#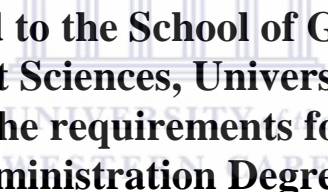 A critical analysis of the implementation of Performance Management System in the local government, with specific reference to O. R. Tambo District Municipality

By:

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(2622187)

A Mini-Thesis submitted to the School of Government, Faculty of Economics & Management Sciences, University of the Western Cape, in partial fulfillment of the requirements for the Master of Public Administration Degree

Supervisor:

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University of the Western Cape

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Key concepts

- Performance
- Management
- Local government
- Municipality
- Public servants
- Public officials
- Government
- Participation
- Accountability
- Implementation

LIST OF ACRONYMS

CSS - Central Statistics Service

CBO - Community Based Organization

COGTA - Co-operative Governance and Traditional Affairs

DPLG - Department of Provincial and Local Government

DLG - Developmental Local Government

DCF - District Communicators Forum

EFQM - European Foundation for Quality Model-

HDI - Household Development Index

IDASA - Institute for Democracy in South Africa

IDP - Integrated Development Plan

KPIs - Key Performance Indicators

LED - Local Economic Development

LGDA- Local Government Developmental Agenda

MM - Municipal Manager

MPI- Municipal Productivity Index

NGO - Non-governmental Organization

NORTDA - Ntinga O.R. Tambo Development Agency

ORTDM - Oliver Reginald Tambo District Municipality

PMS - Performance Management System

PSC - Public Service Commission

PSEM - Public Service Excellence Model

USA - United States of America

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WESTERN CAPE

Abstract

The provision of quality services is important for the overall welfare of South Africans. However, the Apartheid legacy appears to have long lasting effects on the provision of quality services at local level, with a range of undesirable effects, especially for ordinary people at grassroots level. Nevertheless, this concern has been made possible the legacy of apartheid, which makes it practically impossible to address the immediate needs of ordinary South Africans.

For over a decade, South African local government has been condemned for poor service delivery, which is as a result of inefficiency, unproductiveness and incompetency of the public servants. These factors have hindered the prospect of delivering quality services at the most efficient and effective level, hence the introduction of a long- term plan by the South African government to improve the productiveness of the local government, and this plan is known as Performance Management System (PMS).

The introduction of performance management system is critical because it ensures that plans are being implemented, that they are having the desired development impact and that resources are being used efficiently.

This thesis critically analyzes the implementation processes of Performance Management System at O.R. Tambo District Municipality. Its principal aims is to investigate the factors that hinder the effective implementation of performance management system at local government in South Africa, to assess the effectiveness of PMS at ORTDM, to identify and explore different theories on performance management system. This thesis also seeks to be a guide to effective public policy implementation and provide recommendation and clear analysis of the municipal activities which can help improve the current state of affairs at O.R Tambo District Municipality.

This thesis therefore looks at the challenges that are faced by the Section 57 employees (i.e. Municipal manager, directors and assistant directors) in the implementation of Performance Management System within the O.R. Tambo District Municipality.

It uses qualitative research methods to assess patterns of PMS in ORTDM. This enquiry produces descriptive data, based on the written and spoken words of the interviewees. This method allows the researcher to see the world from participant's point of view.

This thesis begins by introducing the subject of Performance Management, giving the historical background of performance management, as well as the current state of O.R. Tambo District. The introduction of the topic is followed by a theoretical overview of the subject of performance management. This is followed by the research methodology used in this study. The findings are presented in the chapter following the research methodology chapter, giving a synopsis of what the interviewees disclosed during the interview process. The last chapter provides conclusions and recommendations on how do the municipality ensure that performance management is effectively implemented and it has desired outcomes.

CHAPTER ONE

1. The Problématique of Performance Management System: A South African reality

1.1. Introduction and background to the development of Performance Management System (PMS)

Provision of quality service to the paramount welfare of the public has become a problem in the South African public service. This has undesirable effects in the level of service delivery in local government. Nevertheless, this evolving concern has been made conceivable by the legacy of the past, which makes it practically impossible to redress and address the immediate needs of ordinary South Africans.

For over a decade, South African local government has been severely condemned for poor service delivery, which is as a result of inefficiency, unproductiveness and incompetency of the public servants and this is also due to the legacy of apartheid. These factors have hindered the prospect of delivering quality services at the most efficient and effective ratio, hence the introduction of a long-term plan by the South African government to improve the productiveness of the local government, and this plan is known as Performance Management system (PMS).

The introduction of performance management system is critical because it ensures that plans are being implemented, that they are having the desired development impact, and that resources are being used efficiently.

This thesis seeks to establish the extent to which the performance management is implemented at local government and determine the compliance of the local government with the performance management as stated in the white paper in order to improve service delivery. It focuses on the Performance Management System in the South African local government with specific emphasis on policy implementation with specific reference to O.R Tambo District Municipality (ORTDM).

The O.R. Tambo district is poorest district in the Eastern Cape in terms of all poverty measures. It has the lowest Human Development Index *(*HDI) (0.45) and the highest poverty gap (231 million) in the Eastern Cape. The number of people living in poverty is also high in this district (64.6%); unemployment is at 65, 5% and the literacy rate 42, 2%. (Department of Social Development, Eastern Cape).

Moreover, ORTDM is the worst performing district municipality in the country and it is the worst managed according to Municipal Productivity Index (MPI) (Municipal Data and Intelligence, 2012).

1

1.2. PROBLEM STATEMENT

"The house of a Mpumalanga councilor was vandalized on Monday during service delivery protests in Masoyi, south of Hazyview, Mpumalanga police said. The windows of councilor Morris Mazibane's home were broken during protests which began on Sunday afternoon, said Sergeant Gerald Sedibe. A woman was killed and 10 people were arrested on Sunday during the protests... The protesters were arrested that afternoon for public violence and destruction of property...

