their counterparts. Kim and Schachter (2013) asserted that government institutions use public participation to earn trust of the citizens and also the information from the public makes the government institutions make decisions that bring necessary change in the lives of people.

2.10.1 LEVELS OF PUBLIC PARTICIPATION

According to Masiya, Davids and Mazenda (2019), there are different levels of public participation which are; Manipulation, Therapy, Inform, Consultation, Placation, Partnership and Delegated Powers.

Manipulation

Municipal workers at this level are at their lowest in terms of holding the principles as public servants (Rostas, 2012). DeCaro and Stokes (2013) explained stating that community members are taken for granted and are sold lies. Skeffington Committee (2013) added that citizens are told when they should participate and how they should participate in service delivery as a result citizens are partially participating in things that municipal officials have already decided on.

Therapy

Madumo (2014) indicated that citizens can see themselves as an important part of service delivery as they are given a chance to participate in planning and decision-making. Zondi and Reddy (2016) added that public participation in nature is made to educate people and bring peace and satisfaction among community members. Although citizens can be excited and happy, municipal officials can use this to their advantage by making citizens support everything they say

Inform

This level shows that municipalities are setting up processes that will enable public officials to get information across communities regarding services to be delivered. This is good exercise for public participation (Masiya, Davids & Mazenda, 2019). However, Tshoose (2015) argued that sometimes the information given only allows citizens to know what is going to be given to them but does not allow citizens to comment or voice their grievances about the matter at hand.

Consultation

According to Marais, Quayle and Burns (2017) the consultation of community members by municipal public officials is done to ensure that citizens participate in activities that involve them. Consultation is done through surveys, local community imbizos, and public enquiries, however, effective participation is not guaranteed and citizens might not get the services they asked for because people may not understand the mechanisms used for them to participate (Marzuki, 2015).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 INTRODUCTION

This study sought to analyse and review performance management systems (PMS) at Mngquma Local Municipality (MLM). This local municipality is responsible for ensuring the effective and efficient service delivery to over thirty wards; as such its PMS needs to be continuously and frequently monitored, assessed and evaluated. In this chapter, the research design and methodology that was utilised by this study will be discussed. Research methods are an important part of the research process because they outline clearly the considerations and direction taken by the researcher.

This chapter discusses the research design and methodology used to elicit the diverse narratives of employees at MLM as well as their experiences with PMS at the municipality. In eliciting these narratives and conducting this study, a constructivist paradigm associated with a qualitative research approach was employed. This is in contrast to paradigms that support the quantitative approach, such as positivism and empiricism, which are linked to objectivist thinking that presupposes that human social action is based on objective realities that exist outside of the experiences of individuals. The chapter further discusses the target population and sampling procedures are reviewed. Data-collection techniques (semi-structured interviews and respondent observations) are the subject of this chapter. The chapter covers narrative data and thematic content analysis in relation to how they were used in this study. Lastly, the chapter discusses the role of the researcher, the limitations of the study and ethical considerations.

3.2 RESEARCH METHODOLOGY

According to Lgwenagu (2016), research is a process of discovering different activities that are happening around the world; there is always a need to investigate various phenomena so that conclusions can be drawn. Mohammad (2016) concurred stating that research is a mechanism to gain knowledge and uncover truths about the world. As the world changes every day, people conduct various research to gather facts and solutions to problems that arise (Rowley, 2012). Antwi and Hamza (2015) asserted that

research is composed of three major dimensions, which are: ontology - a way in which the researcher defines the truths and reality about the phenomenon; epistemology - the time when the researcher comes face to face with the truth and reality; and methodology - the method that the researcher uses to conduct the investigation. In other words, methods are systematic ways of collecting and analysing data. As such specific methods that suited this study were utilised to investigate PMS at MLM. These methods will be discussed in the following sub-sections.

3.2.1 RESEARCH PARADIGMS

In research, there are different types of research paradigms and these should be clearly stated from the start of the research (Kivunja & Kuyini, 2017). Research paradigms include positivist paradigms which require the outcomes to be measurable and testable (Rehman & Alharthi, 2016). In positivist research, the conclusion is drawn from the experiment made which clearly shows the effect that one phenomenon has on the other phenomenon, so questions and/or hypotheses test for reliability and validity (Dammak, 2015). On the other hand, constructivist paradigms associated with qualitative research seek to better understand the lived experiences and realities that can be found by observing human behaviour in a social context (Goldkuhl (2012). Researchers believe that valid conclusions can be drawn using knowledge, experiences and ideas from different individuals (Rehma & Alharthi, 2016). This study utilised a constructivist paradigm to elicit narratives on PMS from municipal employees at MLM.

3.3 RESEARCH DESIGN AND METHODS

According to Sileyew (2019), research design is the mechanism that directs how research is conducted. Research design thus helps the study to outline the reason as well as justify why the study is being conducted (Odoh & Chinedum, 2014). According to Edmonds and Kennedy (2016), the purpose of a research design is to give proper answers to research problems. In other words, the research problem determines the research design of a study. Aganna (2021) supports this assertion, stating that an effective research design is important in a study because research design digs deeper into the influential parts of the research that informs the existence of the study in question and also the validity and reliability of the study can be analysed and tested.

Akhtar (2016) pointed out that research design purports to cover the whole study that has been proposed; research design comes after all the areas of the proposal have been identified.

Chun Tie, Birks and Francis (2019) pointed out that research design is a researcher's choice because researchers choose their platforms for conducting the study that will lead to valid and credible conclusions of what has been investigated. Kazdin (2021) state that choosing an appropriate research design can be tricky for some researchers as a result, researchers may choose a research design that does not speak to the study in question such that the reliability and validity of the study cannot be easily measured. Furthermore, the research design chosen may be biased and there can be challenges in controlling errors, omissions and idiosyncrasies when the data collection process is being conducted (Almalki, 2016).

According to Fowler (2013), research methods refer to the various procedures, schemes and systems used in research. Research methods are essentially planned, scientific and value-neutral they include theoretical procedures, experimental studies, numerical schemes and statistical approaches (Pattern & Newhart, 2017). In other words, research methods help us to collect samples, and data as well as find solutions to identified problems. Scientific research methods call for explanations based on collected facts, measurements and observations and not on reasoning alone (Hennik, Hutter & Bailey, 2020). As such, research methods only accept those explanations which can be verified by experiments (Goundar, 2013).

In addition, research methods utilise qualitative, quantitative or mixed methods. Disman, Ali and Barliana (2017) state that quantitative research methods are positivist ways of collecting data. The researcher analyses data through hypothesis testing, assumptions and research results presentation. Apuke (2017) corroborates this assertion by pointing out that like any other research method quantitative research is applicable to solve a particular research problem, question and/or hypothesis. Mixed methods research requires that the researcher utilise both qualitative and quantitative approaches in order to expand and strengthen research findings and conclusions.

3.3.1 QUALITATIVE RESEARCH METHODS

The third method of research is qualitative and this is the research method utilised by this study. Cresswell (2014) pointed out that undertaking this method of research is a journey which the researcher embarks on in order to explore the views and opinions of different people that are affected by a particular phenomenon in their everyday experiences. Qualitative research is a way of collecting data without producing physical evidence or formal measures from the participants; this research method uses interviews and observation of people in a social context and not in a statistical approach (Marczyk, DeMatteo & Festinger, 2005). Further, Rahi (2017) stated that qualitative research can be used by researchers whose objectives are to get answers to a research problem using theory instead of experiment. These researchers believe that people can contribute to the world of research by expressing themselves using words or observe the way people conduct themselves on daily basis (Oun & Bach, 2014). Sotton and Austin (2015) argued that the researcher in this regard is placing him /or herself in the shoes of the people that are participating in the study in order to try and find the true meaning of what the people are experiencing and feeling towards the study in question.

There are numerous benefits to utilising qualitative research designs and methods. According to Gaille (2018), qualitative research encourages people to dig deeper and communicate their feelings openly; therefore, the attitudes of people towards different experiences can be better understood. This can bring solutions to different problems encountered by different industries around the world as far as human behaviour is concerned (Hennik & Hutter, 2020). Also, Castleberry and Nolen (2018) highlight that qualitative research is considered the least expensive research method because this method uses a smaller sample size and in most cases, respondents take part at no cost. Further, qualitative research works differently from the traditional method of research. Positivist research methods normally subject the collected data to testing, scrutiny and validity checks which require tangible evidence to be produced, however, qualitative research allows respondents to be creative, such that respondents apply their true thoughts and ideas that come with lived experiences (Glaser & Strauss, 2017; Green & Thorogood, 2018). Therefore, qualitative research is open to various kinds of

information that is freely shared by respondents and the researcher digs deep into those experiences to draw meaning and conclusions (Myers, 2019; Glaser & Strauss, 2017; Tuffour, 2017)

However, qualitative research also has its disadvantages. These disadvantages include the researcher's bias and subjective understanding of data. Rahman (2020) asserts that qualitative research methods rely on the views, opinions and ideas of respondents to make necessary conclusions about the study and the meaning of these ideas can be viewed differently by different researchers. Rahman (2020) adds that researchers can observe and study the same data together but come up with different conclusions about the situation at hand. Further, Tessier (2012) states that qualitative research is open-ended in nature, therefore this research method considers all the information gathered, and there is no right or wrong information. As a result, massive data are collected from respondents which makes it difficult to sort the collected data and divide it across all parts of the research study (Graue, 2015).

In addition, qualitative research does not use numbers to test the validity of the data collected, people share their views and opinions and the researcher has to incorporate all the information and draw conclusions (Hartas, 2015; Queiros, Faria & Almeida, 2017). Meyers (2019) adds that when data is collected researchers are obligated to interpret the entire data set given to them and connect the dots between the conversation and what was being observed. There should be no information that is ignored as this will result in wrong conclusions (Allen, 2012). This study mitigated these disadvantages by clearly outlining the goals and objectives of the study. The researcher was also aware of any idiosyncrasies and biases they may have held before commencing the study, this helped to consciously avoid incorporating these biases into the study. Lastly, the large volumes of thick data were easily analysed by coding the data into themes and sub-themes to organise the data into smaller chunks which made data analysis much easier to conduct.

3.4 THEORETICAL FRAMEWORK

This study looked at theories that explain what constitutes effective PMS. In particular, the study was guided by Edwin Locke's goal-setting theory and control theory of the performance management system by Akanksha Dwivedi and Indra Giri.

3.4.1 GOAL SETTING THEORY

Goal setting theory was proposed by Edwin Locke in the year 1968 (Olufemi, 2014). According to Olufemi (2014), this theory is about showing and stressing the correlation between goals and performance and the manner in which goals are set is very important. Goal setting theory stresses that goals should be set in a way that motivates and grows employees of the institution (Olufemi, 2014). Employees should be able to deal with challenges and difficult goals that will enable them to perform to the best of employee's ability. This theory is stressing that employees should not be given everything on a silver platter, they should be able to earn their place as employees in the institution (Olufemi, 2014). PMS is a system that monitors and evaluates the performance of the institution therefore goal setting plays an important part in PMS.

Performance is measured through goals that are set. Goals that are set should speak to the institution's vision and mission and these goals should be aimed at fulfilling the purpose of the institution. Therefore, goal setting theory will help this study by enlightening how important is goal setting in the PMS of the institution: that is MLM. Public officials of the municipality should be able to align goals with the IDP of the institution and the PMS should be able to evaluate whether such goals are achieved or not achieved by the public officials.

3.4.2 CONTROL THEORY OF PERFORMANCE MANAGEMENT SYSTEM

In an institution, PMS plays an important part as far as human resources the institution are concerned because it links the performance of employees with those of the whole organisation (Dwivedi & Giri 2016). "According to control theory, monitoring and measuring the performance of the employees is of great significance because it helps managers to generate the output that the institution desires to make sure that goals of the institution are achieved" (Dwivedi & Giri 2016:2).

Dwivedi and Giri (2016) also stated that control theory uses a reward and recognition system to control the performance of employees in an institution. Employees in an institution are required to reach a certain level of achievement to get recognition or rewards (Dwivedi & Giri, 2016). Control theory will enable this study to determine how the institution, in this case, MLM can use its PMS to improve performance of the employees. PMS of the institution can evaluate and measure performance by employees and employees can get performance bonuses or rewards based on the performance outcomes. This theoretical framework shows how managers should have control of their subordinates so that performance can be improved.

3.5 GATHERING THE DATA

This research study was conducted to review the performance management system of Mngquma Local Municipality (MLM). The data was collected from the participants through qualitative methods which included the collection of their narratives. The study focused on exploring the significance and effectiveness of PMS at MLM together with the challenges that the municipality encounters in its implementation of PMS.

3.5.1 DATA COLLECTION

According to Kabir (2016: 2020), "data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes". This study utilised individual semi-structured interviews to collect data from the respondents. According to Brown and Danaher (2019), individual semi-structured interviews are less formal and questions allow respondents to express themselves openly and provide responses that are open for discussion which enables the researcher to probe further and uncover more information. In addition, according to Sileyew (2019), research instruments are the technical mechanism used to collect data. De Clercq, and Vander Laenen (2019) assert that research instruments help the researcher to collect data that gives meaning and which also achieves the objectives of the study. As a result, the semi-structured interview guide (see Appendix A) that was utilised was the most suitable for this study because it probed and allowed respondents to answer freely without limits, resulting in rich and thick data being collected.

Respondents were able to share their honest opinions while at the same time answering the research questions and providing in-depth information about the subject matter. Canals (2017) puts forward the idea that researchers are the ones that are obligated to choose the instrument and the instrument chosen must correspond with the research method.

The interview sessions were face-to-face with the respondents and the researcher used a voice recorder to record the responses. The respondents gave responses to open-ended questions. This allowed respondents to freely narrate their lived experiences in relation to the research questions they were asked. The interviews took approximately 45 to 60 minutes and they were conducted at ...Mnquma local municipality offices, I made appointments with the respondents that I was going to interview and they preferred that I come to their offices for interviews, with one of the respondents we used a boardroom in her directorate.

3.5.2 SAMPLING PROCEDURES AND TARGET POPULATION

According to Taherdoost (2016), sampling is very important in a research study because it requires the researcher to first identify a target population that matches the study and from there select a suitable sample that will take part in the study. In some cases, it is rather impossible to use all the target population; therefore, a sample has to be selected to save time and money (Mahapatra & Chamola, 2020). Sampling can be defined as "a group of a relatively smaller number of people selected from a population for investigation purposes" (Mohsin, 2016:11). According to Lavrakas (2008:02) "target population for a survey is the entire set of units for which the survey data are to be used to make inferences. Thus, the target population defines those units for which the findings of the survey are meant to generalise". The target population of this study was municipal employees at MLM.

Further, Etikan and Bala (2017) highlighted that there are two types of sampling, probability and non-probability sampling that the researcher has to choose from. It is important that the researcher chooses the right type of sampling so that the results can be valid and reliable. Probability sampling is the method that seeks to ensure that

everyone in the population has an equal chance of being selected and it is believed that the sample represents the entire population (Kadane, 2011). In contrast, non-probability sampling means that a sample is not randomly selected but is rather selected according to the choice of the researcher (Setia, 2016). In other words, the researcher chooses a sample of the population that is accessible and available to them.

This study utilised a non-probability purposive sampling method. According to Yadav, Singh and Gupta (2019) non-probability sampling is mostly used in case studies and qualitative research. Lovreglio, Spearpoint and Girault (2019) further state that case studies focus on small samples and are intended to examine a real-life phenomenon. Purposive sampling is defined as a sampling method that selects participants according to the purpose of the study, it is also called deliberate sampling or judgmental sampling (Bhardwaj, 2019).

The target population size for this study was drawn from Mquma Local Municipality which consists of a total of 453 municipal employees. The target population included Directors, Municipal Manager, Middle Managers and ordinary employees from the IDP and PMS divisions. The study included a sample size of 14 respondents who occupied different roles within MLM. After 13 interviews, I reached data saturation but I conducted one more interview to confirm that saturation had indeed been reached. The 14th interview confirmed data saturation as no new information was forthcoming.

3.6 DATA ANALYSIS

I employed thematic content analysis to examine and present the data for this study. The main purpose of thematic analysis is to identify the main and most frequent themes that emerge from the responses given by respondents (Creswell, 2014). After collecting the data, I familiarised myself with the interview transcripts by reading and re-reading them before commencing the actual data analysis. Thereafter, I transcribed the respondents' responses word for word so that I could identify recurring themes and code them. Coding helped to break down the data into smaller chunks, which generated an index of themes such as municipal employee's perception of PMS, the nexus between PMS, incentives, productivity and career growth, PMS and accountability, the

role of public participation in PMS and the challenges of PMS at a municipal level, which were useful in the interpretation of the data. The research questions guided the scope of the analysis and the relevant data that needed to be coded.

Additionally, when all the data had been coded and units of meaning had been reduced to smaller chunks, the themes were grouped and categorised (Henning, Van Rensburg & Smit, 2004). The categories were named inductively and descriptively, guided by the themes or the actual language used by the participants (Henning, Van Rensburg & Smit, 2004; Creswell, 2009). In this way, I was able to record the variances in each theme across the different interviews and also plotted the relationship between different themes in an interview and across all the interviews to get an in-depth understanding of the concept of the PMS within a municipal environment.

3.7 RELIABILITY AND VALIDITY

According to Kubai (2019), reliability and validity are used to test the accuracy and effect of the instrument used to conduct the research. As such, results that are produced by the instrument should either be reliable or valid. In addition, Mahanjan (2017) states that validity and reliability are key factors that minimise uncertainties in research results because these factors eliminate biases and promote accountability. However, Street and Ward (2012) as well as Noble and Smith (2015) highlight that it is not easy to measure reliability and validity in qualitative research because the results depend on the theory and the words of the respondents which are not consistent. Drost (2011) and Vakili and Jahangri (2018) defined reliability as measuring instruments that do not change results when tested more than once on several occasions. In other words, the instrument used must produce reliable results when the same research is conducted more than once despite the sample being different. In contrast, Ihantola and Kihn (2011) indicated that sometimes there could be errors in the instrument used or random and the measurable results may not be reliable.

Validity in research means that the results drawn from the study define the relationship between the phenomenon and they show the impact the phenomenon has on other aspects of social life (Taylor, 2013). According to Healer and Twycross (2015), the

instrument is classified as valid when it can cover the entire core areas of the study. Taherdoost (2016) supports this idea, he states that validity requires the instrument to be able to examine all the variables that were investigated by the study. The validity and reliability of this study were developed through rigorously examining and analysing the data against other sources of information such as municipal development plans, annual reports and so on.