*Another service delivery protest, in Kwabokweni, 30km south of Masoyi, had dispersed by Monday afternoon, it began on Sunday evening" (*news24, pg. 8, January 2012).

"Three people have been wounded, 10 arrested, and two police vans damaged during a service delivery protest in Engcobo, Eastern Cape police say" (Daily times, pg. 12, November 2011,)..

Numerous causes for these protests are offered. The principal reason, it would appear, is unhappiness with the delivery of basic municipal services such as running water, electricity and toilets, especially in informal settlements and rural areas.

The signing of the new *Constitution of the Republic of South Africa*, 1996, molded local government as the focal conveyer of the government delivery structure and at the core of poverty eradication initiatives (Mogale, 2003). Further, together the 2000 and 2006 local government elections signaled a new era for the local sphere of government informed by the essentials of fast-tracking service delivery to local communities, enhancement of financial performance of municipalities, the strengthening of human resource capacity and broad consolidation of institutional capacity for municipalities in order to improve the state of service delivery in South Africa.

The White Paper (1998) on local government sets out a broad vision of developmental local government. This is essentially a vision that calls on municipalities to find means of confronting the legacy of underdevelopment and poverty in their local areas. The White Paper further recognized integrated development planning, performance management and community participation as crucial mechanisms to achieve this.

The performance of many municipalities across the country has so far clearly demonstrated massive deficiencies in as far the implementation of both their constitutional and legislative obligations are concerned. In support of the above argument, in a paper presented by the Institute for Democracy in South Africa (IDASA) to the portfolio committee on Co-operative Governance and Traditional Affairs (COGTA), they concluded that poor service delivery and governance remains a devastating task in most municipalities. Of key concern is the amount of corruption, institutional capacity limitations relating to applicable skills and staff, lack of transparency, dysfunctional of ward committees, lack of accountability by councilors and municipal officials, lack of public participation in issues of governance, failure to comply with municipal legislation and other by-laws, failure to prioritize community needs and IDP and budgeting processes not aligned, tensions between the political and administrative sections of the municipalities and fragile financial viability of the municipalities. These are factors affect the functioning of municipalities tremendously. As a result this has led to the protests and disgruntlements at local government level (IDASA, 2010)

The principal point of this research paper is to investigate the obstacles to the effective implementation of performance management at ORTDM as a device that endeavors to alleviate problems of performance that eventually handicap service delivery values and hinder the delivery of quality services to the South African citizens.
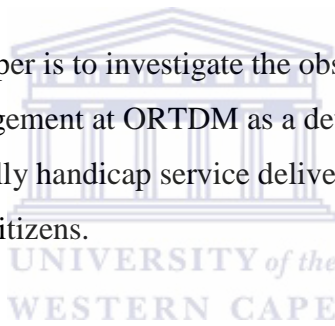
1.3. RESEARCH ASSUMPTIONS

This study is steered by the following hypothesis: that municipalities are inefficient, municipalities are ineffective and municipalities are unproductive. Secondly, the apartheid has left huge imbalances which have created underdevelopment in South African communities. In addition performance management system is not effectively implemented, if implemented at all. Furthermore, municipal officials resist change as a result of poor understanding and knowledge. Lastly, performance management system is an effective tool to improve service delivery when appropriately implemented.

1.4. RESEARCH OBJECTIVES

The main objectives of this research paper are:

- To investigate and establish factors that deters and hinders the effective implementation of performance management system at local government in South Africa.
- To determine the extent to which the municipalities (O.R Tambo District Municipality) comply with the performance management system as stated by Provincial and Local Government (DPLG, 2001) which specifies that the Performance Management System requires municipalities to identify priorities and objectives, set performance indicators, targets and development strategies.
- To assess the effectiveness of PMS at ORTDM.
- To identify and explore different theories on PMS.
- Lastly, this thesis desires to be a guide to effective public policy implementation and provide recommendation and clear analysis of the municipal activities which can help improve the current state of affairs at O.R Tambo District Municipality.

1.5. RESEARCH METHODOLOGY

This research is carried out through the use of qualitative research methods. It produces descriptive data which includes people's own written and spoken words. The qualitative research method allows the researcher to see the world from point of view of the participants. The main motive as to why this paper makes use of this kind of method is because, it entails discovering novel or unanticipated findings and the possibility of altering research plans in response to accidental discoveries and because qualitative research uses multiple methods that are interactive and humanistic. This paper has established hypothesis, but, that does by no means mean that, there is only one factual solution. Alterations will be made as a consequence of new verdicts (Babbie and Mouton, 2001).

According to Krueger (1994) qualitative research focuses on context, its developing rather than tightly predicted and is basically explanatory. The qualitative researcher views social phenomena holistically. He states that qualitative research is concerned with developing explanations of social phenomena. That is to say, it aims to help us to understand the world in which we live and why things are the way they are. Qualitative research method is most suitable for this paper, it enables

the researcher to actually observe and understand the living conditions of the O.R Tambo District. Rather than making invalid comparisons without considering differences in socio-economic conditions.

Bryman (1984) states that qualitative research is based on the notion that individuals construct social reality in the form of connotations and understandings, and that these constructions tend to be brief and situational. He further claims that qualitative research typically involves qualitative data, i.e. data obtained through methods such interviews, on-site observations, and focus groups that is in narrative rather than numerical form. Such data are analyzed by looking for themes and patterns. It involves reading, rereading, and exploring the data (Bryman, 1984). Hence, this research paper will review and scrutinize relevant literature on the PMS subject.

Research design and methodology used in this thesis will be discussed in details in chapter four.

1.6.   CHAPTER OUTLINE

- Chapter one introduces the background to performance management, the problems at local government and the objectives of this thesis.
- Chapter two of this thesis discusses theoretical overview of performance management and scrutinizing of the different views of various authors about PMS in order to gain better understanding of the subject. This chapter looks at the description of performance management, different models of PMS and comparative analysis of various countries.
- Chapter three: is a continuation of chapter 2, it looks at regulatory and legislative framework of PMS
- Chapter four: this chapter looks at research methodology and design. It discusses how the data is collected and analyzed, what methods of research will be used in an attempt to assess the implementation patterns of PMS at OR. Tambo district municipality.
- Chapter five: is a presentation of research results.
- Chapter six: is a discussion of the results, provision of experiential assessment, conclusions and recommendations.

CHAPTER TWO

2. Performance Management: Theoretical Perspective

2.1. INTRODUCTION

Government performance is vital to citizens and public servants in a similar way. Against the background of citizen expectations, governments have persistently been developing new ways to meet public objectives. They endeavor to improve their functioning, approaches and to turn their departments into high performance institutions (Van Der Waldt, 2004).

Performance management builds on a foundation of insights and knowledge about how organizations work and what common barriers to improvement they confront. In this chapter focus is placed on the conceptualization of various concepts related to performance and performance management and will give a more detailed theoretical perspective about performance management, give critique and detailed assessment.

2.2. PERFORMANCE: THE CONCEPT

Performance management is, of course, about performance. But what is meant by that word? It is important to clarify what it means, because if performance cannot be defined, it can't be measured or managed. Bates and Holton (1995) have pointed out that performance is a multi-dimensional concept, the measurement of which differs depending on a range of aspects. They also affirm that it is important to determine whether the measurement objective is to measure performance outcomes or behavior. Kane (1996) argues that performance is something that the person leaves behind and that exists apart the purpose. Bernadin *et al* (1995) are apprehensive that performance should be defined as the outcomes of work since they offer the strongest bond to the strategic goals of the organization, customer satisfaction and economic distribution. The Oxford English Dictionary outlines performance as the accomplishment, execution, carrying out, and working out anything ordered or undertaken. This denotes to outcomes but also means that performance is about doing the work as well as being about the results achieved. Performance could therefore be regarded as conduct and the way in which organizations and individuals get work done. However Campbell (1990) believes that performance is a behavior and it should be differentiated from outcomes because they can be tainted by system factors. A more complete view of performance is attained if it

is defined as embracing both behavior and outcomes. This is well put by Brumbrach (1998): performance means both behaviors and results. Behaviors come from performer and transform performance from idea to deed. Not just the tools for results, behaviors are also outcomes in their own right.

Talbot (2001) says that performance in its broadest logic has certainly continued to be a concern in government for as long as government has been around. In light of this statement and in the contextual of public sector, Kearney and Berman (1999) agrees with Bernadin *et al* (1995) they define performance as only managing public programmes for results. Managers use public resources and directives to ensure their policy programmes meet the public objectives and prospects. These authors regard performance as being similar to productivity. However, performance is wider than some narrow implications of productivity. A notable feature of public performance is that it is directed and evaluated by multiple, equally important standards of effectiveness, efficiency and integrity.

Performance is stated as being about to do the work, as well as about the outcomes realized as is the case with value, performance is a multi-dimensional concept, the measurement of which differs, subject on a diversity of factors that comprise it (Fitzgerald and Moon 1996).Fitzgerald and Moon (1996) state that, it is significant to determine whether the measurement of the organization is to evaluate performance outcomes or behavior. Therefore, an organization should differentiate between outcomes (results), behavior (the process) and suitable performance measurement device.

2.2.1. Eight dimensions of performance

Eight dimension of performance, according to Kearney and Berman (1999, 15-16) demonstrate multi-dimensional nature of performance.

They identify and discuss eight dimensions as follows:

i. Modification of perception and attitudes

Change of perception and attitudes is an effort to change emotions, beliefs, values and attitudes by increasing the information flow to people, a task accomplished by explaining policies, introducing staff meetings, keeping an open door and other such communication tools.

ii. Modification of the authority system

Alteration of the authority system is intended at increasing the openness of management and at refining authority relations, decision processes and communication systems. Attempt to

modify the formal chain of command, clarification of authority relations, delegation, and the development of policy teams, reassignment of supervisory responsibility are examples.

iii. Structural reorganization

Organizational reorganization is essentially a restructuring of system or structure. It means moving such things as a size of the unit, staffing procedures, physical arrangement and budgeting processes.

iv. The process of measurement and evaluation

The procedure of measurement and evaluation contains setting goals and objectives, measuring progress and evaluating results. It is reflected by the implementation of management, by objectives, management information system, and programme planning and budgeting.

v. Modification of work methods through technology

Modification of work methods through technology entails change in equipment, work methods, control systems, form and tracking devices and work processes. It is most often reflected by attempts at automation and might include computerized placement procedures, receipts posting case tracking and report processes.

vi. Retraining and replacement

Retraining and replacement are people changes. Personnel may be taught new skills as a result of refined duties, responsibility and job qualification.

vii. Modification of workflow

Modification of workflow involves rearrangement of units or jobs so that the path sequence of workflow is altered. Such changes often modify intergroup relationships.

viii. Introducing new programmes

Introducing new programme is the final means of change to improve performance; such innovations usually include new products and/or service.

The eight dimensions assist us to understand a great deal about the processes of improving organizational performance. They also demonstrate why there is some misunderstanding about the various definitions of performance. It depends on the dimension on which you are focusing. These dimensions may contradict one another declares Mwita (2000), however, he accepts a more broad view and states that performance is attained if it is clear as embracing three interrelated variables: behavior (processes), outputs (service or products), and outcomes (results). It is thus a unified,

organized method to advance organizational performance to attain organizational strategic aims and promotes its missions and values.

2.2.2. Factors affecting performance

Performance as defined above is affected by a number of factors, all of which should be taken into account when managing, measuring, modifying and rewarding performance in activities. Mwita (2000:13) discusses the following factors:

- Personal factors: these include the public manger's skill, confidence, motivation and commitment.
- Leadership factors: these are factors such as the quality of encouragement, guidance and support by public managers.
- Team factors: the quality of support provided by team members in a project or a programme.
- System factors: the system of processes, resources and facilities provided by the organization to project of programme.
- Situational factors: internal and external environmental pressures and changes on a policy programme.