3.8 LIMITATIONS OF THE STUDY

This thesis was conducted as an attempt to interrogate and investigate an area of PMS in municipalities, particularly at MLM that is understudied. Very little data exists about PMS at MLM. Notwithstanding the contribution of this study to existing literature, some limitations were encountered. This study was conceptualised in 2019, at a time when there was no thought of a global pandemic, however in 2020, when I was due to collect data, South Africa and the world went into lockdown due to covid-19.

Accessing respondents and conducting in situ observations was challenging. It was difficult to secure interview times and meetings with the respondents because many of them were working from home. Further, any in situ observation was conducted under strict covid-19 protocols such as social distancing, wearing of face masks and constant sanitizing. Some respondents asked to reschedule appointments at the last minute while others wanted to be interviewed at the MLM boardroom or in their offices only. MLM municipalities are approximately 2km apart, so I had to travel 4km to and from the respondents' offices each time I have an appointment with them. The municipal offices are scattered all over Mngquma, so I had to organise transport that would take me around to all the different departments and offices of the respondents.

Another challenge was that some respondents could not avail themselves fully despite prior arrangements; they were busy with their normal day-to-day duties such as answering phone calls or attending to their colleagues who walked in while we conducted the interviews. Further, during this study, I was employed full-time, so I had to juggle between accessing the respondents meeting my work obligations as well conducting a full-time postgraduate degree. Despite these challenges, the study makes

an important contribution to the performance management field in that it interrogated 14 Mquma Local Municipality employees at various levels. As a result, the information provided is not only enriching but also diverse and thus quite useful for broad analysis. This serves a good purpose in terms of initial reference for future projects similar to this one.

3.9 ETHICAL CONSIDERATION

Ethical issues and principles in social research are present in both qualitative and quantitative research, even if the actual details involved may differ greatly (Flick, 2011). The Govan Mbeki Research and Development Centre (GMRDC) at the University of Fort Hare (UFH) gave me ethical clearance to conduct the study (see Appendix A) as a policy of the UFH.

Throughout the data collection and analysis process, this study followed standard ethical guidelines concerning informed consent, voluntary participation, participants' anonymity, confidentiality, freedom (Miller et al., 2012), and respect for the cultural and religious practices and norms of the different MLM employees (Flick, 2011). I received consent from the accounting officer at Mquma Local Municipality to conduct research with their employees (see Appendix B). Each respondent also gave consent by signing the consent form (see Appendix C) that I provided them before each interview took place. All the respondents were provided with detailed information regarding the purposes of the study and their participation. Respondents participated voluntarily and no one was coerced into being part of the study. Lastly, all the information provided by respondents is kept confidential and the data is kept in a virtual drop box where only the researcher can access it.

3.10 CONCLUSION

This chapter outlined the methodological framework and research design utilised in this study. The study embraced the social constructivist perspective to better understand the use and impact of PMS at MLM. A qualitative framework was utilised as it suits a case study of this nature. An attempt was made to elicit the participants' understanding and meaning of their lived experiences through the use of in-depth, semi-structured, and open-ended questions. The chapter focused on the research process and highlighted how the process is susceptible to the subjective views and processes of the researcher, as indicated under my reliability and validity section reflections on my role as the researcher. The following chapter analyses the data and discusses the key findings regarding PMS at MLM using the research designs, population and sampling techniques discussed in this chapter.



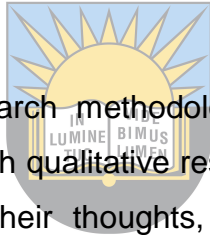
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CHAPTER FOUR: FINDINGS AND DATA ANALYSIS

4.1 INTRODUCTION

The purpose of this study was to review performance management systems (PMS) in municipalities, particularly Mngquma Local Municipality (MLM). This local municipality has thirty-one wards and is responsible for delivering services to all of these wards. Therefore, MLM needs a strong PMS to function effectively and efficiently. PMS is a tool used to plan, monitor and evaluate performance and also ensure that performance management within organisations is maintained and consistent. PMS as a system for the management of performance is not only used in municipalities but also in other sectors of government and private companies. Further, PMS is not only used in South Africa but around the world at different levels. In South Africa, government sectors use PMS for financial viability and proper service delivery whereas private companies use PMS for the maximisation of profits.

Chapter three discussed the research methodology used in this study. The study utilised a constructivist paradigm with qualitative research methodologies which allowed respondents to verbally express their thoughts, ideas and experiences about the research questions. This study further used exploratory research techniques to explore and probe more to uncover new information related to the study's topic. The data collected was analysed in this chapter. Participants' views, ideas and experiences were compared from one participant to another to find reoccurring themes as well as determine the level of knowledge and understanding that respondents have with regards to PMS. The following sections provide an in-depth narrative analysis of the data.



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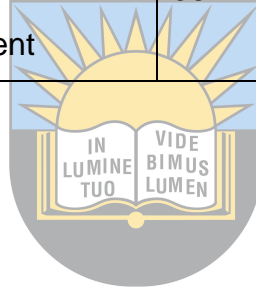
4.2 THE DEMOGRAPHICS OF RESPONDENTS

The table below shows the demographic information of the respondents who participated in this study.

RESPONDENT	JOB CATEGORY	DIRECTORATE	YEARS AT MLM	GENDER	HIGHEST QUALIFICATION	AGE
1.	Municipal Manager	Compliance	03	Male	Masters	42
2.	Director	Strategic Management	09	Female	Degree	45
3.-	Director	Corporate Services	03	Male	Masters	47
4.	Director	Infrastructural Development	03	Female	Masters	49
5.	Line Manager	Strategic Management	10	Male	Degree	42
6.	Line Manager	Budget and Treasury Office	06	Female	Degree	40
7.	Line Manager	Community Services	09	Female	Btech Degree	43
8.	Line Manager	Corporate Services	06	Male	LLB	39
9.	Line Manager	Local Economic Development and Planning	10	Male	Btech Degree	40
10.	Line Manager	Infrastructural	03	Male	Btech Degree	37

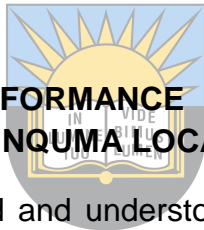
RESPONDENT	JOB CATEGORY	DIRECTORATE	YEARS AT MLM	GENDER	HIGHEST QUALIFICATION	AGE
		Development				
11.	Line Manager	Compliance	03	Female	Degree	41
12.	Ordinary Employee	Strategic Management	06	Male	Btech Degree	33
13.	Ordinary Employee	Strategic Management	08	Female	Btech Degree	52
14.	Ordinary Employee	Strategic Management	06	Female	Btech Degree	36

Table 1. Demographic information of respondents



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The table above shows the demographic information of the respondents. The municipality has seven Directorates which are compliance, strategic management, infrastructural development, community services, local economic development and planning, budget and treasury office and corporate services. These directorates are independent and also interlinked. This study included employees from these seven Directorates to ensure that the entire municipality was given a chance to be involved. These Directorates are unique from each other and play different roles therefore respondents spoke about PMS in relation to their directorates and not the entire municipality. This was helpful because I got to understand the unique roles and responsibilities of each Directorate and how they each contribute to the functioning of the municipality as a whole. Most of the respondents were over forty years of age and only three were below forty years of age. The study included seven females and seven males. No respondents held a diploma but all of them had attained at least a bachelor's degree with four respondents having completed a master's degree.



4.3 PERCEPTIONS OF THE PERFORMANCE MANAGEMENT SYSTEM AMONGST MUNICIPAL EMPLOYEES AT MNQUMA LOCAL MUNICIPALITY

The majority of respondents viewed and understood PMS as a "tool" that they utilise to carry out their work. Respondent 10 stated that "PMS is a tool used to assess or to evaluate whether the targeted activities have been met or not" (interview, February 2021). Respondent 13 asserted that "PMS is a tool to measure the performance of the employees in the municipality" (interview, February 2021). Respondent 11 also agreed with the other two respondents, they pointed out that "PMS is a sort of measuring tool to assess whether the municipality is performing its strategic targets" (interview, February 2021). Respondent 6 said that "PMS is the tool to measure the performance of the institution as a whole and together with individual performance" (interview, February 2021). On the other hand, Respondent 14 had a different view, they understood PMS "as the engine of the municipality which drives the existence of the municipality" (interview, February 2021). Further, Respondent 12 believes that "PMS is a process wherein performance is evaluated and monitored" (interview, February 2021)., while Respondent 5 explained that "PMS is used to monitor employees and also assist by reviewing the work of the employees so that

targets are realised and are in good standing" (interview, February 2021). Respondent 7 and Respondent 8 also share the same sentiments as Respondent 5.

Respondent 2 defined PMS according to the accountability hierarchy, she asserted that "PMS is a system that ensures accountability of employees and councillors in their line of duties in that council is accountable to the communities that elected them, mayor is accountable to the council, a municipal manager is accountable to the mayor, the Directors are accountable to the municipal manager, the accountability process goes down to the lower level employees" (interview, February 2021). According to Respondent 2, MLM does include all the employees in its PMS, no employee is left out and does not know what to do. As such, Respondent's 2 narrative concurs with most of the respondents who view PMS as a tool to measure and evaluate performance. Thus, these findings support Sehoa's (2015) assertion that PMS serves as a tool that is used to detect the status quo of the institution and to ascertain whether the municipality is realising its objectives or not.

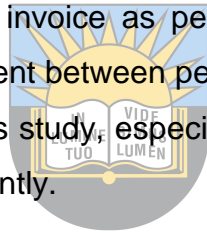
Many of the respondents viewed PMS within the municipality as a tool/engine for performance management. This study's findings corroborate Khumalo (2015) who views performance management (PM) as a tool used to bring out excellence within employees. These findings also support the assertions of Diamantidis and Chatzoglou, (2019) who put forward the idea that PM is a mechanism that provides and routinely uses performance information to track and monitor organisational priorities. Armstrong (2021) supports this idea, he highlighted that PMS is meant to direct employees towards competency and commitment while working towards the attainment of the goals set out by the institution. However, Anguinis (2019) warns that as much as these systems are meant to improve performance, the opposite may occur if they are not implemented correctly within an institution. The study also investigated respondents' perceptions regarding their knowledge and understanding of PMS as well as their superiors. These findings are discussed in the following section.

4.3.1 SENIOR MUNICIPAL EMPLOYEE'S UNDERSTANDING OF PMS

Within the MLM there is a policy for PMS called the performance management framework. According to Hermanus (2012), this policy was adopted by the municipality in 2008 and it is reviewed annually. This policy stipulates that its purpose is to ensure that MLM instils a culture of performance with regards to employees and stakeholders such as political office

bearers so that the objectives of the municipality can be realised. Mngquma local municipality performance management framework (2021) defines PMS as a tool to plan, monitor, evaluate, review and report on the organisation's performance. But, historically there seems to be a lack of understanding of PMS and its role by employees this is evidenced by the Mngquma local municipality annual report (2017) stated that the municipality's audit results for 2016/2017 financial concluded that the municipality failed to show tangible evidence on the targets that were reportedly achieved in the annual report, for example, the municipality reported that they had 18 600 indigent beneficiaries subsidised with alternative electricity and 6 000 residents subsidised with free electricity by June 2017. But, the Auditor-General could not find sufficient audit evidence to support this target which was reportedly achieved.

Furthermore, Mngquma local municipality's annual report for (2021) pointed out that audit findings for the 2020/2021 financial year indicated that the municipality has improved when compared to previous years however, the municipality does not always pay the suppliers within thirty days of receipt of the invoice as per the policy. Also, the Auditor-General uncovered that there is a misalignment between performance reported and asset registers. Nonetheless, the respondents in this study, especially the senior officials believe that they understand and execute PMS efficiently.



Most of the respondents reported that they had a good and sufficient understanding of PMS. Respondent 12 stated that he has an adequate understanding of PMS "because I have vast experience in the field and I have been part of PMS at local government level for the past six years" (interview, February 2021). Respondent 2 added that she has a good understanding of PMS because "I have been dealing with PMS of the municipality for over ten years" (interview, February 2021). In addition, Respondent 6 pointed out that she has an adequate understanding of PMS because she is involved in the implementation of PMS as a manager. Respondent 6 further stated that "I am involved in the development of the Service Delivery and Budget Implementation Plan (SDBIP) and scorecards which helps to improve my understanding of PMS" (interview, February 2021).

Respondent 4 asserted that "my understanding of PMS is accurate because as a senior official, I have been dealing with PMS for a long time, I understand the purpose of the SDBIP and I also sign performance agreements with employees" (interview, February

2021). Respondent 14 stated that "I am part of the office that deals with PMS development, implementation and monitoring, as such I understand PMS" (interview, February 2021). Respondent 11 exclaimed that "I do understand PMS as it has been explained to me by the department that guides PMS at a municipal level and also it is clear how PMS is measured and how to measure those that are reporting to me" (interview, February 2021). Respondent 3 narrated that "I have an adequate understanding of PMS because I understand that the performance of the institution is based on the IDP and the IDP is subjected to review annually as per the changing needs of the people and also PMS policy is reviewed annually for the same purpose" (interview, February 2021). Respondent 1 said that "I understand PMS because I have the mandate of evaluating the PMS of the whole municipality and I must also ensure that targets are met so that quality services are delivered to the public and where there are gaps adequate action is required" (interview, February 2021).

However, some respondents reported that they did not comprehensively understand PMS and its role within the municipality. Respondent 11 stated that "I cannot say that I understand PMS adequately because local government is broad and there is always room for improvement" (interview, February 2021). She further stated that in local government few people truly understand PMS, most people are taking it from a high level instead of going down to where it starts, she said. Respondent 8 Respondent 12, Respondent 13 and Respondent 14 all agreed that there is no general understanding of PMS in the municipality because the purpose and aim of PMS are not understood by everyone in the municipality, especially the lower-level employees. Respondent 5 and Respondent 3 stated that there is understanding to a certain extent, they exclaimed that senior employees understood PMS but lower-level employees were struggling with understanding and implementing PMS.

The study also interrogated the respondent's perceptions of their supervisor's understanding of PMS at MLM. Most of the respondents believed that their supervisors had an adequate understanding of PMS. For example, Respondent 2 indicated that "my supervisor has a good understanding of what he should do as the supervisor and also what people he is accountable for must do" (interview, February 2021). Respondent 5 indicated that "because of the position my supervisor holds, it demands that he understand PMS so that he can ensure that subordinates are conforming to PMS", this was

corroborated by Respondent 9 and Respondent 4. Respondent 8 asserted that "supervisors are trained and inducted on PMS therefore, they must understand the policy adequately" (interview, February 2021). Respondent 13 and Respondent 14 summarised that because their supervisor was championing PMS/IDP they understood PMS.

Further, Respondent 12 said that "my supervisor has an understanding of PMS because he has worked in different roles within the municipality" (interview, August 2020). Respondent 6 highlighted that "because my supervisor was employed for a specific position in the organisation, he is supposed to understand PMS very well" (interview, February 2021). Respondent 7 indicated that "my supervisor has a good understanding because they are involved in crafting targets" (interview, February 2021). These findings suggest that the respondent's supervisors are actively involved in the development of PMS at MLM, this supports the assertion by Ngwenya (2014) who states that the role of the supervisors is to offer coaching by planning together with the subordinates, set targets, monitor the progress, involve subordinates in identifying challenges and propose solutions. As such, subordinates believe that their supervisors have a good understanding of PMS because of their involvement in the process. The following section discusses findings related to respondents' understanding of how PMS is utilised at MLM.

4.3.2 EXAMINING MUNICIPAL OFFICIALS UNDERSTANDING OF HOW PMS IS MONITORED AND EVALUATED AT MNQUMA LOCAL MUNICIPALITY

Most of the participants believed that somehow all the employees of MLM are subjected to PMS, one way or the other, knowingly or unknowingly at the various levels of the municipality. Respondent 4 pointed out that "there are evaluation criteria that are in place depending on the levels of the employees in the organisational hierarchy for example directors have the SDBIP, managers have scorecards, section heads and general workers have the accountability agreements (AAs) and performance promises (PPs)" (interview, February 2021). Respondent 2 agrees and stating that "everyone in the municipality is subjected to PMS, even the executive mayor at the start of the term signs service delivery agreements with the Members of the Executive Council (MEC) and it goes all the way down to the lowest level employees" (interview, February 2021). Respondent 3, Respondent 7 and Respondent 13 also acknowledge that as long as people sign accountability agreements and are employees of the municipality, they are automatically accountable for their duties therefore they are subjected to PMS.

To add, Respondent 12 expressed that "everyone is involved so that they know their roles and responsibilities within the institution" (interview, February 2021). Respondent 5 corroborated the majority of the respondents stating that "every employee of the municipality is subjected to PMS to ensure accountability for the work done in the municipality" (interview, February 2021). Respondent 1 intimated that "employees are involved in the PMS of the municipality whether directly or indirectly" (interview, February 2021). Also, Respondent 14 stated that "everyone is subjected to PMS but I do not know the length of involvement as there is an office which only deals with the assessment of the executive management of the municipality, therefore I cannot comment much about individual performance but I know somehow all the employees are subjected to PMS" (interview, February 2021).

According to Respondent 9, "individual performance is measured at the office of the Corporate Services Directorate (individual performance office) where they develop tools to monitor individual performance" (interview, February 2021). On the other hand, Respondent 7 indicated that "individual performance is measured through monthly targets, these monthly targets are derived from the SDBIP and every employee has his/her targets at their level of employment" (interview, February 2021). Furthermore, Respondent 5 indicated that "according to the PMS framework, PMS is divided into two sections which are institutional performance and individual performance which are measured through monthly meetings and accountability agreements" (interview, February 2021). Respondent 6 and Respondent 14 explained that employees are incorporated into PMS as a whole because individual performance is measured according to the SDBIP which is the tool used as the PMS of the whole municipality.

However, Respondent 11 stated that "PMS is not cascaded down to a point where it measures or evaluates individual performance, but it rather measures institutional performance" (interview, February 2021). Respondent 13 also highlighted that "the accountability agreements that are signed by employees are not directly feeding into PMS, but they are managed at directorate level" (interview, February 2021). In addition, Respondent 2 pointed out that "even though individual performance is evaluated through monthly meetings, it would be more effective if employees were reviewed in a one-on-one session by their supervisor" (interview, February 2021).

On the other hand, some participants disagree that PMS is used to measure and evaluate the performance of every municipal employee. Respondent 11 asserted that "for now it is the executive and line managers that are evaluated by PMS" (interview, February 2021). Respondent 11 stated that "this goes against the PMS framework which states that PMS is a process that should be cascaded down to lower level employees" (interview, February 2021). She highlights that "the municipality can claim to cascade PMS to all levels but in reality that is not the case" (Respondent 11, interview, February 2021). Respondent 11 further argues that "at MLM, PMS is not used to monitor, review and measure the performance of employees at all levels, but it is only used to evaluate the performance of managers".