2.3. PERFORMANCE MANAGEMENT

From the definitions of 'performance in above section, one can come to the conclusion that, when managing performance of individuals and teams, both inputs (behavior) and outputs (results) need to be considered. This is so-called mixed model of performance management, which covers competence and capability levels and achievements as objective-setting and review (Armstrong, 2000).Having learnt about the concept of 'performance' from different authors and philosophers, this paper will now look at 'performance' when integrated with the term management which is Performance Management.

2.3.1. Performance Management: defined

Performance management is an inclusive concept, because it does not only cover one kind of discipline. It covers a diversity of issues that relate to the measuring of individual and group performances and features of how individuals could be advanced.

According to Armstrong and Baron (1998), the definition of performance management is that it is a strategic and integrated approach of delivering sustained successes to the company by improving

individual and group performances and also developing the capabilities of teams and individuals. Performance management is about managing the organisation. It is a natural process of management, not a system or technique (Fowler, 1990).

Fowler (1990) further claims that performance management is an approach to management which connects the endeavours of individual managers and workers towards an organisation's strategic goals, it defines the goals and the outputs needed to achieve those goals, it gains commitment of individuals or team to achieve those outputs and it monitors outcomes. Sloman (1997) holds that performance management system can be greatly defined as a system through which individual behavior and performance are continuously monitored and evaluated with a twofold purpose of rewarding competencies, skill and experience; and directing individual behavior towards the achievement of organizational goals and objectives. Sloman (1997) sets out particular preconditions necessary for the successful management of performance.

- Firstly, that a vision of the objectives of the organization is communicated to the employees
- Secondly, that department and individual performance targets are set within wider organizational goals
- Thirdly, that the formal review of progress towards those targets is conducted
- Fourthly, that the whole process of performance management is evaluated to improve and enhance its effectiveness.
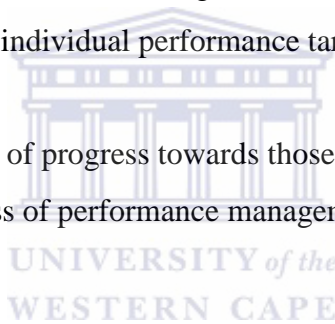
It is therefore necessary for organizations to reflect on whether these preconditions have been met. In the case of a public sector, the employer needs to ascertain whether the vision and mission has been clearly communicated to the public officials, that the departmental and individual performance targets are geared towards the realization of public service vision and mission, that regular process of review and feedback is conducted between line managers, supervisors and their staff and that obstacles to effective performance management are addressed (Sloman, 1997).

The performance institute describes performance management as a practice of actively using performance data to improve the public service. It is stated that this practice includes intentional use of performance measures and standards to produce performance targets and goals, to prioritize and allocate resources, to inform managers about anticipated changes in policy to meet goals, to structure reports on the accomplishment in meeting performance goals, and to enhance the quality of public service.

The figure below is retrieved from the performance institute website www.performanceweb.org
Accessed: January 2012

Figure 1. Performance Management Framework and Components

Source: www.performanceweb.org/ the performance institute Accessed: January 2012

The above figure is elucidated below:

- **Performance Standards** -development of organizational performance standards, targets and goals and appropriate indicators to advance public service
- **Performance Measurement**- application and use of performance indicators and measures
- **Reporting of Progress** - documentation and reporting of growth in meeting standards and targets and distribution of such information through feedback
- **Quality Improvement**- formation of a program to manage change and achieve quality improvement in public policies, programs or infrastructure based on performance standards, measurements and reports.

A Performance Management System is the continuous use of all the above practices so that they are incorporated into the organization's fundamental procedures. Performance management can be

carried out at numerous levels, including the program, organization, community, and state levels (Van Der Waldt, 2004).

Performance management is relatively a new requirement to the local government in South Africa. According to the department of Provincial and local government (DPLG), performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, constantly monitor and periodically review performance of organization in terms of indicators and targets for efficiency, effectiveness and impact.

According to Kanji and Mourae (2003) the new PMS calls for greater integration amongst measures and managerial systems, so that efforts are co-ordinated and related to critical areas. They go on further to say that the immediate role of performance management system is thus to check progress towards the established goals. The performance management requires a systematic assessment of the organization against a set of criteria that should respond to its critical success factors. However, designing and operating such a system is not without difficulties and proper investment. This is why it is important to identify the requirements of a good performance management system and concentrate on the measurements carefully (Kanji and Mourae, 2003).

Performance management according to Armstrong and Baron (1998) is a fairly imprecise term, and PMS manifests itself in many different forms. There is no one right way of managing performance: the approach must depend on the context of organization, its culture, structure and technology, the views of stakeholders and the type of people involved. According to Fletcher (1993) in Armstrong and Baron (1998) "the real concept of performance management is associated with an approach creating a shared vision of the purpose and aims of the organization, helping each employee understand to recognize their part in contributing to them, and in so doing, manage and enhance performance of both the individuals and the organization".

Literature on the topic of performance management proffers varying explanation for particular types of management . The other one that appears the utmost suitable for this study is that of Du Randt (2000) where he points out that performance management is the tool of transforming the mission of senior managers into actions that can be planned for, measured, modified and corrected. Performance management therefore has to focus on performance dimensions including:

- Mission – the effective achievement of constitutional intents, executives' aims and commitments and the agency's functions and purposes.
- Service – responsiveness and timeliness, accessibility and equity and courtesy to client groups and stakeholders.
- Economy/Efficiency – spending within approved budgets, accountability for use of public money and demonstrating value-for-money and productivity.

Du Randt (2000) further suggests that indicators should cover outcomes, incidence occurrence, service utilization, accurate benefit distribution, productivity, investment management, cost and revenue management, public satisfaction, accessibility and responsiveness. He further argues that performance management creates the link between stakeholder expectations (the law and legislature, suppliers, providers and consumers), senior managers' strategies (the organization's mission, priorities and values), specific staff enrolment objectives (operations, job descriptions) and performance measures for each individual, programme, or department.