These findings support scholars such as Sebash and Mtapuri (2011) and Kgwefane (2014) who point out that at Ba-Phalaborwa municipality, PMS reviews are only applicable to directors and municipal managers of the municipality and they exclude employees that are at lower levels. As a result, the municipality struggles to fulfil the mandate of rendering proper service to community members because the employees tasked with implementation are not evaluated and as a result face no consequences for their failure to perform or achieve set targets (Sebash & Mtapuri, 2011). As a result, Dladla (2018) puts forward the idea that it is important to cascade PMS downwards because this would encourage lower-level employees to perform. Doing so also helps the municipality to hold employees accountable and reduces poor performance. The following section discusses PMS and employee incentives to improve productivity.

4.3.3 THE NEXUS BETWEEN PERFORMANCE MANAGEMENT SYSTEM, INCENTIVES, PRODUCTIVITY AND CAREER GROWTH

Most of the respondents highlighted the need for the municipality to offer incentives such as bonuses and performance recognition awards to encourage productivity and reward employees who achieved their targets. Respondent 4 and Responded 13 described the incentives as the best motivation employees could ever ask for. Respondent 4 further stated that "north progression is not encouraging enough for the employees whose level is below the directors, but they do get a thirteenth check whether they have achieved the targets or not" (interview, February 2021). Respondent 2 stated that "it is only the directors that receive incentives; therefore the director's performance bonuses are sufficient enough to encourage and warrant a good performance from them" (interview, February 2021).

In addition, Respondent 6 also noted that "performance bonuses are only applicable to directors and municipal managers and not all the employees, as such senior employees are already being incentivised to perform and achieve targets" (interview, February 2021). Respondent 9 argued that "these incentives are good in-terms of acknowledging the sacrifices employees make because there are some essential service employees who work after or outside normal working hours as well as on public holidays" (interview, February 2021). The respondent further suggested that incentives can go a long way in an attempt to acknowledge, motivate and improve their performance. Respondent 7 indicated that "these incentives can definitely improve the performance and productivity in the municipality" (interview, February 2021). Respondent 14 added that "people who are getting incentives are working hard to achieve their targets and organisational goals" (interview, February 2021). Respondent 5 asserted that "the key demands for employees were to receive incentives in order to encourage employees to work towards their targets" (interview, February 2021). Respondent 5 went on to highlight that "the other reason targets are not met is because of the financial constraints which municipalities find themselves" (interview, February 2021).

The study's findings about incentives and productivity are supported by Mofokeng (2017) who points out that incentives at the workplace always yield good performance as it serves as a motivation to encourage good performance and improvement of poor performance. However, Respondent 2 disagrees with most of the respondents, they state that "PMS is not about incentives, but it is about improving the career of employees which is the main reason we are here and also employees are paid salaries in exchange for the work done" (interview, February 2021). The respondent suggests that the only thing that the municipality can offer employees is regular training to improve performance and not bonuses. Yuliansyah, Bui and Mohamed (2016) point out that even though bonuses are not the only motivators of good performance but it has been proven that bonuses do have a positive impact on the behaviour and performance of the employees.

PMS and Productivity

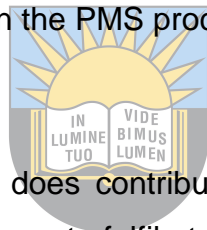
According to Respondent 2 "PMS does not promote productivity because it only focuses on the reports submitted by the employees and evaluates whether the target has been

achieved or not, it does not go and inspect to measure the impact of services or projects on communities" (interview, February 2021). Respondent 9 also agreed and stated that "PMS fails to compare what is on paper and the impact of that on the ground" (interview, February 2021). In addition, Respondent 5 argued that "because of PMS, employees are goal driven and eager to achieve the targets set with no regard for the impact and effectiveness of achieving the targets" (interview, February 2021). Respondent 2 further argued that "only senior-level employees such as Directors and Municipal Managers as contracted employees of the municipality have to be productive so that they can be considered for contract extensions" (interview, February 2021).

However, on the other hand, Respondent 3 and Respondent 7 assert that PMS helps the municipality improve its productivity when it is needed. Meshack (2014) suggested that institutions should not rely on PMS only but should invest more in various training and skills development programmes to reduce poor performance and in turn increase productivity. Kqwefane (2014) added that productivity is key, thus it is important to ensure that all the employees are included in the PMS process and are capacitated to do the job.

PMS and Career Growth

Respondent 2 indicated that "PMS does contribute to career growth as employees are working towards a goal which they have to fulfil at the end of the day and also through the Directorate meetings where reports are tabled, employees get to learn about activities that are happening in other divisions, thus employees can apply for higher-level positions that are available within the Directorate's office" (interview, February 2021). Respondent 6 also stated that "PMS would contribute to career growth if all the employees were involved in the development of the PMS, however, the municipality does organise various trainings for employees to fill the skills gaps that the employees might have" (interview, February 2021). Respondent 3 added that "the PMS policy is linked to the municipality's training plan in that where the gaps are identified the Corporate Services Directorate office should be informed about the training needs of employees so that necessary training can be organised" (interview, February 2021). This finding supports Pillay's (2015) assertions that thorough performance evaluation enables a municipality to identify discrepancies in knowledge, skills and ability, and this leads to the development of training plans that will be used to address those discrepancies.



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However, some respondents believed that PMS and career growth were only for high-level employees. Respondent 12 stated that "PMS only promotes the career growth of Directors and Municipal Managers because they are the only ones that are being assessed and through performance assessments and skills audits are done for them and skills various trainings are [is] organised as a result of that assessment" (interview, February 2021). Respondent 2, Responded 11 and Responded 13 all agreed that PMS does not contribute to career growth because it is not cascaded down to the lower levels of the municipality.

Respondent 8 stated that "PMS does promote career growth, as such MLM is one of the municipalities that champion PMS in the Eastern Cape Province and in the Amathole District, as a result, employees that leave the municipality do thrive in other places" (interview, February 2021). Respondent 7 added that "PMS helps to identify people that deserve to be promoted to higher positions" (interview, February 2021). Also, Respondent 4 asserted that "PMS does not fully contribute to the career growth of employees because of the financial constraints, however, employees are encouraged to join pieces of training that are free of charge that [are] organised by external stakeholder[s]" (interview, February 2021).

The findings shared by most of the respondents that PMS contributes to productivity and career growth support the literature on performance-based career growth. Kgechane (2013) asserts that PMS is about the outcomes and the quality of the work done which means that employees are forced to learn daily and also come up with new ways of rendering quality services to the public. Mdluli (2015) states that organisations should encourage a culture of performance by training employees and equipping them with new skills in that way employee will be motivated to execute their duties with pride and confidence as well as increase their chances of professional growth.

4.3.4 CHALLENGES FACING THE PERFORMANCE MANAGEMENT SYSTEM AND IMPROVEMENT OF PRODUCTIVITY AT MNQUMA LOCAL MUNICIPALITY

There are several challenges related to PMS that respondents suggested negatively impact productivity at MLM. Respondents highlighted that one challenge is PMS at MLM does not differentiate between departments but is rather uniform and views all departments as homogenous. According to Respondent 9, "the municipality measures the performance of the directorates using the same criterion, it does not look at the different services that

they offer", (interview, February 2021). It, therefore, makes it difficult for other directorates to achieve their targets because the PMS criterion is universal and does not consider the differences in the scope of work.

Respondent 7 summarised some challenges that the municipality faces concerning improving productivity such as political instability and covid-19 pandemic as many employees are working from home, and a shortage of staff as they are currently using casual employees which makes it difficult to hold them to account because they are not permanent employees. Lastly, Respondent 7 mentioned a challenge with transportation, they exclaimed that "there are shortages in the municipal fleet which significantly hinders the ability of employees to visit sites and verify if work is completed satisfactorily" (interview, February 2021). Respondent 14 also added that "the challenges facing the municipality's PMS and productivity are financial constraints and a shortage of human resources" (interview, February 2021). Van der Waldt (2014) and Ahenkan, Tenakwah and Bawale (2018) support this finding and argued that financial constraints within the institution make it hard to fund the projects that have been identified which leads to non-achievement of the set targets in the institution. However, Roge and Lennon (2018) highlighted those healthy finances alone do not guarantee a healthy PMS, it is just a means towards the implementation of systems.

Respondent 4 also raised the issue of a shortage of personnel concerning the implementation of municipal objectives. This challenge is highlighted by Kalawamfumbi (2013) who suggests that PMS requires institutions to fill critical positions with people who hold the right qualifications and skills. Ngcamu (2013) pointed out that having a shortage of staff puts unnecessary pressure on other employees because the work given to them daily could be overwhelming. Respondent 5 indicated that "the challenge facing the municipality is that lower-level employees have a poor understanding of PMS and what it stands for" (interview, February 2021). Respondent 12 agreed with this point stating that "poor understanding of PMS by junior officials as well as the poor quality of the portfolios of evidence (POEs) was the most challenging factor in the municipality" (interview, February 2021). The study found that the public sector still faces a challenge with regards to cascading PMS to lower-level employees in an appropriate manner, this means that all employees must be well informed about activities that are taking place within the organisation and they should be fully involved in the planning and implementation stages.

In addition, Respondent 2 argued that "there is a challenge of understanding the POEs and what they stand for, employees tend to focus more on what was planned for and they do not understand that you are also measured on things that were not planned for" (interview, February 2021). Respondent 2 further added that "the POEs that are presented or submitted do not substantiate what has been achieved" (interview, February 2021). Respondent 6 highlighted that "lower-level employees are not included in the development of the SDBIP, and the individual performance measuring tool is not effective, as a result, people tend to do things that are not aligned to the performance agreements which impact negatively on the performance and productivity of the municipality" (interview, February 2021). These findings support the assertion by Munzhedzi (2011) that the public sector is still struggling to link organisational goals with those of individual employees; as a result lower-level employees get confused concerning the roles and responsibilities assigned to them. These challenges lead to a discussion on PMS and accountability which will be discussed in the following section.

4.3.5 PERFORMANCE MANAGEMENT SYSTEM AND ACCOUNTABILITY AT THE MUNICIPAL LEVEL

Most of the respondents highlighted that there were measures in place to hold employees accountable for their performance at MLM. Respondent 5 asserted that "there are directorate and executive meetings that are held on a monthly basis where all employees are called to account for their performance". Furthermore, Respondent 6 indicated that "targets are not rolled over to the next quarter if they are not achieved in a certain period which greatly affects the progress and performance of the municipality as well as accountability" (interview, February 2021). According to Respondent 8 and respondent 10 employees sign AAs and PPs which require them to be held accountable. Respondent 11 highlighted that "some employees are not assessed so they cannot be held accountable for their failure to perform and achieve targets" (interview, February 2021). Respondent 14 added that "not all employees are held accountable because there is no disciplinary action taken against employees who do not achieve their targets".

Further, Respondent 6 stated that "the corporate services department who are supposed to be assessing the signing of AAs are not doing their job of holding employees accountable, as such it falls on line managers to hold subordinates accountable" (interview, February 2021). Respondent 12 stated that "PMS in MLM only promotes

accountability for the executive and middle managers, while it does not promote accountability for lower-level employees" (interview, February 2021).

However, Respondent 7 was the only respondent to contradict the other respondents, they stated that "as employees they are held accountable through monthly reports, if they do not achieve targets, they are held accountable". Van der Waldt (2014) asserted that employees that take accountability for the outcomes and the quality of the work done are capable of producing results that meet and fulfil the objectives of the government institutions. Thus, Kgechane (2013) maintains that institutions should instil a culture of having employees take responsibility for their daily duties and implementing consequence management. Jain and Gautam (2016) suggested that institutions should put more money into this exercise as a motivation for employees to take full accountability for the implementation of the system, otherwise employees could just be involved just for compliance.

4.3.6 THE ROLE OF PUBLIC PARTICIPATION IN THE PERFORMANCE MANAGEMENT SYSTEM

Most of the respondents asserted that stakeholders such as community members are highly involved in the activities of the municipality. Stakeholders are well aware that there are platforms where they can put forward their needs so that performance indicators can be identified based on these needs. The municipality also has the mandate to train stakeholders and make them aware of their role in public participation within the municipality's PMS. Respondent 7 stated that "the municipality does include stakeholders such as community members and businesses because there is nothing they can do as a municipality without involving stakeholders" (interview, February 2021). Respondent 12 asserted that "the level of stakeholder involvement is fair because during the planning sessions as the municipality, they involve them" (interview, February 2021). Respondent 5 added that "the municipality has arranged a process where it takes the systems to the community members; they have quarterly meetings with communities where they present everything that is designed by the municipality including the objectives, indicators, and strategies" (interview, February 2021).

Respondent 14 stated that "stakeholders are involved because municipal officials together with ward councillors go and engage with community members regarding their needs and

then they plan how the needs of the community members are going to be addressed" (interview, February 2021). This is corroborated by Respondent 13 who asserts that "participation by stakeholders is done through roadshows where municipality officials go to communities and plan with them" (interview, February 2021). Respondent 14 also adds that "we continuously give feedback to voters as they are the custodians of the services and infrastructure" (interview, February 2021). Respondent 11 pointed out that "there are different stakeholders that the municipality is accountable to and they also have to present their plans to institutions such as CoGTA and other provincial government departments" (interview, February 2021).

These findings support the assertion by Sibanda (2018) that the nature of the IDP ensures the participation of all those that are affected and they participate in the development of strategies and priorities. Mtshali (2016) and Mkhize (2021) stated that public participation in government is an important factor because it has a way of minimising the socio-economic inequalities that are in the communities such as poverty.

4.3.7 OF POLITICAL OFFICE BEARERS IN THE PERFORMANCE MANAGEMENT SYSTEM

Most of the participants believed that political office bearers were properly trained in their five-year term by the municipality and also other external organisations so that they can carry their mandate as councillors sent by voters to represent them in the municipality. Respondent 9 stated that "political office bearers play an oversight in the municipality as they are the ones who approve IDP, SDBIP and [the] budget and also monitor these factors, they are also held accountable to ensure that they do play an oversight" (interview, February 2021). Respondent 9 further stated that "political office bearers are part of the strategic planning of the municipality and also they are offered bursaries to further sharpen their understanding of the municipality" (interview, February 2021).

In addition, Respondent 5 indicated that "politicians are not just complying but they do understand their mandate of doing the oversight as the political offices of the municipality such that they ensure that what is planned for is reported on" (interview, February 2021). Respondent 8 added that "the municipality starts the process of developing IDPs with councillors, they are the ones that organise meetings in their respective wards with community members and other stakeholders" (interview, February 2021). Respondent 8

also pointed out that councillors are also trained so that they can execute their duties. Respondent 4 also confirmed that councillors are involved in the activities of the municipality as well as receive training.

Respondent 2 corroborates the aforementioned respondents, they asserted "that politicians do play an oversight role, however, there is a challenge in the level of understanding of the role they need to play when they are doing the oversight because of the levels of education of some of the councillors" (interview, February 2021). In other words, all the councillors are involved but others may not know that they are participating in the PMS of the municipality. Respondent 2 further asserted that "councillors are fully involved because their performance is measured against the performance of the municipality being able to achieve targets which leads to improved service delivery" (interview, February 2021).

Some of the respondents however disagreed with the majority regarding the participation of public office bearers. Respondent 11, Respondent 6, Respondent 13 and Respondent 14 exclaimed that political office bearers are involved to a certain extent however they do not offer adequate oversight as they should, all they do is approve reports from the municipality as well as anything else that needs the approval of the municipal council. Respondent 12 further emphasised that "ideally political office bearers should be playing oversight however in this instance they are not, to them [political office bearers] it is just a compliance issue" (interview, February 2021).

These findings support the assertion by Ndabeni (2014) who determined that municipalities in nature are divided into three segments which are a municipal council, employees and communities, therefore it is important for both political office bearers and the administration of the municipality to always know that they are accountable to communities. Political heads are tasked to respond to the needs of the communities and also guide municipal officials on how to address those needs (Sikhakane & Reddy, 2011). Van der Waldt (2014) supports this idea and adds that municipal councils have a mandate of oversight over the municipal performance, thus it is pivotal for municipal officials to ensure effective reporting to all structures of the municipality.

4.3.8 THE IMPORTANCE OF QUALITY OF THE PORTFOLIO OF EVIDENCE IN PERFORMANCE MANAGEMENT SYSTEMS

The study critically analysed and importantly found that a Portfolio of Evidence (POE) is of vital importance to a PMS. The POE must be credible, reliable and verifiable. The findings suggest that municipalities must take more interest and pay particular attention not just to the presence of POEs, but to the quality of the verifiable work done on community development projects. Respondent 4 highlighted that there are different POEs that they produce depending on what they want to achieve at the end of the year. Respondent 4 pointed out that:

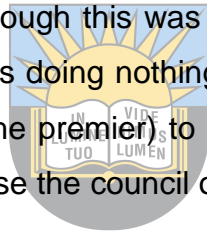
"My department normally produces the completion certificate which shows that the work has been done. The completion certificate is signed by a community member, a municipal official and the service provider to show that the work has been completed. Visitation or inspection of project sites are not done by PMS office, instead, it is only done by political officials such as members of the Municipal Public Accounts Committee (MPAC)" (interview, February 2021).

In corroboration of their colleague, Respondent 3 and Respondent 13 asserted that the visitation of sites is only done by MPAC officials and the POEs that are submitted to the PMS office at MLM are not verifiable because they are prepared by municipal officials and directorates. In other words, the reliability and credibility of work done are in some cases questionable. Respondent 8 indicated that "as the department, we usually take pictures and use them as POEs to show that a certain project has been completed" (interview, February 2021). Respondent 14 added that "other tangible POEs that are submitted to the PMS office are attendance registers, meeting agendas and minutes of meetings from regular visits to project sites by the officials that are responsible for those particular projects. Although it is not adequate, it plays a huge role in holding employees to account for their performance" (interview, February 2021).

However, on the other hand, some respondents differed in opinion, they asserted that the POEs that are currently being utilised by MLM were adequate. Respondent 12 asserted that according to him the POEs are adequate. Respondent 7 stated that "the POEs in my department are credible because we involve stakeholders in whatever we do" (interview, February 2021). Respondent 2 also suggested that "the POEs are adequate however there

is always room for improvement for example, the municipality when setting indicators has to move from generalising and state exactly what should be done and they must be measurable because employees may subjectively select or produce POEs that do not show the reality on the ground" (interview, February 2021)

In addition, the majority of respondents highlighted that there is no disciplinary action taken against municipal officials who do not submit POEs at MLM. These findings may explain why there are numerous service delivery-related protests by communities in South Africa who are dissatisfied with the quality-of-service delivery and community development projects implemented by their local governments. for example, according to the article written by Martine (2021) South Africa nationally has reported over nine-hundred service delivery protests in six months (August 2020 up to January 2021). Ngcamu (2019) added that the local government proved to lack the capacity of providing quality services to the public as a result the number of fatal protests has been recurring and increasing. Mngquma local municipality residents took to the streets to express their grievances because of water cuts within the municipality, even though this was an ADM issue they called for the MLM Mayor to step down because he was doing nothing to help the community with this issue. They called for Oscar Mabuyane (the premier) to come and address the issues faced by community members of MLM because the council of MLM had failed to fulfil their obligation (Damba & Isaac, 2020).