From these various authors it is clear that performance management is aimed at accomplishing organisational objectives and that employees' performance is directed towards organisational objectives. It is also clear that the employee's direct supervisor or line manager plays a prominent role in the performance management practice by assisting the individual to understand the objectives, eliminating barriers to performance and by appraising performance. It is also evident that performance management is a path between two individuals, the line manager and the employee and the relationship that they establish among themselves which has an influence on the general organisational performance.

Performance management supports organizational goals by supporting the functions of each employee or line manager to the overall organisational goals. This is achieved by establishing individual goals and objectives that are connected directly to the company's strategic direction. An effective performance management process generally starts with recognizing clear goals, which are used as the foundation for on-going coaching and performance review.

2.3.2. Models of performance management system

The various models differ in terms of the aspects of performance, the priorities to be measured and managed. Most models also rely on clearly stated performance areas, objectives and indicators. Different models differ on how they organize these objectives and indicators in performance areas.

These models differ on what they see as key aspects of performance and can help the researcher make decisions that are right for the context of the mini-thesis.

I. The Balance Scorecard Model

Robert Kaplan and David Norton developed the balanced score cards in the 1990s in the United States of America (USA). Having begun as a performance management tool, the Balance scorecard was quickly being used as a multi-dimensional framework for managing strategy by linking objectives, initiatives, targets and measures across key corporate perspectives.

Kaplan and Norton (1996) noticed that financial measures being used to gauge performance in many organizations were not necessarily related to achieving strategic objectives. The scorecards sought to remedy this by providing a more balanced suite of performance measures across a number of key perspectives. Typically these look at customers, finances, internal processes and organizational learning. However, they can be adapted depending on what factors are considered important for the success of the particular organization

Figure 2: Balance Scorecard Model
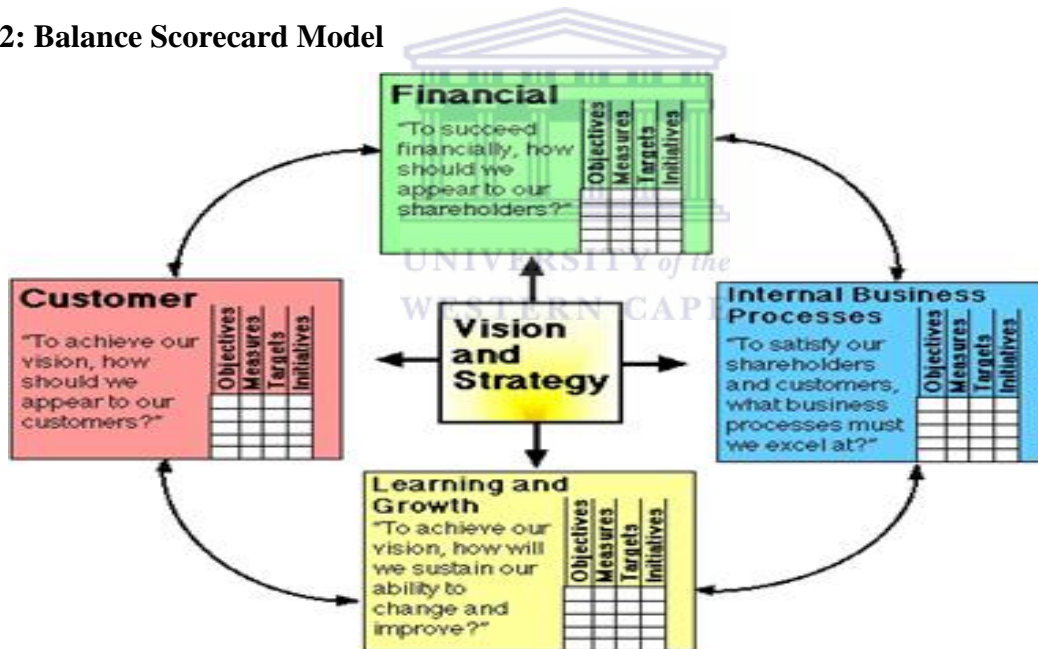
Source: Kaplan and Norton (1996)

II. European Foundation for Quality Model (EFQM)

The EFQM excellence model is a comprehensive organizational development and improvement framework used for assessing strengths and areas for improvement across the spectrum of organization activity (Hoekman and Kostecki, 2001).

Hoekman and Kostecki (2001) describe the EFQM model as a holistic organizational development and improvement framework that is generally adopted across the whole organization but can be used in similar business units. Very few South African Municipalities have adopted the EQFM model to frame their Performance Management System. This is mostly due to more complicated and detailed approach that this model demands from an organization. In addition this model does not link directly to individual performance and only focuses on the performance of the organization as a unit.

Figure 3: European Foundation for Quality Model
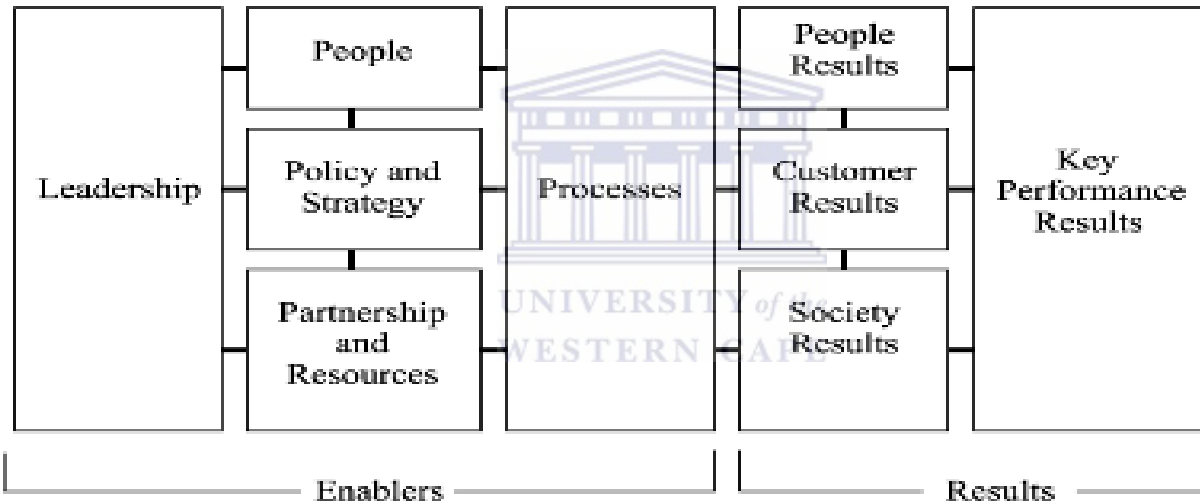
Source: (Hoekman and Kostecki, 2001).

The model consists of nine criteria and is divided into two parts i.e. Enablers and Results and 32 sub-criteria that detail the scope and application of the model. The criteria have a prescribed weighting. Enablers concentrate on how the organization is run and operated and Results concentrate on what is seen to be achieved, by all those who have an interest in the organization, and how achievement is measured and targeted. The relationships between the enabler criteria and the results criteria give the model its strength. The criteria can be used to assess an organization's progress towards achieving excellence (Hoekman and Kostecki, 2001).

III. Public Service Excellence Model (PSEM)

The PSEM is an organizational improvement framework comprising a comprehensive diagnostic tool for identifying strength and areas for improvement within an organization (IRCA Global, 2004). The Model was developed by Public Futures consultancy to build upon the EFQM model. It is similar to EFQM model in that it is based on a number of 'enablers' and 'results'. However, unlike the EFQM model, PSEM incorporates the assessment of larger programmes.

PSEM aims to give a comprehensive overview of organizational health, identifying strengths and areas for improvement, provide evidenced levels of achievement than can be used for year on year assessment and to assist in assessing the impact of change initiatives (IRCA Global, 2004)

Figure 4: Public Service Excellence Model
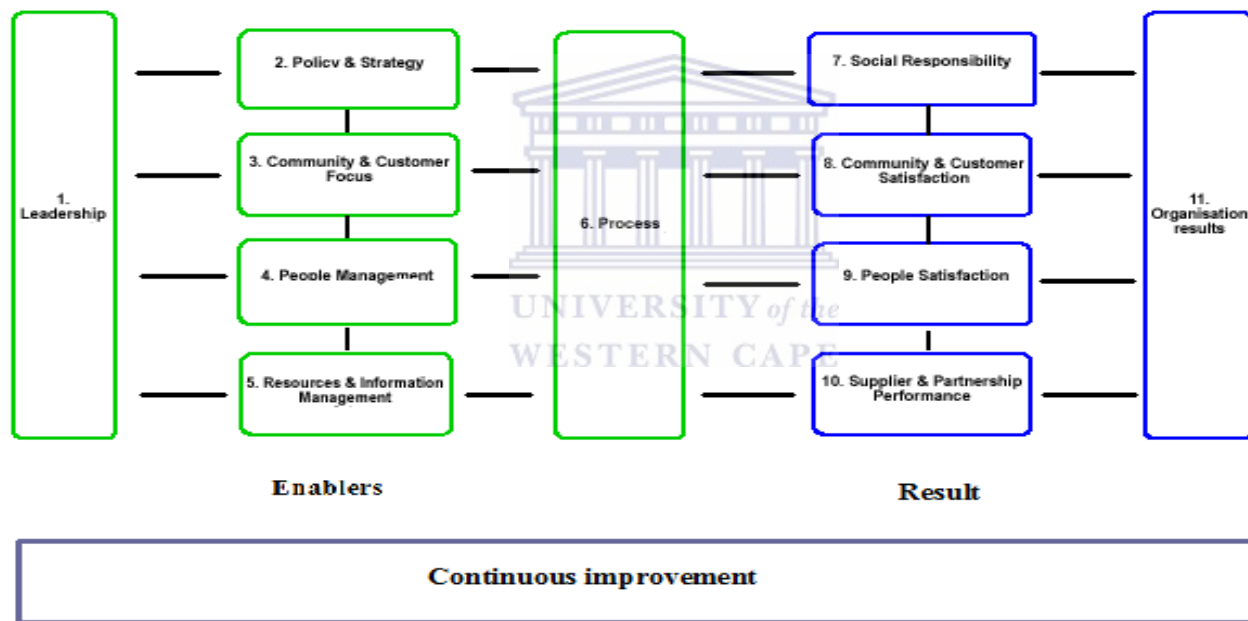
Source: IRCA Global, 2004

The PSEM model comprises 14 categories and 83 criteria that make it complicated and unwieldy for managers to relate and use as a part of daily activities. The importance of the model and supporting criteria is that local authority can now, without much external support and influence; undertake self-assessment based on the best-in-class governance benchmarks.

Not only will self-assessment provide the authority with a list of critical areas for improvement, but it will also provide a list of strengths on which the authority can build future strategic plans (IRCA Global, 2004).

IV. Best Value Model

Best value model is based on the recognition that there are different values used to assess the effectiveness of any result and that these values are often in tension with one another (Jupmet and Semeka, 2001). Best value models involves agreeing on the values that will be important for assessing how well the organization is doing and setting indicators for each indicator baseline situation.

Jupmet and Semeka (2001) state that best value models are not prescriptive and there is a choice of appropriate values and indicators. It facilitates involvement of communities and can be easily adapted to different context. They also believe that the model enables the task of balancing different values that are important in the public sector context and the strategic coherence of focus on agreed priority values between spheres of government.