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4.3.9 PERFORMANCE MANAGEMENT SYSTEMS AND SERVICE DELIVERY IN MNQUMA LOCAL MUNICIPALITY

Most of the respondents viewed the PMS tool as an adequate process of measuring and evaluating their performance concerning meeting targets and satisfactorily completing projects. Respondent 2 asserted that "PMS is linked to service delivery because community members are involved in the development of PMS, however, due to financial constraints municipalities are never able to meet all the challenges and expectations of local communities" (interview, February 2021). Respondent 2 further pointed out that "PMS was also used as a measuring tool by the communities to measure the performance of the politicians and local elected officials" (interview, February 2021).

Respondent 9 exclaimed that "PMS produces what is called a Service Delivery and Budget Implementation Plan (SDBIP) which is a tool that is used to ensure that municipal officials

align their efforts with what is in the Integrated Development Plan (IDP)" (interview, February 2021). Respondent 12 pointed out that "the PMS and service delivery were interlinked because the SDBIP contained issues that communities had requested" (interview, February 2021). Respondent 13 also indicated that "PMS is closely linked to service delivery because as the municipality we go to communities and discuss their needs and priorities and after that, we formulate an implementation tool in the form of the PMS to execute the projects identified by community members" (interview, February 2021). These findings support the assertion by Eneanya (2015) who argues that public participation is the cornerstone of PMS to fulfil its purpose within the institution because it guides the process of developing KPIs and strategies directed to service delivery and the preferences of the end-users.

However, Respondent 13 admitted that "even though the development and planning of PMS involved communities, it was inadequate because the PMS office did not go and verify the quality of projects upon completion, they only relied on POEs" (interview, February 2021). In addition, Respondent 9 conceded that "the municipality has a huge backlog in terms of service delivery in the municipality which requires a lot of resources which the municipality does not have" (interview, February 2021).

But, a key challenge still relates to the credibility of reporting by municipal officials as well as the quality, maintenance plans and impact of municipal-led community development projects. Monari (2017) stated that for PMS to be effective and efficient, service delivery should be of high quality and must sufficiently address the needs of community members. In conclusion, the findings of this study suggest that municipal officials at MLM believe that PMS as it currently is adequate to measure, implement, monitor and evaluate community development projects.

4.4 CONCLUSION

This chapter presented the analysis of data collected from respondents that were included in this study. Respondents shared their lived experiences and narratives of PM at MLM. All the respondents were employees of MLM albeit at different levels and within different Directorates, but they were all impacted by PMS, knowingly or unknowingly. Key findings show that respondents understood PMS at MLM as a tool to monitor, review, and evaluate

the performance of municipal employees or as an engine that drives the performance of the municipality.

Another key finding was that most of the respondents supported the idea of incentives and performance-based awards to encourage increased productivity. However, respondents also highlighted that PMS at MLM experienced various challenges such as inadequate finances to implement all the projects, poor oversight by political office bearers and failure to implement consequence management for an employee who failed to meet targets or submit reports and POEs. The chapter also discussed the role of public participation. Respondents asserted that the public was encouraged to participate using various methods. Another key finding of this study was that municipal employees submitted POEs, but there was no verification, quality assurance or credibility assessments of these portfolios which resulted in poor quality workmanship and so forth which also resulted in service delivery protests. Chapter 5 analyses and presents an overview of the significant findings of this study and puts forward recommendations for future research.



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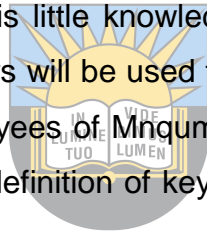
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter will aim to summarise the study's key findings, make recommendations on how performance management systems (PMS) at Mquma Local Municipality (MLM) can be improved as well as make recommendations for future research on PMS at the municipality level.

5.2 SUMMARY OF CHAPTERS

This study was conducted as an attempt to examine the PMS at MLM. Chapter one provided a brief synopsis of the background of the study as well as the problem statement, significance of the study, objectives, research questions and definition of terms. The chapter also outlined how this study would be conducted by outlining the methodology that will be used in the data collection. This chapter highlighted that the study will be conducted using qualitative research methods and exploratory research to explain the phenomenon further in case there is little knowledge about the study. This chapter also hinted that semi-structured interviews will be used to collect the data from the respondents and the respondents are the employees of Mquma Local Municipality. This chapter also contained a brief literature review, definition of key concepts and outlined all the chapters that are in this research study



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Chapter two, discussed the literature from various authors on the three spheres of government, legislation pertaining to each sphere in South Africa and performance management in local government was reviewed. Further, literature on PMS and in particular the role of PMS at MLM, its challenges, the importance of public participation, the impact of PMS on service delivery and the importance of accountability at the local government level were also reviewed. This chapter brought different views and opinions of numerous authors, such as similarities and differences to understand the phenomenon better.

Chapter three discussed the research paradigms and methodology utilised in this study. The chapter discussed the target population, sampling procedures, data collection and analysis methods, limitations of the study as well as the ethical issues that needed to be

considered. The study utilised a qualitative research approach which included purposive sampling and semi-structured questionnaires.

Chapter four discussed the findings of the study, which are organised, analysed, and discussed thematically. The semi-structured interviews were conducted using the selected sample to collect data. This chapter followed the methodology that was discussed in chapter three to acquire the information needed. The summary of these findings has been discussed in this chapter.

Chapter five which is this chapter discusses the conclusion drawn from the findings emanating from the thematic approach that was used in chapter four of the study. Recommendations on things that can be done to improve PMS in MLM as well as recommendations for future research highlighting things that can help other researchers to do better when conducting a similar research study and limitations of the study highlighting various challenges faced by the researcher while conducting this research study.

5.3 SUMMARY OF THE FINDINGS

This section will summarise the key findings of this study which were discussed in greater detail in Chapter 4.



5.3.1 PERCEPTIONS AND UNDERSTANDING OF PMS AMONG MUNICIPAL EMPLOYEES AT MLM

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Most of the respondents understood PMS as a tool that is used to monitor, evaluate and review performance. Other respondents viewed it as an engine that drives the municipality into realising its goals and objectives. The consensus amongst the respondents highlighted that PMS was a system that ensured the accountability of employees to stakeholders and community members. The study found that each official at MLM was subjected to PMS, knowingly or unknowingly and this system helped to monitor and evaluate their individual and collective performance.

Further, most of the respondents asserted that they believed they have a good understanding of PMS because of their experience with the system at various levels and departments within the municipality. Other respondents indicated that they have an adequate understanding of PMS because they sit in directorate meetings and are involved in the development of SDBIP, and scorecards and because they also sign performance

agreements. However, some respondents felt that the aim and purpose of PMS were not sufficiently understood by everyone within MLM, especially lower-level employees.

In response to how respondents perceive their superior's understanding of PMS, most of the respondents believed that their supervisors have a good understanding of PMS. These findings show that MLM employees believe that their understanding and knowledge of PMS are adequate. However, lower-level employees did not share the same sentiments, they did not understand how PMS impacted their work and how it evaluated their performance them. This shows that there is a significant disconnect between lower-level employees and PMS understanding because they are not involved in the development and planning stages of projects and programmes at MLM. As a result, the findings suggest that accountability and consequence management for poor performance were not performed sufficiently at MLM.

5.3.2 INCENTIVES, REWARDS, PERFORMANCE AND PMS CHALLENGES TO PMS AT MNQUMA LOCAL MUNICIPALITY

The study found that PMS at MLM encountered numerous challenges. These challenges include a homogenous approach to performance management despite there being various directorates within the municipality that perform and execute different roles and functions. Other challenges to PMS at MLM that were uncovered by this study are political instability, a difficult community development environment due to the global covid-19 pandemic, a shortage of staff, insufficient funding and an inadequate municipal fleet to transport municipal officials between municipal offices and for site visits. Further, the failure to cascade PMS to lower-level employees made it difficult to hold employees accountable. The lack of accountability meant that there was no consequence management or disciplinary actions.

5.3.3 PUBLIC PARTICIPATION, POLITICAL OFFICE BEARERS, POES AND PMS AT MNQUMA LOCAL MUNICIPALITY

The study found that according to MLM officials, the community that the municipality renders services to is involved in the PMS processes and they are aware of the platforms such as road shows which they can use to air their grievances. Respondents acknowledged that the participation by community members was important because that is how the municipality got its mandate. The study also found that the municipality was aware

that they were also accountable to other stakeholders such as the Department of Cooperative Governance and Traditional Affairs (CoGTA), Treasury as well as other departments.

The study also found that municipal officials acknowledged that the participation of political office bearers such as ward councillors was crucial to the success of PMS at MLM. Respondents highlighted that political office bearers were trained and equipped by the municipality to conduct their role of oversight in the development of the IDP, SDBIP and municipal budget on behalf of the community/voters. However, the study also found that some political office bearers are not qualified or educated enough to understand their role, as a result, they did not play their oversight role and hold the municipal officials to account. The findings also highlight the fact that some political office bearers simply partook in activities as a matter of compliance, they did not scrutinise, investigate and verify the reports and POEs that were taken to the council for approval.

The respondents stated that different POEs are submitted by different divisions and directorates. at the end of the year depending on the targets set. Respondents asserted that POEs that are submitted to PMS/IDP office are on paper and visitation of the sites is not done to compare what is on the paper to the one on the ground by the PMS office. This means that the quality of POEs cannot be confirmed as reliable one. Respondent indicated that the example of POEs submitted is: completion certificates, agendas, minutes and attendance registers from the meeting held with end-users of the services.

5.4 RECOMMENDATIONS

Based on the findings of this empirical study the subsequent recommendations are made:

Recommendation one

- The Mnyama Local Municipality should cascade PMS to lower-level employees as well as include them in the designing, planning, implementation and evaluation of municipal projects and budgets, for example, the municipality can formulate a committee/ or have a panel that will be responsible for evaluating the performance of the individual employees on monthly basis.

Recommendation two

- MLM must critically and physically evaluate all the POEs and project sites for quality assurance and accountability.

Recommendation three

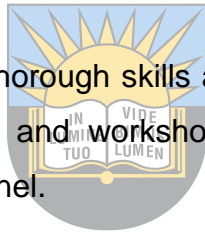
- Senior officials from different directorates must frequently evaluate the performance of employees who are not in their directorate to increase the objectivity, credibility and trustworthiness of evaluations and the work completed.

Recommendation four

- The MLM should offer incentives such as bonuses and awards to employees who have had their performance objectively evaluated to motivate employees to be productive and achieve set targets.

Recommendation five

- The MLM should conduct a thorough skills audit to identify skills gaps and fill them by offering various trainings and workshops so that the municipality can have competent and skilled personnel.



Recommendation six

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- PMS skills trainings and workshops, as well as wellness campaigns, should be conducted frequently to increase the knowledge of employees and in turn, increase productivity.

Recommendation seven

- MLM must consider increasing its fleet to ensure that municipal employees can conduct their duties accordingly.

Recommendation eight

- MLM should ensure that the billing and collection of money from debtors is conducted efficiently and effectively

Recommendation nine

- MLM should develop a plan to attract external investors so that the municipality can increase its budgets and expenditure without relying on public funds only.

Recommendation ten

- MLM must encourage and increase the involvement of stakeholders and public participation to improve the performance, quality and outcomes of services and projects.

Recommendation eleven

- Political office bearers have a critical role to play in the municipality as a result they must be regularly trained and encouraged to conduct their oversight role effectively.

Recommendation twelve

- MLM should set up a committee that will be responsible for visiting project sites to verify the quality of services and projects as well as investigate if community members are satisfied with the service offered.

Recommendation thirteen

- Finally, MLM must enact disciplinary and consequence management for employees who do not submit project reports and POEs on time as well as employees who do not achieve their targets.



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5.5 LIMITATIONS OF THE STUDY

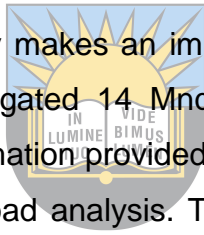
This thesis was conducted as an attempt to interrogate and investigate an area of PMS in municipalities, particularly at MLM that is understudied. Very little data exists about PMS at MLM. Notwithstanding the contribution of this study to existing literature, some limitations were encountered. This study was conceptualised in 2019, at a time when there was no thought of a global pandemic, however in 2020, when I was due to collect data, South Africa and the world went into lockdown due to covid-19.

Accessing respondents and conducting in situ observations was challenging. It was difficult to secure interview times and meetings with the respondents because many of them were

working from home. Further, any in situ observation was conducted under strict covid-19 protocols such as social distancing, wearing of face masks and constant sanitizing. Some respondents asked to reschedule appointments at the last minute while others wanted to be interviewed at the MLM boardroom or in their offices only. MLM municipality is approximately 2km apart, so I had to travel 4km to and from the respondent's offices each time I have an appointment with them. The municipal offices are scattered all over Mngquma, so I had to organise transport that would take me around to all the different departments and offices of the respondents.

Another challenge was that some respondents could not avail themselves fully despite prior arrangements, they were busy with their normal day-to-day duties such as answering phone calls or attending to their colleagues who walked in while we conducted the interviews. Further, during the course of this study, I was employed full-time, so I had to juggle between accessing the respondents and meeting my work obligations as well as conducting a full-time postgraduate degree.

Despite these challenges, the study makes an important contribution to the performance management field in that it interrogated 14 Mngquma Local Municipality employees at various levels. As a result, the information provided is not only enriching but also diverse in nature and thus quite useful for broad analysis. This serves a good purpose in terms of initial reference for future projects similar to this one.



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5.6 RECOMMENDATIONS FOR FUTURE RESEARCH

This study recommends that future research on PMS should:

Recommendation one: not only use employees as respondents but also include political office bearers and stakeholders so that the research can paint an honest and broader picture of PMS within the municipality.

Recommendation two: allow respondents to speak in their indigenous language so that they can be able to express their views flawlessly.

Recommendation three: compare municipalities that use manual/ paper trails with those that use technology such as the system designed to analyse and score the performance of employees. And also determine which method is more efficient.

Recommendation four: critically discuss the PMS of Metropolitan, District and Local municipalities, highlighting the similarities and differences of PMS used by these municipalities.

5.7 CONCLUSION

This chapter summarised the study's key findings, made recommendations on how PMS at MLM can be improved and also made recommendations for future research on PMS at the municipality level. The chapter notes that the key to a successful PMS system requires the involvement of all municipal employees at all stages of the project. In conclusion, performance-based incentives, accountability and consequence



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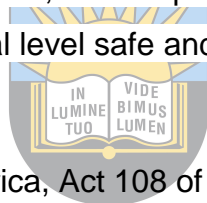
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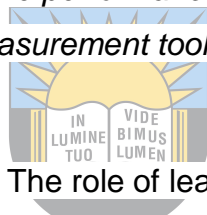
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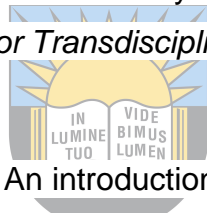
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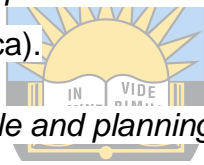
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7. APPENDIXES

APPENDIX A (ETHICAL CLEARANCE)



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ETHICS CLEARANCE **REC-270710-028-RA Level 01**

Project Number:	BAY011SYAL01
Project title:	A review of the performance management system in municipalities. A case study of Mquma Local Municipality.
Qualification:	Masters in Public Administration (Full Dissertation)
Student name:	Yanga Yalezo
Registration number:	201820630
Supervisor:	Prof M.S Bayat
Department:	External Staff
Co-supervisor:	Dr M Sibanda

On behalf of the University of Fort Hare's Research Ethics Committee (UREC) I hereby grant ethics approval for BAY011SYAL01. This approval is valid for 12 months from the date of approval. Renewal of approval must be applied for BEFORE termination of this approval period. Renewal is subject to receipt of a satisfactory progress report. The approval covers the undertakings contained in the above-mentioned project and research instrument(s). The research may commence as from the 30/07/20, using the reference number indicated above.

Note that should any other instruments be required or amendments become necessary, these require separate authorisation.

APPENDIX B (APPROVAL LETTER FROM THE ACCOUNTING OFFICER OF THE MUNICIPALITY)



Mnquma Local Municipality • Corner King and Mthetha Street • Butterworth • 4950
Postal Address: • PO Box 36 • Butterworth • 4960
Tel: (047) 401 2400 • Fax: (047) 491 0193 • www.mnquma.gov.za

Date:
08 June 2020

Person dealing with the matter:
Sibusiso Mahlasela – Municipal Manager

Ref:
4/3/2

No 1547 Msobomvu T/Ship
Butterworth
Easter Cape Province
4980

To: Ms Yanga Yalozo

RE: REQUEST FOR PERMISSION TO CONDUCT A RESEARCH STUDY IN MNQUMA LOCAL MUNICIPALITY

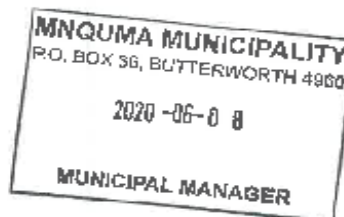
The above matter bears reference

This serves to acknowledge your letter received by my office on the 03 June 2020 wherein you are requesting to conduct a research study in Mnquma Local Municipality on "A Review of the Performance Management System in municipalities: A Case Study of Mnquma Local Municipality".

You are hereby granted that permission.

Regards,


MUNICIPAL MANAGER
S MAHLASELA



APPENDIX C (CONSENT FORM)



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INDIVIDUAL INFORMATION SHEET AND INFORMED CONSENT FORM¹

(AGES 18 YEARS AND ABOVE)

Please note:

This form is to be completed by the researcher(s) as well as by the interviewee before the commencement of the research. Copies of the signed form must be filed and kept on record

(To be adapted for individual circumstances/needs)



Title of Study: A Review of the Performance Management System. A Case Study of Mnquma Local Municipality

Dear participant,

My name is Yanga Yalezo and I am studying at the University of Fort Hare.

I am conducting a research and the topic is: A Review of Performance Management System. A Case Study of Mnquma Local Municipality

Purpose of Study

¹ Approved by UREC (13 November 2019)

Mnquma Local Municipality (MLM) is one of the municipalities that are not performing well in the province of the Eastern Cape. Therefore, this research study is aimed at investigating how Performance Management System (PMS) is used in municipalities so that quality services can be delivered to the community members and also find more ways that can be used to improve PMS of Mnquma Local Municipality using the information gathered and the opinions of the participants

We would like you to allow us to conduct a brief 30Min interview with you about the performance management system of Mnquma Local Municipality.