Jupmet & Semeka (2001) specified that at the time during which their work was published there was no South African Municipality that have selected this model to frame their performance management system. They argue that this is due to the legislative framework for performance management system lending its self to a more specific and regulated approach to measurement of performance.
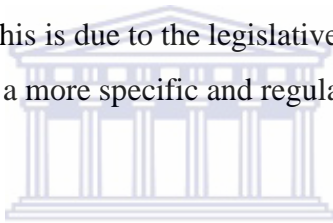
2.3.3. Essence of Performance Management

The principle of performance management is a shared process between managers and individuals or teams they manage. It is centered on the system of management rather than command, although this does not exclude the need to include high performance expectation in such contracts. Performance management is based on the agreement of objectives, knowledge, skill and competence requirements, performance improvement, and personal development plans. It involves the joint and continuing review of performance against these objectives, requirements and plans, agreement and implementation of improvement and further development plans (Armstrong, 2000).

According to Armstrong (2000) there importance of performance management cannot be overlooked. He notes that performance management is a means of attaining better results from a whole organization, or teams and individuals within it, by understanding and managing performance within an arranged outline of planned goals, standards and competence requirements. It is therefore a process for creating common understanding about what is to be achieved, and an approach to handling and developing people in a way that increases the chance that set targets will be achieved

in a short or longer term. As explained by Philpott and Sheppard (1992): the significant characteristic of performance management is to launch a culture in which individuals and groups take charge for constant upgrading of organization processes and for their skill and contribution. Esau (2009) argues that the implementation of PMS could be an ideal tool for satisfying both private and social motives if used correctly. She says that in interpreting Weber's classical approach to organization very little, if any, reference is made to the creative and innovative nature of an employee. Implicit in this, is the assignment of task according to the clear rules and regulations decided by those on the top of hierarchy.

She further utters that PMS are ideally designed to identify and reward initiatives and innovations. In this context public servants are enabled to work towards the private and social motives. On the one hand, the public servant is recognized and rewarded for good performance. On the other hand, the public servant is motivated to work towards and contribute to the social upliftment of society. The management of individual performance and subsequent allocation of rewards is, however, a relative fresh approach. The successful management of any PMS is dependent on enabling individuals to excel on their tasks and functions (Schultz, 2001).

This consequently places some obligation and responsibility on the employer. Bennett and Minty (1990), highlights three objectives of managing employee performance in the workplace. It allows an employer to identify areas of development and appropriate remuneration; it allows for the implementation of new strategies and it is a vehicle for culture change. In essence, performance management system allows for:

- Lifelong learning through continuous education and training
- The improvement of skills and competences
- The stimulation of problem-solving and decision-making skills
- The assessment of the value an employee contribution towards organizational goals and objectives
- An increased organizational productivity
- Closer interaction and consultation between employees and management with regard to organizational performance.

From what the authors have deduced above, one cannot doubt the importance of performance management, in a country like South Africa that has huge backlogs for service delivery and

hampered by lack of inefficiency and maladministration the necessity and importance of performance management cannot be ignored.

Moreover, performance management is based on approach that is aimed at overcoming negatives by emphasizing and establishing partnerships and relationships between managers and employees. It provides a framework in which managers can support their employees rather than delegate to them, and its impact on results is much more significant.

2.3.4. Advantages of successful Performance Management

According to fox and Uys (2001: 105-106) performance management provides organization with the following advantages.

- Top management: it enables top management to get on with their duties of establishing objectives for the organization whilst managing relationships with customers, politicians, regulatory bodies and stakeholder, and translating their requirements into objectives for the organization.
- Managers: it helps them to gain understanding of the organization's mission, to set targets and standards for their team and to delegate work, making it possible for them to focus on strategic planning and continuous improvement and development of their operations and work teams.
- Staff: performance management formulates clear targets and the freedom for the staff to work autonomously to achieve these targets, with the required level of support from their managers. And it also helps improve their self development.
- Support functions: objectives which come from centrally agreed business plan are more likely to give support functions an alternative reason for existence rather than the pursuit of their own specialized agenda.
- Customers: performance management enables organizations to deliver on its promises to the customers more consistently by converting customer needs into workable plans of action.
- Performance management clarifies strategy and makes it accessible.
- It transforms strategy into operations and vision into action.
- It clarifies roles and responsibilities.
- It improves accountability and participation.

It could be said that an effective Performance Management has multiple benefits for the organization, ultimately resulting in better, and more effective and efficient service delivery.

2.3.5. Difference between performance management and performance appraisal

It is critical that one distinguishes between performance appraisal and performance management as these two concepts are often confused.

- **Performance Management**

  As elucidated previously performance management is a method of producing a work environment in which employees are empowered to perform to the best of their abilities. According to this definition, performance management is observed as a continuous process, not a single event. Performance management is not an event, though it includes events such as performance appraisals.

- **Performance Appraisal**

  Performance appraisal is a classifying procedure where employees' performance is rated against predetermined standards. Detailed methods, such as rating scales and forced-comparisons are used for performance appraisal (Marr, 2006).Marr (2006) refer to performance appraisal as part of the performance management process. One can refer to it as an incident as it takes place irregularly.

2.4. Selected literature from diverse developing countries on the subject of Performance Management System

    a. Kenya

According to Ikiara&Ndung'u, (2006) the government of Kenya's performance management determinations is one of the exclusive methods in the world intended at improving service delivery in the public sector. They state that performance management in Kenya is still in its developmental stages. However, within its few years of existence, the system has registered mixed results. While, in some sectors, the system has contributed significantly to improved administrative and financial performance, in others, results are yet to be realized. Most ministries are displaying an ascending trend in their budgetary absorption with regard to development expenditures since 2005 while some state corporations are slowly beginning to realize their potential (Ikiara&Ndung'u, 2006).