Some questions may be of a personal and/or sensitive nature. I will be asking some questions that you may not have thought about before. We know that you cannot be absolutely certain about the answers to these questions, but we ask that you try to think about these questions. When it comes to answering questions there are no right and wrong answers.

Please understand that **your participation is voluntary** and you are not being forced to take part in this study. The choice of whether to participate or not, is yours. However, we would really appreciate it if you do share your thoughts with us. If you choose not to take part, you will not be affected in any way whatsoever. If you agree to participate, you may stop me at any time and tell me that you don't want to go on with the interview. If you do this there will also be no penalties and you will NOT be prejudiced in ANY way.

The information will remain confidential. This means that your name and address will not be linked in any way to the answers you give. We study and report on the answers given by all the people we interview and not on an individual basis. The research data will be anonymous – with all personal respondent information removed and will be archived at the University.

At the present time, we do not see any risks in your participation. The risks associated with participation in this study are no greater than those encountered in daily life.

There are no immediate benefits to the participating in this study. However, this study will be helpful in finding out the importance of having a functional Performance Management System in municipalities and the impact this system have on service delivery. Participants will be also able to share their opinion and views without any intimidation and know that what they say will be treated strictly confidentially.

There are no risks involved for the participants. Benefits will be that participants will be able to express their views freely and in a comfortable situation. There are no monetary benefits involved or rewards.

If you have concerns or questions about this study please feel free to contact the project coordinators: **Researcher/Project Leader:**

Name: Ms Yanga Yalezo

Department: Public Administration

Address: 1547 Msobomvu Township, Butterworth 4960

Phone: 0735857536

Email: 201820630@ufh.ac.za; yyalezo@gmail.com

Who to contact if you have been harmed or have any concerns

This research has been approved by the Inter-Faculties Research Ethics Committee (IFREC) as per delegated authority of the University Research Ethics Committee (UREC). If you have any complaints about ethical aspects of the research or feel that you have been harmed in any way by participating in this study, please call the IFREC Administrator, Prof Cilliers on [LCilliers@ufh.ac.za]



Reporting and Complaints

If you have questions at any time about this study, or if you have concerns/questions you may contact the researcher/project leader whose contact information is provided on the first page. If you have questions regarding your rights as a research participant, or if problems arise which you do not feel you can discuss with the researcher/project leader, please contact the IFREC Chairperson, Prof. Munacinga Simatele on [MSimatele@ufh.ac.za] or the UREC Chairperson, Prof. Renuka Vithal on [RVithal@ufh.ac.za].

INFORMED CONSENT FORM

I (*name of participant*) have been informed about the study by *Yanga Yalezo*.....

I understand the purpose, procedures, and risk-benefit ratio of the study.

I have been given opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any procedurals that I would usually be entitled to.

I have been informed about any available compensation or medical treatment if injury occurs to me as result of study-related procedures

I understand that I will be given a copy of this informed consent.

I understand that if I have any questions or complaints about my rights as a study participant, or if I may have concerns about any aspect of the study or the researcher/s then I may contact the Chairperson of the Inter-Faculty Research Ethics Committee, Prof. Pumla Gqola or Chairperson of University Research Ethics Committee, Prof Renuka Vithal (details available from the Researcher or by contacting the University of Fort Hare or Website www.ufh.ac.za)

Participant signature:



Consenting for Audio Recording– when necessary

YES / OR

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Participant signature:

Data curation – I understand that the information that I provide will be stored electronically and will be used for research purposes now or at a later stage.

Participant signature:

Date:

APPENDIX D (QUESTIONNAIRE)

QUESTIONS FOR RESEARCH INTERVIEWS: EXECUTIVE MANAGEMENT AND MIDDLE MANAGERS OF MNQUMA LOCAL MUNICIPALITY

RESEARCH TOPIC

A REVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM IN MUNICIPALITIES: A CASE STUDY OF MNQUMA LOCAL MUNICIPALITY

The purpose of this semi-structured questionnaire is to obtain information from the selected Mngquma Local Municipality staff members. The results of the questionnaire will be utilised in a dissertation for a Master's in Public Administration degree of Ms Yanga Yalezo. The responses from all respondents will be treated as confidential and will not be seen by the employer. The responses of the chosen respondents will enable the researcher to make informed analysis, conclusion, and recommendations about the performance management system (PMS) in municipalities. These responses will also enable the researcher to answer the research question asked in Chapter one of this study. The questionnaire has been designed as follows:

SECTION A: BIOGRAPHICAL INFORMATION

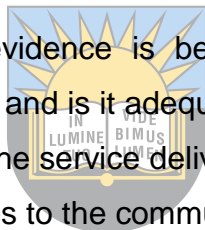
What is your job category? (e.g. Director, MM, ordinary employee, line manager)	
Under which directorate?	
Number of years in the municipality and current position?	
Have you occupied a similar position elsewhere? If yes, for how many years?	

How long have you been employed in the municipality?	
What is your gender?	
What is your highest level of education?	
What is your age group 10-20, 20-40, or older?	

SECTION B: QUESTIONS ON PERFORMANCE MANAGEMENT. THESE ARE SEMI STRUCTURED INTERVIEW QUESTIONS RIVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM OF MNQUMA LOCAL MUNICIPALITY

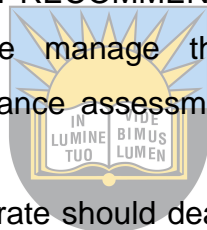
1. In your own understanding, how would you define performance management system (PMS) as applied at Mngquma Local Municipality (MLM) what is performance management system and how is it implemented at MLM?
2. Who are the people subjected to PMS at MLM and why?
3. If not everyone is included, do you think PMS should be developed for the rest of the employees? Recommendations
4. How does MLM Measure performance of individual employees and how is it incorporated to the PMS of the whole municipality?
5. Would you describe your level of understanding of the (PMS) as adequate? Explain further
6. Do you think that your supervisor has a good understanding of the PMS? Explain further.
7. Do you think that there is a general understanding of the PMS at MLM
8. What do you think should be done to improve the understanding of the PMS at MLM or in your Directorate (conclusion and recommendations)?
9. Does PMS in MLM contribute to the career growth and development of the employees and how is this achieved?
10. Does PMS of MLM promote accountability across all employees?

11. What are other ways in which MLM can develop the PMS that monitors and reviews performance of all employees?
12. What are your views regarding PMS at MLM? With respect to understandability, measurement tools used, efficiency, applicability etc
13. Would you attribute either poor or good performance in the past three financial years (July 2016 to June 2019) to the PMS?
14. Can you say that the PMS contributes to the improvement of performance and productivity in your municipality? Why?
15. What informs the process of developing the PMS of MLM and how closely aligned is the PMS to the influencing factors? Eg key Performance areas in the IDP, budget, Services delivery Budget and implementation plan?
16. What informs the process of developing key performance indicators and who is involved in this process?
17. What is the level of involvement of the stakeholders in designing and implementing the PMS?
18. What tangible portfolio of evidence is being produced for the work done, for example visitation of the sites and is it adequate, if not, how can it be improved?
19. Does PMS of MLM linked to the service delivery requirements of the people and is it adequate in delivering services to the community?
20. Briefly explain the aspects of the PMS, as currently practiced in MLM, that lead to improved service delivery to communities.
21. Briefly explain the aspects of the PMS, as currently practiced in MLM, that impact negatively on service delivery to communities.
22. Are political office bearers of MLM fully involved in the implementation of PMS or to them it is just a compliance issue?
23. If they are involved, how properly trained are they in carrying out the mandate to ensure they are able to review and assess its effectiveness and how often is the training conducted, are there refresher courses provided during their 5 year term?
24. Does the PMS division in the municipality render enough support services to the entire Municipality to ensure effective implementation of the system and improvement of performance? If yes, how so?



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25. Do you believe that officials attached to the PMS division have the necessary skills and capacity to implement the PMS (for example, inculcating the culture of performance and improved productivity)? Provide reasons for your response.
26. Does PMS of MLM promote public participation by community members and other external stakeholders during its setting and its evaluation?
27. Is the management style in the municipality appropriate for the development and implementation of the PMS and how so? (no or yes should have an explanation)
28. Describe the aspects of the PMS that are properly planned/or designed at MLM.
29. Would you regard performance bonuses and notch progressions sufficient to encourage good performance in the municipality?
30. What do you regard as challenges facing the PMS and improvement of productivity in your directorate and municipality as a whole? (Answers should be directorate specific and then rest of municipality)?
31. In summary, what would you recommend the municipality should do to improve its performance and productivity? **RECOMMENDATION**
32. How does your directorate manage the challenge of subjective (biased) assessments during performance assessment? Do you think this is fair? Explain further (PMS Division only).
33. How do you think the directorate should deal with the challenge of non-submission of performance instruments to the PMS division by directorates officials and how does this effect the assessment of PMS of the municipality?
34. Do you have any additional issues relating to the PMS that you would like to raise?



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APPENDIX E (MLM PMS FRAMEWORK: POLICY)



PERFORMANCE MANAGEMENT FRAMEWORK

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PERFORMANCE MANAGEMENT FRAMEWORK



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1. Preamble

WHEREAS there is a need to equip leaders, executive management, managers and workers at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact

AND WHEREAS

This policy obliges the MLM to promote culture of performance amongst its political structures, political office bearers, councilors & its administration and to administer its affairs in an economical, effective, efficient and accountable manner

Be it ENACTED by Council as **Performance Management Framework**.

2. Definitions

Objectives: statements often drawn from the IDP) about what a service wants to achieve.

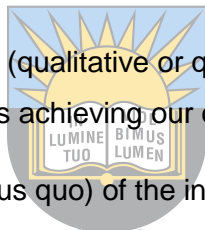
Indicators: are variables (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives.

Baseline measure: is the value (or status quo) of the indicator before the start of the programme or prior to the period over which performance is to be monitored and reviewed. For the purpose of standardising the setting of baselines and for the sake of clarity, the following descriptions will be used. If the indicator is measurable on an annual basis, the baseline will be its measure in the last financial year. The baseline for annual targets that are incrementally measurable per quarter or per month will be the measure at the end of the last financial year but the can be set incrementally.

The baseline for quarterly targets that are not incrementally contributing to an annual target will be the indicator's measure in the last quarter it was measured unless by its nature it is Seasonally variable in which case it will be an average of the last four quarterly measures

The baseline for monthly targets, that are not incrementally contributing to a quarterly or annual target, will be its measure in the last month it was measured unless by its nature it varies monthly in which case it will be an average of the last three monthly measurements

A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period



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The measurement source and frequency should indicate where the data for measuring will emanate from, and how frequently the indicator will be measured and reported, This information is crucial for the auditing process.

Indicator custodian: refers to the person that takes responsibility for the monitoring of change in the indicator and report on it

Monitoring (What is happening?)

Monitoring is process of watching to see how well the municipality is doing throughout the year or whether it is on track to meet its targets and to check whether the broader development objectives are being achieved. Monitoring should give the municipality early warning signs — it is like a mini-performance review that shows whether the municipality is doing well or not at any point Monitoring is intended to ensure that the right information is obtained, and that this information is not manipulated to produce misleading results. At this stage, reports are submitted giving an account on performance per indicator, highlighting shortcoming / problems and also indicating improvement measures.

3. ABBREVIATIONS



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CCR	Core Competency Requirement Integrated Development Plan
KPA	Key Performance Area
MEC	Member of Executive Committee
MFMA	Municipal Finance Management Act
MLM	Mnquma Local Municipality
MM	Municipal Manager
AA	Accountability Agreement
PP	Performance Promise
PMS	Performance Management System
SALGA	South African Local Government Association
SDA	Skills Development Act
SDBIP	Service Delivery Budget Implementation Plan

4. Legislative Framework

This policy framework is in accordance with applicable legislation and any relevant guidelines from the South African Local Government Association (SALGA), the most important of which are the following:

4.1 Section 195(b) & (h) of the Constitution of the Republic of South Africa Act No. 108 of 1996 stipulates that, "efficient economic and effective use of resources must be promoted." It further states that, "good human resource management and career development practices, to maximize human potential, must be cultivated "

4.2 Chapter 6 of the Local Government: Municipal Systems Act Nov 32 of 2000 places specific emphasis on performance management. Section 38 obliges Municipalities, especially as employers, to implement a PMS that is in line with the priorities, objectives, indicators and targets contained in its IDP. Section 54A and 56 also makes employment of the Municipal Manager and Managers directly accountable to him/hr subject to the conclusion of a separate performance agreement with the Municipality as soon as possible after initial appointment and annually thereafter before the end of July of each year. Section 67 regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively.

4.3 The Local Government: Municipal Planning and Performance Management Regulations No, R- 796 published in Government Gazette No. 22605 dated 24 August 2001 stipulates in more detail what is expected from municipalities in implementing its PMS, inter alia, requiring this policy to clarify all processes and the roles and responsibilities of each role player, including the local community, in the functioning of the system, It also regulates the establishment, composition and functioning of a Performance Audit Committee.

4.4 The Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) requires a service delivery and budget implementation plan (SDBIP) based on specific targets and performance indicators derived from the IDP thus linking the IDP, PMS and the Budget. In terms of section 72 of the MFMA, the accounting officer of a municipality must submit a mid-term budget and performance assessment of the municipality to, inter alias National Treasury before 31 January of each year. Section 165 of MFMA requires the existence of an internal audit unit which, inter alia, advises the accounting officer and reports to an Audit Committee on the implementation of an internal audit plan including performance management Section 166 requires the establishment of an independent Audit Committee to advise on matters pertaining to performance management and performance evaluation.

4.5 Skills Development Act No, 97 of 1998 (SDA) is also essential part of legislative framework for this policy but in an indirect manner. The SDA aims to develop the skills of the South African workforce to improve the quality of life of workers and their prospects of work and perceives skills development as contributing to the improvement of performance and productivity in the workplace as well as the competitiveness of employers. The Act and specifically the Workplace Skills Plan provides a valuable vehicle for the training of staff.

4.6 The Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 published in Government Gazette No. 29089 dated 1 August 2006 contains performance regulations for municipal managers and managers directly accountable to MM, The regulations C include the terms of conditions of employment for these officials and aims to ensure that their performance will, in future, be uniformly directed, monitored and improved. It sets a much firmer and clearer basis for contractual performance management for the managers concerned and aims to limit grey areas open to mismanagement for example, in respect of the payment of the payment of performance bonuses.

4.7 The Local Government Disciplinary Regulations for Senior Managers, 2010 contained in Government Notice No. 344 of 21 April 2011 contains a disciplinary code for senior managers who are defined as the Municipal Manager and Managers reporting directly to the Municipal Manager. It also deals with substandard performance and the procedure to be followed in addressing such performance.



For purposes of this policy, the senior managers concerned are called ^uDirectors"

The combined effect of the above Acts and Regulations obliges the Council to establish and implement a PMS with the dual purpose of improving the performance of its staff to deliver effective and efficient services based on the IDP and to develop human resources. This will be accomplished by using the PMS to identify the training and development needs of employees and to implement policies and programmes to address those needs, all with the aim of improving the productivity of the Municipality.

5.1 Objectives of the PMS framework

The main objective of the PMS is to plan, monitor, measure, review and report on the organisation's performance,

This is supported by the following ancillary objectives.

5.1.1 To achieve the MLM's strategic objectives

5.1.2 To facilitate increased accountability;

5.1.3 To identify and address the required skills and competencies required for staff to contribute towards achieving organisational objectives through continuous learning and improvement;

5.1.4 To provide staff with the opportunity to actively manage their own performance;

5.1.5 To recognise and reward those employees who meet the policy criteria for reward;

5.1.6 To facilitate all performance reporting by the organisation;

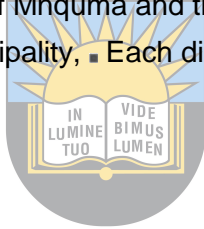
5.1.7 To act as an early-warning system;

5.1.8 To facilitate decision-making; and

5.1.9 To instil a performance orientated culture throughout the organisation,

5.2 Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability been. The communities of Mngquma and the municipal council, ■ The political and administrative components of the municipality, ■ Each directorate and the office of the municipal manager.



5.3 Facilitate learning and improvement

While ensuring that accountability is maximized, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery, It should form the basis for monitoring, evaluation and improving IDP implementation.

5.4 Provide early warning signals and facilitates the development of intervention mechanism

The performance management system should provide managers, the Municipal Manager, Portfolio Committees and the Executive Committee with diagnostic signal of the potential risks that are likely to affect the realisation of full IDP implementation. It is important that the system ensure decision-makers are timeously informed of risks, so that they can facilitate intervention, where it is necessary and possible to do so,

5.5 Facilitate decision-making and resource allocation

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly in so far as indicating where the allocation of limited resources should be prioritized.

The functions listed above are not exhaustive, but summarize the intended benefits of the performance management system to be developed and implemented. These intended functions should be used to evaluate the performance management system, periodically.

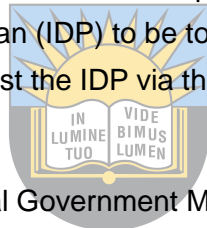
6. Overview

The Performance Management Framework aims to act as a tool to strengthen the performance driven culture of this authority.

Performance Management is a process which measures the implementation of the organization's strategy. At Local Government level this has become an imperative, with economic development, transformation, governance, finance and service delivery being the critical element in terms of Local Government Strategy. Performance Management provides the mechanism to measure whether targets to meet its strategic goals, set by the organization and its employees, are met. National Government has also found it necessary to institutionalize and provide legislation on -the Performance Management Process for Local Government.

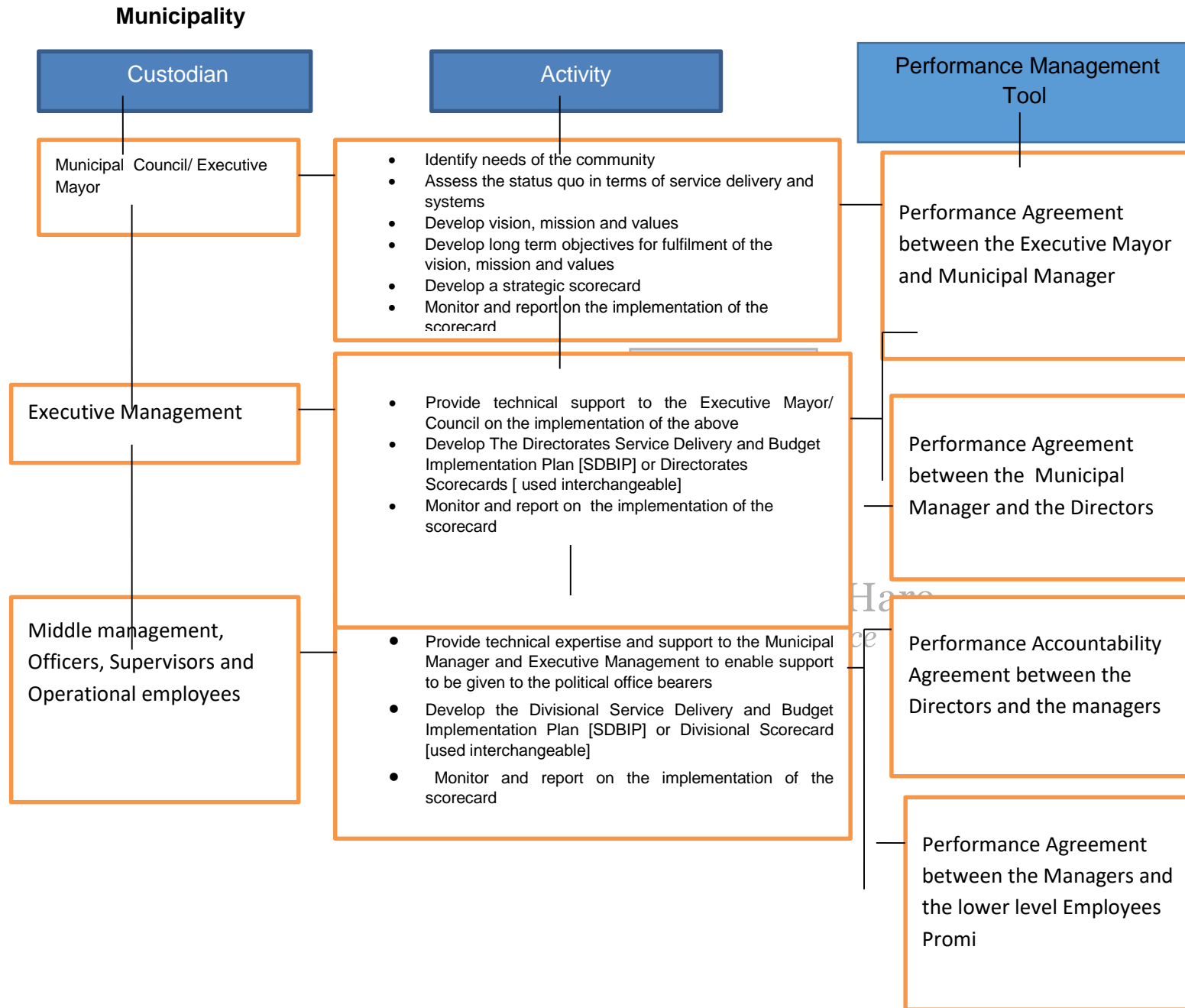
The Municipal System Act (MSA) 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players.



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6.1 Diagrammatic Presentation of Performance Management System in the Mquma



7. Principles guiding Performance Management System

The following principles inform and guide the development and implementation of the Mquma performance management system:

7.1 Simplicity

The system must be a simple user-friendly system that enables the municipality to operate it within its existing capacity of its financial, human resources and information management system.

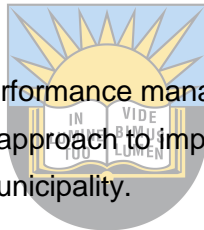
7.2 Politically driven

Legislation clearly tasks the municipal Council and Executive Mayor as the owner of the performance management system; The Executive MUST drive both the implementation and improvement of the system.

Legislation allows for the delegation of this responsibility or aspects of it to the Municipal Manager or other appropriate structure as the Executive may deem fit.

7.3 Incremental implementation

It is important that while a holistic performance management system is being developed, the municipality should adopt a phased approach to implementation, dependent on the existing capacity and resources within the municipality.



It is also important to note that municipal performance management is a new approach to local government functioning and therefore requires adequate time to be given to the organization's process of change. The performance management system will not be perfect from the start it should be constantly improved based on its workability.

7.4 Transparency and accountability

Members of the organisation whose performance will be monitored and measured must ensure that the process of managing performance is inclusive open and transparent This can only be achieved by taking effective participation in the design and implementation of the system within the municipality.

Again, the process must involve and empower communities so that they are able to understand how the municipality and its directorates are run how resources are spent, and who is in charge of particular services, Similarly, all information on the performance of directorates should be available for other managers, employees, the public and specific interest groups.

7.5 Integration

The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool to the ongoing management functions.

7.6 Objectivity

Performance management must be founded on objectivity and credibility. Both the processes of managing performance and the information on which it relies need to be objective and credible. Sources of data for measuring indicators should be scrutinized to enhance credibility of information and therefore objective decision-making.

8. Integrated Development Planning (IDP) And Performance Management System (PMS)

The Municipal Planning and Performance Management Regulations (2001) stipulates that "a municipality's performance management-system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players". This document is in line with this requirement.

The framework acts as a municipal policy document that defines its performance management system. It constitutes Council policy with regards to:

The requirements that a PMS for the municipality will need to fulfill:

- 8.1 The principles that will inform its development and application,
- 8.2 A model that describes what areas of performance Mhll be managed in the Municipality,
- 8.3 What processes will be followed in managing performance,
- 8.4 What institutional arrangements are necessary,
- 8.5 Who will take responsibility for parts of the system,
- 8.6 How this links to S56 Performance Agreements,
- 8.7 How S56 Managers will have their performance managed.

The framework is a documented record of the municipality's performance management system as it will be implemented. The relationship between IDP and Performance Management is therefore legislated and regulated. The Performance Management System serves to measure the performance of the municipality on achieving the objectives of the Integrated Development Plan.

9. Performance Management Model

Why do we need a model?

Models have proved useful in performance management for the following reasons: They provide:

9.1 Balance

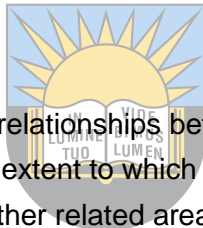
A good model will prompt the organisation to take a balanced view in terms of how it measures and manages its performance. It should prevent bias by ensuring that performance measurement does not rely heavily on one facet of performance (i.e. financial viability), but rather encapsulates a multi perspective and an holistic assessment of the municipality's performance.

9.2 Simplicity

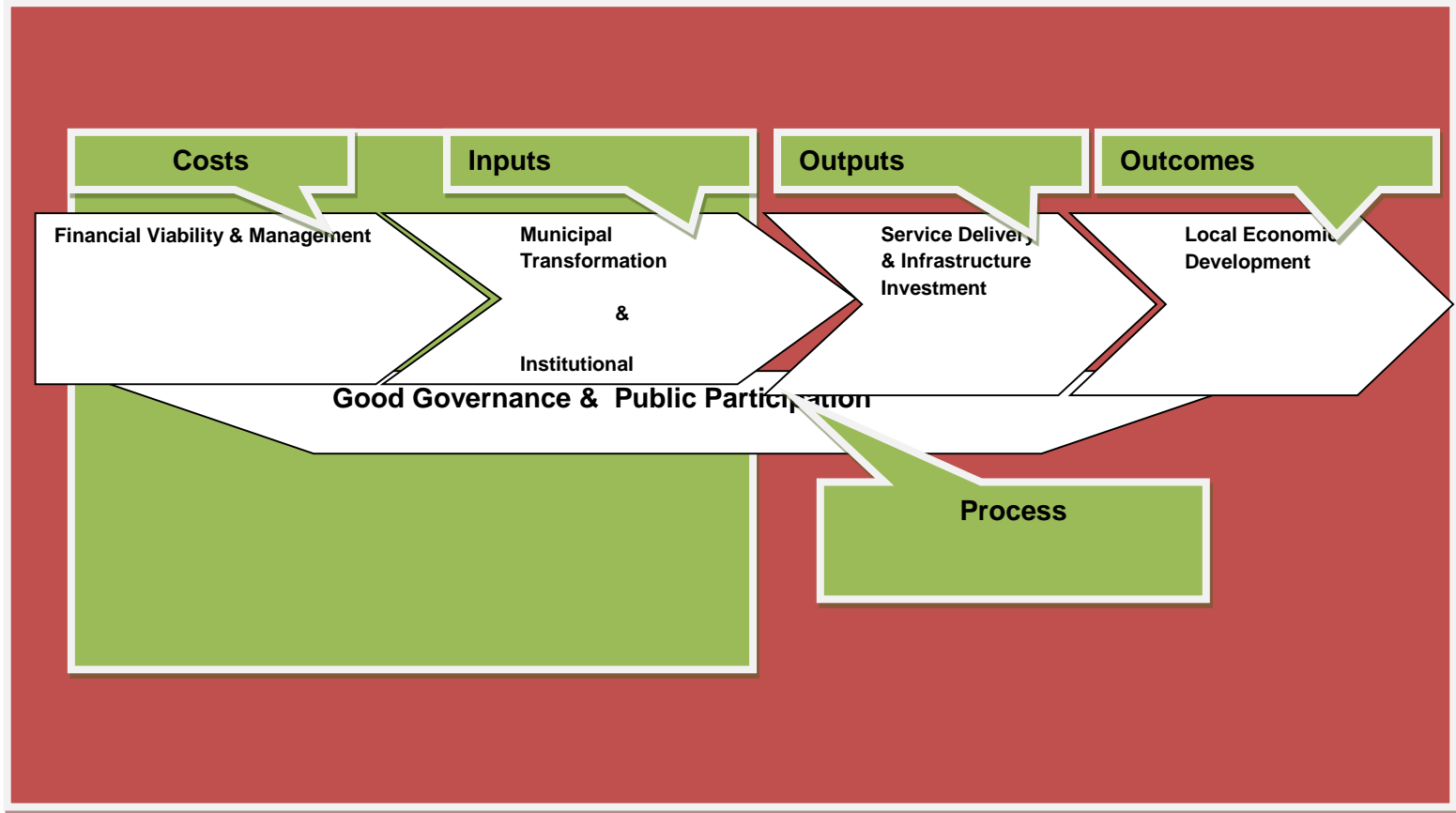
A good model should organise simply what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

9.3 Mapping of Inter-relationships

A good model will map out the inter-relationships between different areas of performance; these interrelationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter-relationships help in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.



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10. The Revised Municipal Scorecard Model

Council will make use of the Municipal Scorecard Model (as revised in 2006) as its model for performance management. This model is useful for the following reasons.

It is:

- 10.1 Tightly aligned to the strategic planning and IDP processes of the municipality
- 10.2 Directly relevant to the notion of developmental local government
- 10.3 A balanced view of performance based on municipal inputs, outputs, outcomes and process
- 10.4 A simple portrayal of municipal performance, where inter-relationships can be mapped (municipal-wide, sectoral/directorate and unit/ programme levels)
- 10.5 Compliant with the requirements of the Municipal Systems Act (2002) and its subsequent Regulations (2001)
- 10.6 Aligned to 5 Key Performance Areas for Local Government used in the regulations

11. Key Performance Areas for Local Government Strategic Agenda:

- 11.1 Municipal Transformation & Institutional Development
- 11.2 Service Delivery and Infrastructure Investment
- 11.3 Local Economic Development
- 11.4 Municipal Financial Viability & Management
- 11.5 Good Governance & Public Participation

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Figure 1: Structure of the Municipal Scorecard

KPA 1: Municipal Transformation and Institutional Development

In this KPA, the municipality will assess whether the desired impact is being achieved and will assess performance with respect to the management of municipal resources such as;

- Human Resources (Capital) Management and Development
- Information Management, Systems and Technology
- Business Systems and Process (Records and Performance Management)
- Administrative Support to Council
- Capacity-Building and Skills Development

This relates to the inputs required to achieve the strategic goals of the municipality.

KPA 2: Service Delivery and Infrastructure Development

In this KPA, the municipality will assess whether the desired impact is being achieved and will assess performance with respect to the delivery of municipal basic community services such as,

- Municipal Roads and Storm Water Drainage
- Electricity and Street Lighting
- Land Use Management
- Human Settlements
- Building Regulations
- Vehicle and Plant Maintenance
- Traffic and Law enforcement
- Solid Waste Management and Environmental Management
- Transport
- Public Amenities
- Safety and Security

The above relates to the outputs delivered by the municipality,

KPA 3: Local Economic Development

In this KPA the municipality will assess whether the desired outcome is achieved and will assess performance with regards to the extent to which the policies and strategies contribute towards the development in its area by measuring the impact it has on the improvement of community livelihoods. It is expected that development priorities and indicators will often lie within the shared accountability of the municipality, other spheres of government and civil society. These will measure priorities such as.

- Economic growth and development
- SMME & Cooperatives Development
- Tourism and Heritage
- Sustainable Rural Development
- Investment Promotion



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KPA 4: Municipal Financial Viability and Management

In this KPA, the municipality will assess whether the desired impact is being achieved and will assess performance with respect to how the financial resources are managed and how viable the municipality is, thus looking but not limited to:

- Asset Management
- Budget Planning and Financial Reporting
- Revenue Management
- Supply Chain Management
- Expenditure and Payroll Management

KPA 5: Governance Process and Public Participation

In this KPA, the municipality will assess whether the desired impact is achieved and performance with respect to engagements and relationships with its stakeholders in the process of local governance.

This will include, amongst others:

- Public Participation
- Integrated Development Planning and Performance Management System
- Research and Policy Development
- Functionality and impact of municipal governance structures (council structures, including the Office of the Speaker, oversight committees, clusters etc)
- Access to information
- Inter-governmental relations
- Stakeholder Relations, which sets out how the municipality will improve its relationship with its key stakeholders
- Corporate Governance (Audit and Risk Management Committees)
- Special designated groups (Youth, gender, children, disabled)

The above relates to the governance processes of the municipality.

12. Organizational score cards at different levels

There will be two levels of scorecards for the municipality as depicted in figure-2 that follows.

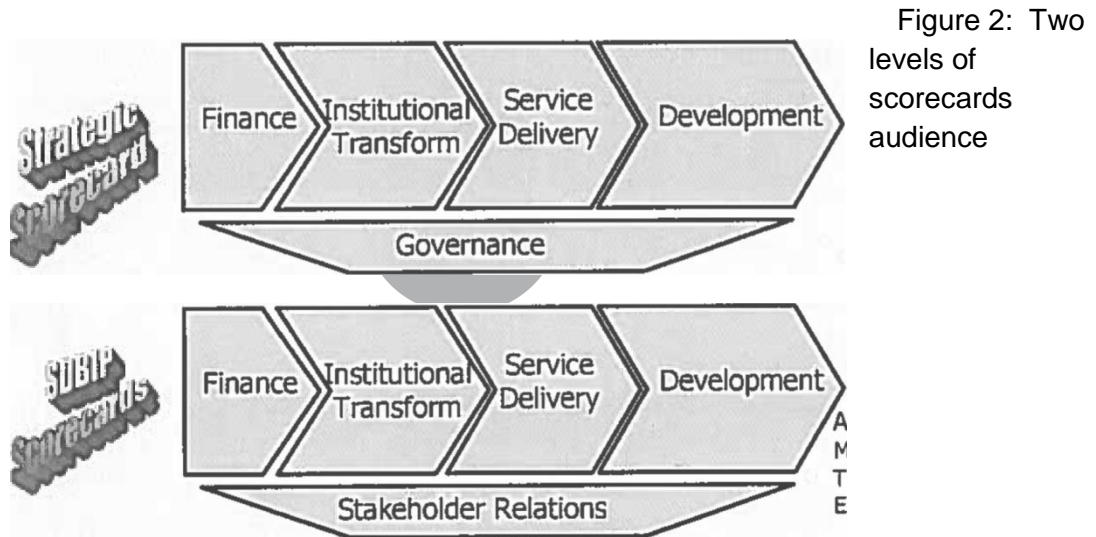


Figure 2: Two levels of scorecards audience

Public, Council, and the Executive

Audience:

Management

Team and the

Executive

The Strategic Scorecard

The strategic scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on the strategic priorities set in the IDP.

The development perspective of this scorecard will therefore necessitate that information be collected from other development role-players in the municipal area for reporting purposes. These include other spheres of government, business formations and civil society organisations.

The Municipal Manager and Section 56 Managers will use the Strategic Scorecard as a basis for reporting to the Executive Mayoral Committee, Council and the public,

Reporting to the Executive Mayoral Committee will be done quarterly, bi-annually to Council and annually to the Public for review@

The Municipal Manager is primarily responsible for performance on the Strategic Scorecard. The strategic scorecard is closely linked and forms the largest component of how the Municipal Manager's performance will be appraised.

13. SDBIP Scorecard

The SDBIP scorecard will provide a comprehensive picture of the performance of each directorate and will consist of objectives, strategies, indicators and targets derived from the strategic scorecard.

SDBIP Scorecard will be comprised of the following components

- 13.1 A development perspective for directorate outcomes will seek to assess the extent to which the strategies are contributing towards the intended developments in the municipal area.
- 13.2 Infrastructure Service Deliverables which set out the services that the directorates involved will deliver this perspective will include service delivery targets and performance indicators for each quarter.
- 13.3 Municipal Transformation, organizational development and financial viability perspective, which sets out how the directorates involved will manage and develop its Human resources, Information and Organizational Infrastructure, projections on revenue to be collected, operational and capital expenditure by vote.
- 13.4 Performance reporting on this section of the scorecard will be in terms of achievements against projections

- 13.5 Stakeholder Relations, which sets out how the directorate will improve its relationship with its key stakeholders

14. Scorecard concepts

The strategic and SDBIP scorecards should be presented in a consistent format so that they are user-friendly and easily understandable.

Several concepts that are commonly used in the scorecard are: Objectives, Indicators, Baseline, Annual Target, Measurement Source, Indicator Custodian.

The performance management plan for the municipality will have various indicators for goals that are set in the IDP. These indicators including those that will be further developed for SDBIP scorecards should be assessed against the following criteria.

15. Criteria for Setting Good Indicators

In developing indicators, the municipality will ensure that it adheres to the following principles'

15.1 Focused and Specific

Indicators should be clearly focused and stated unambiguously.

15.2 Measurable *Together in Excellence*

An indicator should by definition contain a unit of measurement.

15.3 Valid and Relevant

Validity is the degree to which an indicator measures what is intended to be measured. This correlates strongly to the relevance of the indicator to the objective being measured. It is also important that the whole set of indicators chosen should be contextually relevant to the municipality in the South African context.

15.4 Reliable

Reliability is the degree to which repeated measures, under exactly the same set of conditions will produce the same result. This is particularly relevant to those indicators that use ratios (formulas) and figures,

15.5 Simple



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Good indicators will be simple, easy to communicate such that relevance is apparent.

15.6 **Minimise perverse consequences**

Poorly chosen indicators, while nobly intended, can have perverse consequences. Chosen indicators should ensure that the performance behaviors likely to emerge from its pursuance are those that are intended to contribute to the objectives.


15.7 **Data Availability**

Good indicators will also rely on data that is, or intended to be available on a regular basis.

16. **Core Local Government Indicators**

National Indicators

The municipality's performance management indicators will incorporate the following indicators as prescribed in the Municipal Planning and Performance Management Regulations of 2001:

- 
- 16.1 The percentage of households with access to basic level of water, Sanitation, electricity and solid waste removal;
- 16.2 The percentage of households earning less than R2 200 per month with access to free basic services;
- 16.3 The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipalities integrated Development Plan;
- 16.4 The number of jobs created through municipality's local economic development initiatives including capital projects;
- 16.5 The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- 16.6 The percentage of a municipality's budget actually spent on implementing its workplace skills plan and Financial viability

A core set of Local Government indicators

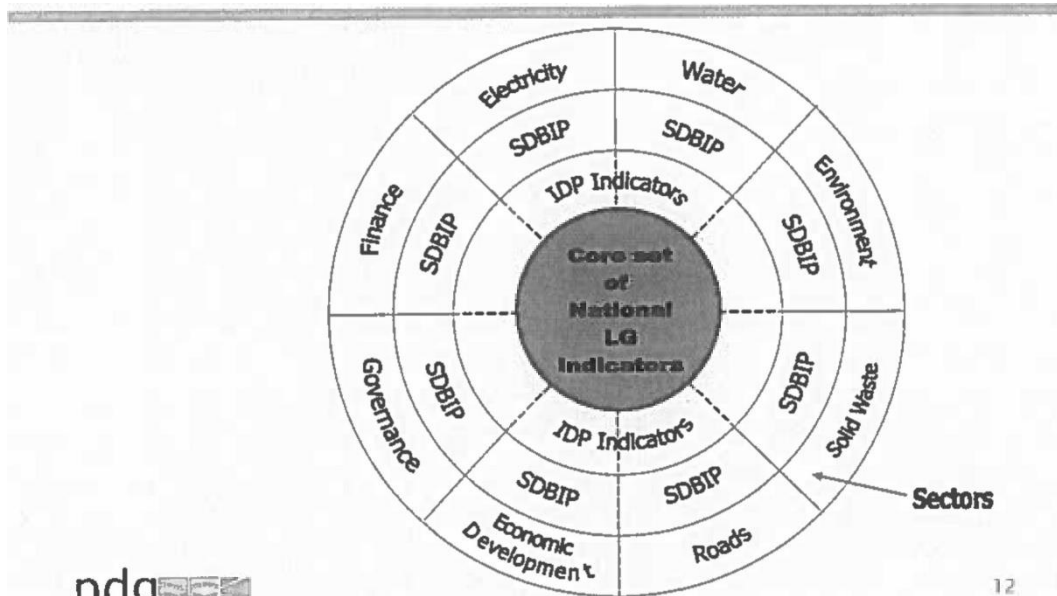


Figure 3 Local Government Indicators

17. The Process of Managing Performance

The process of performance management is central to modern notions of management i.e. it is inseparable from the responsibilities that a manager must perform, It is important that performance management is mainstreamed in municipalities as an approach to daily management



Figure 4: Performance Management as an Approach to Management

The annual process of managing the performance of the municipality will involve the following components:

- Co-ordination
- Performance Planning

- Performance Measurement, Analysis
- Performance Reviews & Reporting
- Performance Auditing

For each of these components, this chapter sets out the role stakeholders in the performance management system will play and how these components are to be carried out

17.1 Coordination

Oversight co-ordination for implementation of planning, measurement, reporting and review process is the responsibility of IDP/PMS and Budget Steering Committee which comprises of the following:

- Executive Mayor
- Speaker
- Whippery
- Mayoral Committee
- Municipal Manager
- Executive Management
- IDP/PMS Manager



Manager Budget and Financial Reporting
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The IDP, PMS and Budget Steering Committee is chaired by the Executive Mayor or duly delegated Councillor and will be accountable to Council with regard to the work of the committee.

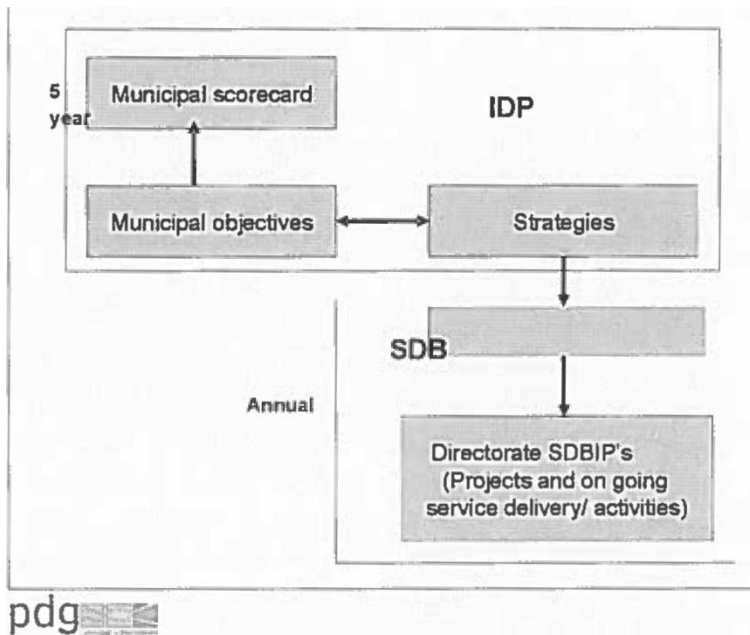
The Secretariat for the IDP, PMS and Budget Steering Committee shall be an official from the Corporate Services Directorate of the Municipality duly appointed or delegated such function by the Director Corporate Services.

17.2 Performance Planning

The IDP and the Municipal Service Delivery and Budget Implementation Plans constitute the planning components for performance management. The municipal planning process starts from the development of the five year IDP and strategic scorecard with priority areas, objectives, strategies, indicators and annual targets. The service delivery and budget implementation plan is derived from the strategic scorecard.

The following diagram shows the link between the IDP objectives, strategies and the SDBIP scorecard

Figure 5: Municipal planning



17.3 Performance reporting and reviewing

What do we Monitor and Review?

The performance management system measures organisational performance with regards to meeting its strategic goals (service delivery targets) together with financial targets and participation of communities in local governance. To ensure a balanced multi-perspective view for the assessment of Mquma Local Municipality's performance, a municipal scorecard model was developed and adopted in 2002. This was done in order to guide performance management in the entire municipal organisation. This reviewed framework uses an improved version of the municipal scorecard model.

17.3.1 Evaluation (Making sense of what is happening)

The information gathered through the process of monitoring described above, is assessed to understand its relevance and implications to the priority issues, objectives, indicators and targets. Irrelevant and incorrect information should be discarded. The relevant information is analyzed and synthesized for its relevance to the IDP. Performance evaluation is a deeper, more detailed process of analysis. The evaluation process does not just look at whether a municipality is performing

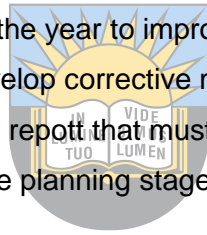
adequately - it also analyses why there is under-performance or what were the factors that allowed good performance in a particular area.

17.3.2 **Review (Deciding on and making the relevant change)**

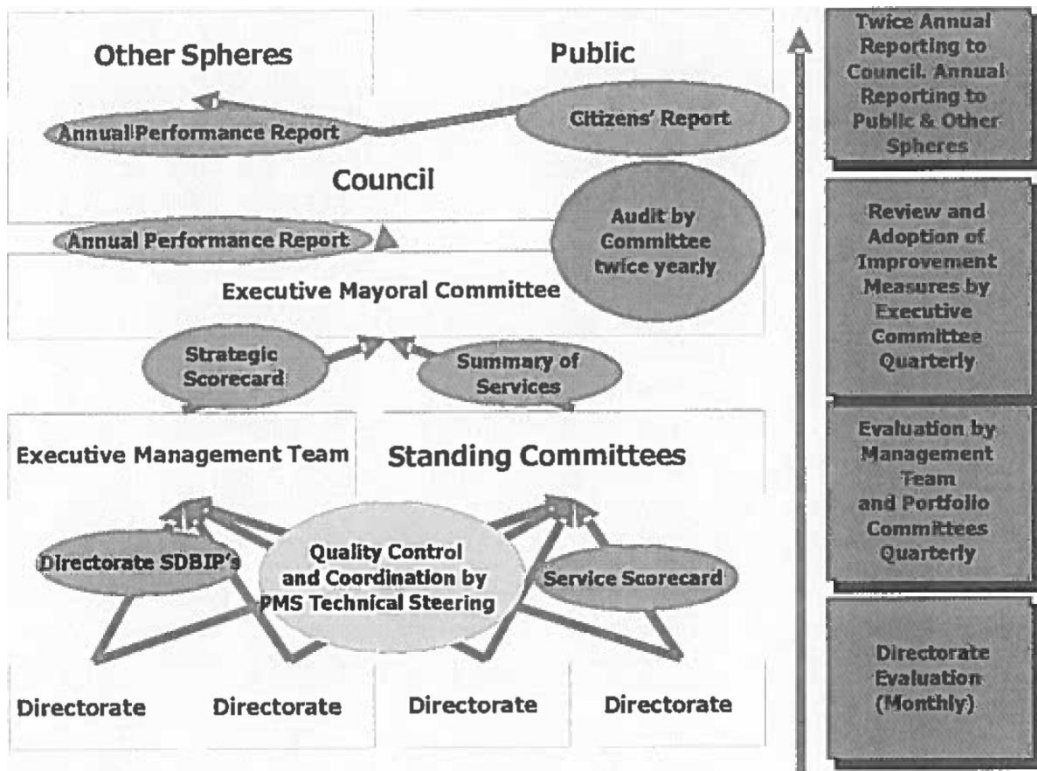
Performance review, in which a comprehensive evaluation of the municipal performance will be conducted, takes place during the mid-year Budget and Performance Assessment in January and at the end of each financial year when the annual performance report is prepared. In this process the municipality carefully analyses its performance in order to understand why it has performed well or badly during the review period. The analysis is intended to draw conclusions from trends in performance over time and in all political and administrative structures of the municipality. A municipality is required to review its key performance indicators annually as part of their performance review process. Additionally, whenever the municipality amends its IDP it must also review its KPIs and targets that will be affected by C such an amendment. The annual review is informed by reports which are audited by the Audit Committees and measures that were taken during the year to improve performance. The results of the review process be used to develop corrective measures to improve performance and it also informs the annual report that must be submitted to the Office of the Auditor General and informs the planning stage of the following financial year.

The figure below aims to provide a picture of the annual process of reporting and reviews.

Figure 6: The annual process of reporting and review



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17.3.3 Directorate Reviews

Directorates shall review their performance monthly in line with the SDBIP's Council should be advised of any emerging failures to service delivery such that it can intervene, Minutes of the directorates reviews should be submitted to the performance management division. The Chairperson of the PMS Committee will table the report to the Executive Mayoral Committee and Council.

17.3.4 Executive Management Team reviews

Directors will report their performance to the Municipal Manager and other Directors. Additional indicators that occur in the strategic scorecard will also be reviewed The reviews shall take place quarterly, Development and analysis of performance shall be the responsibility of the IDP/PMS unit. After the approval of the SDBIP, indicators and targets will not be changed unless approved by the Executive

Mayor.

17.3.5 Standing Committee Reviews

Each standing committee will be required to review the performance of their respective directorates against the service scorecard, at least quarterly.

17.3.6 Executive Mayoral Committee Reviews

On quarterly basis, the Executive Mayoral Committee should review municipal performance against the SDBIP scorecards and the strategic scorecard, as reported by the Municipal Manager,

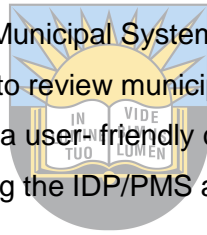
The review should also focus on reviewing the systematic compliance to the performance management system, by directorates, standing committees and the Municipal Manager.

17.3.7 Council Reviews

The Council is required to review municipal performance on quarterly basis. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

17.3.8 Public Reviews

The Local Government: Municipal Systems Act No. 32 of 2000 requires the public to be given the opportunity to review municipal performance. In addition to the annual report mentioned above, a user-friendly community's report should be produced for public consumption during the IDP/PMS and Budget Representative Forum meetings and roadshows.



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The communities' report should be a simple, easily readable document that translates the strategic scorecard for public consumption.

Various forms of communication platforms including electronic and print media can be used to convey the performance of municipality to communities. The public should be invited to submit comment via social media, walk —ins, telephone, fax, email and public hearings to be held in a variety of locations,

18. Reporting to other spheres and agencies of government

Reporting Structure	Reviewing Structure	Report	When?
DIVISIONS [Divisional]	Directorates	SDBIP Scorecard	Monthly
DIRECTORATES	Executive Management	SDBIP Scorecard	Quarterly
EXECUTIVE MANAGEMENT TEAM	IDP, PMS & Budget Technical Steering Committee	Strategic Scorecard	Quarterly
IDP, PMS & BUDGET TECHNICAL STEERING COMMITTEE [Municipal Manager]	IDP, PMS & Budget Steering Committee	Strategic Scorecard	Quarterly
IDP, PMS & BUDGET STEERING COMMITTEE [Executive Mayor]	IDP, PMS & Budget Representative Forum [public]	Citizens' Report MFMA Sec 72 Reports	Half-Yearly
Council [Executive Mayor]	Province / Auditor	Annual Report	Annually

Perform

Network


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MFMA Sec 72 Reports Annual Report University of Fort Hare
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19. Monitor Evaluate And Review

20. Role of Stakeholders

Stakeholders	Performance Planning	Performance Reporting & Reviews
Community Structures and IDP Forum	<ul style="list-style-type: none"> • Be consulted on needs • Contribute to the develop of long term vision for the municipality • Influence the identification of priorities • Influence the choice of indicators and setting of targets 	<ul style="list-style-type: none"> • Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision. • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 	<ul style="list-style-type: none"> • Review municipal performance biannually
Portfolio (S79) Committees (Standing Committees)	<ul style="list-style-type: none"> • Monitor the preparation of SDBIP scorecards 	<ul style="list-style-type: none"> • Receive reports from service managers • Review monthly <p>SDBIP scorecards</p> <ul style="list-style-type: none"> • Report to Executive • Mayoral committee • Adopt corrective actions where necessary and recommend to <p>Executive</p> <p>Mayoral committee</p>



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Stakeholders	Performance Planning	Performance Reporting & Reviews
Executive Mayoral Committee	<ul style="list-style-type: none"> • Play the leading role in giving strategic direction and developing strategies and policies for the municipality • Monitor the development of an IDP • Recommend to Council for approval of strategic scorecard 	<ul style="list-style-type: none"> • Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the cause or reasons were and to adopt response strategies
Executive Management Team	<p>Assist the Executive Mayoral Committee in</p> <ul style="list-style-type: none"> • providing strategic direction and developing strategies and policies for the municipality • Manage the development of the IDP • Ensure that the plan is integrated • Identify and propose indicators and targets • Develop draft SDBIPs & Budget 	<ul style="list-style-type: none"> • Conduct quarterly reviews of performance • Ensure that performance reviews at the political level are organised • Ensure the availability of information • Report and propose response strategies to the Executive Committee
PMS Technical Steering Committee	<ul style="list-style-type: none"> • Develop service plans for integration with other sectors within the strategy of the organisation 	<ul style="list-style-type: none"> • Conduct reviews of service performance against plan before other reviews
Stakeholders	Performance Planning	Performance Reporting & Reviews
Internal Audit	Review draft SDBIP before approval	Produce quarterly audit reports for MM and Audit committee

<p>Audit Committee / Performance</p> <p>Audit Committee</p>		<ul style="list-style-type: none"> • Review internal audit reports • Assess system and indicators • Provide audit report twice annually to council
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20.1 Auditor General and MEC

Annual report is audited by the Auditor General, tabled to the Council for approval and submitted to MEC CoGTA. The Municipal Manager must submit council resolution to the Auditor-General and the MEC for CoGTA.

Critical dates and Timelines

The municipality will work with partners and other spheres of government towards an annual cycle of municipal performance management with agreed critical dates and timelines for the following activities:

CRITICAL DATES AND TIMELINES

Activity	Reporting Structure	Reviewing Structure	Submission Date	Where	When
Development and review of Integrated Development Plan with Organizational Scorecard (Strategic Scorecard)	Directorates	Strategic Management  University of Fort Hare <i>Together in Excellence</i>	A month before the start of the financial year	Council	Annually
Development of SDBIP Scorecards by all directorates	Directorates	Internal Audit, Executive Mayor,	Within 14 days after approval of the SDBIP	CoGTA. Provincial Treasury, National Treasury and Auditor General	July and January
Conclusion of Performance	Strategic Management	S54A and S56 Managers	31 July	Council CoGTA	Annually

Agreements	Directorate				
Accountability Agreements and Performance Promises	, All employees below S56 Managers	Directors, Managers and Supervisors	Last day of the month	Corporate Services (Individual Performance Management Office)	Monthly
Monthly performance reports	Directorates	Executive Management Committee	5 of the following month	Municipal Manager's Office	Monthly
Monthly performance reports	Divisions	Directorate meetings	As scheduled in the institutional calendar	Director's Offices	Monthly
Quarterly performance reports	Directorates	IDP/PMS and Budget Technical Steering Committee	7 the of next month after the end of each Quarter	Strategic Management Directorate	Quarterly

Activity	Reporting Structure	Reviewing Structure	Submission Date	Where	Men
		IDP/PMS and Budget Steering Committee			
Mid-term performance reports	Directorates	IDP/PMS and Budget Technical	7 of January	Strategic Management	Mid-year
Mid-term performance reports	Directorates	Executive Mayoral Committee Council	25 January	Strategic Planning Session	Mid-year
Consolidated Directorates Quarterly performance reports Quarterly Performance analysis report	Strategic Management Directorate	Internal Audit unit Audit Committee  University of Fort Hare <i>Together in Excellence</i>	14 of the next month after the end of the Quarter	Municipal Manager's Office Internal Audit Unit	Quarterly
Annual Performance reports	Directorates	IDP/PMS and Budget Technical Steering Committee IDP/PMS and Budget Steering Committee Council	7 July	Strategic Management Directorate	Annually

Consolidated Directorates Annual performance reports Annual Performance analysis report	Strategic Management Directorate	IDP/PMS and Budget Technical Steering Committee IDP/PMS and Budget Steering Committee Council	14 July	Municipal Manager's Office Internal Audit Unit	Annually
Development of Annual Report	Strategic Management Directorate	Audit Committee Council	31 August	Council	Annually



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Activity	Reporting Structure	Reviewing Structure	Submission Date	Where	When
(Section 127 report)		Auditor General			

20.1.1 **Auditing and Quality Control**

All auditing will comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001) Auditing of performance reports will be conducted by the internal audit structure prior to submission to the municipality's external audit committee and auditor-general,

20.1.2 **Quality Control and Coordination**

The office of the Municipal Manager will be required on an ongoing basis to coordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the

Reliability of reported information, where possible.

20.1.3 **Performance Investigations**

The Audit Committee will be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the respective committee.

20.1.4 **Internal Audit**

The municipality's internal audit function will be continuously involved in auditing the performance reports of SDBIP's and the strategic scorecard As required by the regulations they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Audit Committee The capacity of the internal audit unit will need to be improved beyond the auditing of financial information Auditing is necessary to prevent:

- Inconsistencies in performance management definition or methodology of data collection;
- Incorrect processing and poor documentation of performance management;
- Biased information collection and reporting by those whose image is at stake in the performance management process.

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's performance management system;
- The compliance of the system with the legislator and
- The extent to which performance measurements are reliable in measuring performance of the municipality

20.1.5 **Audit Committee**



The operation of the audit committee will be governed by section 14 (2-3) of the regulations.

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As per the regulations, the performance audit committee will review the quarterly reports submitted to it by the internal audit unit • review the municipality's performance management system and make recommendations in this regard to the Council of that municipality • assess whether the performance indicators are sufficient at least twice during a financial year submit an audit report to the municipal Council.

The audit committee of the municipality is also responsible for performance auditing and the following are the terms of reference:

- The audit committee will be tasked with assessing the reliability of information reported

Communicate directly with the Council, Municipal Manager or the internal; and external auditors of the municipality; • access any municipal records containing information that is needed to perform its duties or exercise its powers; • request any

relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and

- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.
- To advise Council on the functionality of the performance management System,
- To advise Council whether the PMS complies with the Municipal Systems Act
- To advise Council on the extent to which the municipality's performance measures are reliable in measuring performance
- To review the performance management system and make recommendations in this regard to Council.
- To assess whether the performance indicators are sufficient;
- To determine possible reasons for discrepancies between performance and targets

20.1.6 **Employment contract**

The Local Government: Municipal Systems Act No. 32 of 2000, section 57(1) (a), provides that there must be a written employment contract between the municipality, the municipal manager and managers directly accountable to municipal manager. (hence the reference, to managers employed in terms of these contracts, as Section 54 A and Section 56 Managers).

Applicable legislation

The regulations (see sub-regulation 4(1)) provide that the employment contract must be subject to the terms and conditions of the Systems Act, the MFMA, and other applicable legislation. In the event that the employment contract does not refer to the applicability of other legislation, that omission not affect the legal validity of the employment contract. The employment contract will, in any event, be subordinate to any legislation even in the case where the parties themselves are unaware of such legislation.

Validity of employment contract

The regulations (see sub-regulation 4(4)(a)) further provide that employment in terms of an employment contract must be subject to the signing of a separate performance agreement within 90 calendar days after assumption of duty and annually within one month after the commencement of the financial year. The

question arises whether the validity of the employment contract will be affected in the absence of a performance agreement as per the dictates of the regulation. It is important to bear in mind that both the employment contract and the performance agreement are entered into separately by the parties. In the event that the performance agreement has not been entered into after the expiration of the time limit, it amounts to a breach of the employment conditions and the party responsible for such breach must be put on terms. It is important to emphasize that the failure to enter into a performance agreement does not automatically render the employment contract invalid. The party responsible for this breach must be given an opportunity to remedy the breach. Failure by the party responsible for the breach to remedy the breach may result in the other party initiating a contract termination process if it so feels.

20.1.7 Performance agreement

The performance agreement (see sub regulation 8(2) read with sub-regulation 23) provides the basis upon which the municipality will reward good performance on the part of the employee. Performance Agreements form the basis upon which the performance of Section 56 staff are measured and monitored against targets. The performance agreement is put in place to comply with the provisions of Section 57 (1 (4A),(4BO and (5) of the Municipal Systems Act as well as the employment contract entered into between the parties. This agreement must be entered into for each financial year and be reviewed annually in June.

According to the Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), the performance agreements fulfill the following key purposes:

- Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- Monitor and measure performance against set targeted outputs; ◦ use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job and in the event of outstanding performance, to appropriately reward the employee;
- Give effect to the employees commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

20.1.8 **Retrospectively**

The question arises whether it would be possible to enter into a performance agreement retrospectively even after the end of the financial year. The language of the MSA (see section 57(2)) is peremptory in this regard. It provides that a "performance agreement must be concluded with a reasonable time after a person has been appointed" (own emphasis). The regulation provides that the performance agreement must be signed within 90 calendar days after assumption of duty. The municipal Council does not have the authority to change these prescripts. The absence of a performance agreement at the end of a financial year will fatally affect the ability of the municipality to pay a performance bonus to the affected employee.

20.1.9 **Legal validity after 90 days**

A further issue which may arise is the legal validity of a performance agreement that is concluded after the period of 90 days has lapsed. In this regard, it is instructive to consider that the regulation provides that employment is subject to the compliance with sub-regulation 24(1). It would appear that one would still be able to enter into a valid performance agreement after the 90 day period provided that there is consensus between the parties that the employment contract is still in force. Thus, where the performance agreement is entered into after the expiry of the 90 day limit, the agreement can still be entered into for part of that financial year (see sub-regulation 24(1)).

It is understood that a performance agreement comprises a performance plan and a personal development plan.

20.1.10 **Performance Plan**

The performance plan establishes a detailed set of objectives and targets to be met by the Section 56 employee as well as well; as the time frames within which these should be met.

The specifics of the performance plan will be determined by the Executive Management Committee, in consultation with the employee, and will be based on the IDP, SDBIP and the Budget. **It shall include the following elements:**

- Key Objectives
- Key Performance

- o Indicators
- o Targets
- Weightings

In addition, the employee will be measured in terms of their contribution to the goals and strategic planning as set out in the Municipality's IDP.

Section 56 staff will be assessed against two components. weighted as follows:

20.1.11 Key Performance Area (KPA) which is weighted at 80%

The employee's assessment will in part be based on his/her performance in terms of outcomes/outputs (performance indicators) identified in the performance plan which are linked to the KPAs. This contributes to 80% of the overall assessment result. The weightings per KPA will be agreed upon between the Executive Committee and the employee. For Managers directly responsible to the Municipal Manager, the KPAs are those related to their key functional areas.

For the municipal manager this will be the organizational scorecard, not dealing with outcomes, representing the IDP. For managers reporting to the municipal manager, this component will be their SDBIP scorecards, without outcomes.

For all other staff that this system will be rolled out to, this component will need to be drawn up for them and align with their job description,

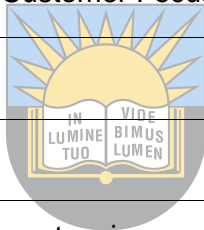
20.1.12 Core Competency Requirement (CCR) which is weighted at 20%

The CCRs which are deemed most critical to the employee's specific function will be selected from a list and agreed upon with the employer. with consideration for proficiency levels as agreed between the two parties, Weights will further be assigned to the CCRs selected.

This refers to a separate component dealing with competency and expected behaviour,

Table 1: Core Competency Requirements from Regulations (2006)

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	(Indicate choice)	Weight
Core Managerial Competencies		
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	compulsory	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	compulsory	
Client Orientation and Customer Focus	compulsory	
Communication		
Honesty and integrity		
Core Occupational Competencies		
Competence in Self Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualization, analysis and implementation		
Knowledge of more than one functional municipal field		



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Discipline		
Skills in Mediation		
Skills in Governance		



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While the regulations leave this requirement as optional, in Mnquma it will be regarded as compulsory

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	(Indicate choice)	Weight
Core Managerial Competencies		
Competence as required by other national line sector directorates		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage		100%

21. Personal Development Plan

As part of the performance agreement, a personal development plan will be included. This section should state the activities, including training, that the employee wishes to undertake to improve themselves or is required to take to better fulfill the needs of the job.

Evaluating performance

The Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006) stipulates in detail how the evaluation process should be undertaken.

21.1 Evaluators

For purposes of evaluating the annual performance of the municipal manager, The Executive Mayor must establish an evaluation panel constituted of the following persons:

- Executive Mayor
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the executive committee

- Executive Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Executive Mayor

For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, the Municipal Manager must establish an evaluation panel constituted of the following persons:

- Municipal Manager;
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the executive committee
- Municipal manager from another municipality.
- Members of the community

21.2 **Process & Scoring**

Performance will be reviewed on a quarterly basis within two weeks after completion of the evaluation of a unit (directorate or section) to which the employee belongs of managing. The employer will keep a record of the mid-year review and annual assessment meetings. The performance plan will include a Personal Development Plan, in order to address any weaknesses or skills gaps which may have been identified.

In summary, the annual performance appraisal will involve an assessment of results as outlined in the performance plan, discussed below.

21.3 **KPA assessment**

Each KPA will be assessed according to whether performance indicators have been met

An indicative rating on a 5-point scale will be provided for each KPA

The applicable assessment rating calculator will be used to add to the scores and calculate the final KPA score based on a weighted average score.

21.4 **CCR assessment**

Each CCR will be assessed according to performance indicators have been met

An indicative rating on a 5-point scale will be provided for each CCR

The rating is multiplied by the weighting given to each CCR, to provide a score

The applicable assessment rating calculator will be used to add to the scores and calculate the final CCR score, based on a weighted average score.

Table 2: Scoring suggested by the Regulations (2006)

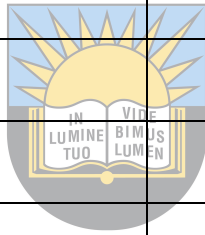
Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year,
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as
Level	Terminology	Description
		specified in the PA and Performance Plan
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.

1	Unacceptable performance	<p>Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and</p> <p>Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.</p>
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The combined KPA and CCR assessment scores, weighted 80% and 20% respectively will make up the overall assessment score.

The table below depicts the average percentage for the rating criteria

PERCENTAGE OF ACHIEVEMENT	SCORE
150 % and above	5
111-150 %	4
100-110%	3
50-99 %	2
0-49 %	1



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With regards to qualitative targets rating will depend on milestones that have been performed.

Table 3 HOD's performance measurement

Component	Weighting	Source
Score for directorate performance	I Overall directorate score	
CCR score of a section 56 manager	200/0	CCR appraisal result

Similarly in the case of the municipal manager there will also be two components as shown in the table below.

Table 4 Municipal Managers performance measurement

Component	Weighting	Source
Collective score for municipal performance	80%	Overall municipal scorecard score
CCR score of a section 54A manager	20%	CCR appraisal result

21.5 Dispute resolution

Any disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or Salary increment in the agreement, must be mediated by — FIGURE 1:

- (a) in the case of the municipal manager, the MEC for local government in the province within thirty (30) days of C receipt of a formal dispute from the employee, or any other person designated by the MEC; and
- (b) In the case of managers directly accountable to the municipal manager, the executive Mayor or Executive Mayor within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

Any disputes about the outcome of the employee's performance evaluation, must be mediated by — (c) In the case of the municipal manager, the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC; and

- (d) In the case of managers directly accountable to the municipal manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

Responding to Good Employee Performance

21.6 Bonuses

A performance bonus, based on affordability may be paid to the employees, after

- (a) the annual report for the financial year under review has been tabled and adopted by the municipal council
- (b) an evaluation of performance in accordance with the provisions of the Regulation

- (c) approval of such evaluation by the municipal Council as a reward for a level of performance deserving of a performance bonus in terms of the bonus criteria

21.7 Performance Bonus criteria

The regulations provide that a performance bonus between 5% and 14% of the inclusive annual remuneration package may be paid to the employee after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the Municipal Council, as a reward for a level of performance deserving of a bonus in terms of the bonus criteria. In determining the bonus payment, the regulations specify that the relevant percentage depends on the overall rating, calculated by using the applicable assessment rating calculator:

A score of 130% - 149% is awarded a performance bonus ranging between 5% - 9%.

A score of 150% and above is awarded a performance bonus ranging 10% - 14%.

The table below depicts average scores and percentage of bonus to be paid.

SCORES	BONUS PERCENTAGE
130 - 135	6%
136 - 140	7%
141 - 145	8%
146 - 150	9%
151 - 155	10%
156 - 160	11%
161 - 165	12%
166 - 170	13%
171 and above	14%

21.8

Responding to Organizational Performance

This outlines how the municipality may reward good organizational performance and address poor organizational performance,

21.9 Good or Exceptional Organizational Performance

There will be an Executive Mayoral Award for excellent performance that can take the form of rotating trophies or plaques for the best performing service delivery and support directorates annually.

21.9.1 Poor Performance

Poorly performing directorates will be required to provide an explanation and analysis of poor performance. If this is insufficient an investigation will be conducted to deepen the understanding of the underlying problems, whether they are policy-related. Systemic, structural or attributed to the poor performance of individuals.

This section does not deal with employee performance and rewarding good performance and addressing poor employee performance.

21.9.2 Addressing Poor Employee Performance

Section 56 managers

The municipality will base its actions against a poorly performing Section 56 manager on the midyear and annual performance review processes. Having set performance targets in the form of a performance agreement at the beginning of the year and reviewed progress in September as per the Regulations, during the midyear review if a manager achieves a score of less than 60%, an appropriately designated person within the municipality will, together with the managers concerned, develop a Remedial and Developmental Support plan within 30 days of the midyear performance review to assist the employee to improve his/her performance. The design of the plan will be such that there should be performance improvement within 6 months of its implementation. The plan will clearly specify the responsibilities of the employer as well as the responsibilities of the employee with regard to its implementation. If after 6 months, during the end-year performance review, the manager concerned still achieves a score of less than 60% and the municipality has evidence or proof that it met its responsibilities in terms of implementing the remedial and developmental support plan, the municipality will consider steps to terminate the contract of the employee on the grounds of poor performance or operational incapacity.



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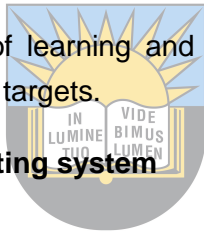
22. Individual Performance

Individual performance is stipulated in the Local Government Municipal Systems Act No. 32 of 2000, Chapter 6, states that municipality is required to establish a performance management system, Individual performance caters for employees below section 54A and 56 Managers.

The Benefits of Individual Performance are to:

- Ensure alignment of individual goals and objectives with that of the organisation and to coordinate efforts in order to achieve those goals.
- Understand what is expected from the incumbents, by when it is expected and to what standard is expected.
- Understand the incumbents key areas of accountability.
- Determine whether or not performance objectives are being met.
- Make qualified decisions within the incumbent's level of competencies
- Avail the incumbents of learning and development opportunities to competently meet their performance targets.

23. Responsibilities for implementing system



The Municipal Manager, as head of the administration (see section 55 Municipal Systems Act No, 32 of 2000 or MSA) or as accounting officer (see section 60 Municipal Finance Management Act or MFMA) is responsible and accountable for the formation and development of an accountable administration operating in accordance with the municipality's performance management system.

24. Individual Employee Performance

Each directorate will ensure that all employees in the directorates have performance agreements in the form of a performance accountability agreement (AA) [Task Grade 8 - 20] and a performance promise agreement (PP) [Task Grade 1 7].

At the end of the week, with respect to the PPB there must be a review of performance by the immediate supervisor of the individual employee to determine whether the set targets have been met and to set target for the following week.

At the end of the month, with respect to the AA, there must be a review of performance by the immediate supervisor of the individual employee to determine whether the set targets have been met and to set targets for the following month.

At the end of each month and each quarter respectively, the immediate supervisor of the individual employee will review the PP and AA to determine whether the set targets have been met for the entire month in the case of a PP and quarter in the case of an AA

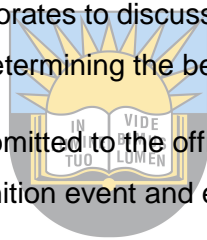
The prevailing circumstances for non- achievement of the set targets will also be looked at and every effort will be made to ensure that these are addressed for effective performance.

Each directorate open an individual employee file for purposes of performance management and at the end of each month and each quarter the reviews will be filed for each individual employee in each directorate.

At the end of each year, each directorate will conduct annual reviews using performance review guidelines and the performance review form to determine performance of individual employees.

Directorates will hold meetings of directorates to discuss the overall performance of all employees in that directorate for the purposes of determining the best performing employees.

The results of the directorate will be submitted to the office of the Municipal Manager for purposes of preparing for the performance recognition event and endorsement



25. **Performance Reward** University of Fort Hare
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A reward that has been agreed through the performance management programme, or as part of an employment contract, for meeting a specified productivity target. Performance rewards can be an incremental progression, the bestowed of a special award, a level of cash payment in the form of a bonus, improved access to professional development, or some other form of reward provided to an employee in recognition of, exceptional or outstanding performance outcomes.

26. **Issues related to the implementation of performance regulations**

The performance regulations, as published in Government Gazette No 29089 on 1 August 2006 seek to set out how the performance of section 56 managers will be uniformly directed, monitored and improved, In the implementation of the regulations, a number of issues may arise that may have an effect on whether an employment contract or a performance agreement has been validly entered into.

This section deals with who bears the responsibility to implement the performance management system, the ipso facto (automatic) applicability of national legislation on an employment contract, the effect of a non-existing performance agreement on an employment contract, the legality of a "retrospective" performance agreement, and the legal effect of missing the 90 day deadline.

27. Addressing poor performance

Each Directorate must manage below —standard performance by ensuring that an employee whose performance is not satisfactory undergoes training, coaching, motivation and concerting processes.

It must be emphasized that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where there is a conscious buy-in to incremental improvement of the way the system works in order to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

28. POLICY REVIEWAL



In terms of section 17 (1) (e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled for approval as part of the budget process.

29. APPROVAL OF POLICY

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This policy was adopted by Council on the as per resolution number.....

AUTHENTICATION

.....
S. MAHLASELA
MUNICIPAL MANAGER

.....
S. NCETZO
EXECUTIVE MAYOR

Strategic Scorecard Template	Appendix 1
SDBIP Template	Appendix 2
Divisional Scorecard Template	Appendix 3
Templates for Accountability Agreement, Performance Promise & Performance Agreement	Appendix 4
Monthly Reporting Template for Section 56 Managers	Appendix 5
Quarterly Reporting Template for Section 56 Managers	Appendix 6
Monthly Reporting Template for Middle Managers	Appendix 7
Monthly Reporting Template for Section Heads/Officers/Coordinators	Appendix 8



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