On innovation, performance management has played an essential part in affirming organizations become innovative. "Public Universities, for example, have moved from being dependent on Government funding to identifying ways of generating internal revenues to finance their operations"(Ikiara&Ndung'u, 2006).

    b. Brazil

The implementation of performance management in Brazil, just like in South Africa, has confronted numerous challenges. Brazilian government is yet far from the requirements promoted by the performance management policy, which calls for more focus on results and improved decision-making authority, as previously implemented in countries such as Australia, New Zealand and the United Kingdom. The current system has a low focus on results and low managerial authority caused by administrative restrictions over human resources. Recently, initiatives at the state and local levels have attempted to address this issue (Ford &Zussman, 2008).

Ford &Zussman (2008) claim that the idea of performance management is not new to the government of Brazil and many reforms have taken place in this area since the 1960s, they say that on paper, performance management exist and necessitate good performance. Nevertheless, in actuality, and regardless of new developments, performance management plays an insignificant part in most people's careers and compensations.

Furthermore, Ford &Zussman (2008) also suggest that some requirements that would facilitate the appropriate functioning of the performance management tool, however, have not yet been met as a result of general difficulties. In addition to these general difficulties, performance management

policy and practices have not necessarily always been coordinated across public administrations and capacity for their implementation has sometimes been lacking.

c. India

Several methods of performance management are in trend in different countries. Unlike South Africa in India the performance management is primarily based on Annual Confidential Report written about each and every civil servant. Service-rating grading system and service-record rating system have also been recently introduced (Sharan, 1998). However, there are several factors which affect performance management system in India. The Administrative Reforms Commission made several important recommendations to improve the system of performance management. Many of those recommendations have been accepted by the government alluded Sharan (1998). Furthermore, the unit has discussed all these aspects, yet performance management has not become perfect and objective. Many reforms are still necessary to improve the performance management system in India. The existing system of performance management in India consists of an annual report given by the superior about the subordinate regarding his work, achievements, ability, integrity and personality. A printed form carries different types of questions, which is filled by the superior. There are many drawbacks in the present system of performance management (Sharan, 1998).

d. Botswana

Also very similar to the South African context, Ayeni (2002) points out, that, there are two major challenges preventing the implementation of PMS in Botswana. Firstly, he identifies knowledge or information gaps as one of the key challenges experienced amongst public servants, consultants and those who were to coordinate PMS activities in ministries and independent departments. Employees at the lower level have slight or no information about PMS.

Many of the personnel in charge of managing PMS have no formal project management training, and this acts as prevention to attaining set goals and objectives argues Ayeni (2002). They are all in a learning curve and swimming in a pool of confusion, just like the rest of the public service, he adds.

The second challenge that is discussed by Ayeni (2002) is referred to as system-wide commitment; he denotes that it is challenging to obtain a system-wide commitment both at the level of top management and at lower levels of the public service. By design, top management are seen to be detached from PMS process as many of the PMS principles of planning, measurement and appraisal are not functional at the top levels of the public service. Individuals across the pyramid of the public

service see PMS as supplementary work rather than as share of their jobs and this leads to lack of commitment.

Ayeni (2002) closes by maintaining that this is worsened by the point that PMS has no relation to individual pay or reward. Little has been prepared to transform PMS to individual goal setting, appraisals and reward because of resistance from both managers and low-level officers in the public service. Since they were used to doing things in the same manner for a long time, officers could not easily adapt to the idea of being told to change, especially those at senior levels. This has led to PMS moving at different places across the various ministries.

2.5. Conclusion

It is therefore, apparent that there is distinction between performance appraisal and performance management. Performance appraisal plays a huge part in the performance management process as it is where the real employee performance is recognized and appreciated. In a nutshell, the difference between performance management and performance appraisal is that performance management is an ongoing activity between the manager and the employee aimed at improving the performance of the employee, while performance appraisal is an event whereby the performance of the employee is properly appraised.

This chapter has highlighted to the reader that, more often than not, the Performance Management will guarantee high levels of job satisfaction for staff members, as they identify precisely what is anticipated of them and can therefore focus their concentration on achieving that set goals and objectives. With supervisors being available to render assistance when needed, staff members can always call on them for extra support in helping members to perform well. The lack of management skills and expertise frequently makes it not feasible for developing countries to establish multifaceted structures such as complicated performance management systems. They, as a result, focus more on bringing in and copying instruments and systems from the western world which are not always the best suited to local state of affairs.

This elevates the question whether western methods such as performance management are appropriate for developing countries. One cannot dispute that in theory assuming management methods which have proven to be effective is a better choice for an organization than investing limited and sparse resources in efforts which do not amount to anything.

Furthermore, the poor management methods, bureaucratic inefficiencies, and low productivity levels in many organizations of developing countries make extensive anxiety for managers to adopt speedy and ready to implement strategies which are not necessarily beneficial for a developing country (De Waal, Radnor& Akhmetova 2004).

CHAPTER THREE

3. Service delivery as a mirror reflecting Performance Management System

3.1. INTRODUCTION

Chapter 2 indicated different theories on performance management; however they don't seem to be reflected in the South African local government. In South Africa, the urge for concern for service delivery improvement stems straight from the accomplishment of democracy and the promises made by the newly elected government of a better life for all, especially the most historically disadvantaged sectors of society. Local government is appropriately distinct as a sphere of government located within communities and well-placed to appropriately respond to local needs, interests and expectations of communities.

Local government is at the bottom of public service delivery, local government is often the main point of contact between citizens and government institutions. Hence, it is often said that local government is government closest to the people.

Local government could be defined as public organizations accredited to manage and govern the affairs of a specified area of jurisdiction. It is also significant to note that local government refers to a sphere of government, and not an individual municipality (Roux, 2005).

Being the government nearby to the citizens, it is to be anticipated that a central role of municipalities is the rendering of elementary services to the community within its jurisdiction (Roux, 2005).

It is clear that the local sphere of government is presently confronted with serious encounters and difficulties relating to effective and sustainable delivery of basic services; administrative capacity and institutional performance to drive service delivery and effective implementation of government policies and programme. Yet, the efficiency of local government should be realized through implementation of appropriate and complete policies.

3.2. South African Performance Management Statutory, Policy and Regulatory Framework

Moodley (2001) proclaims that, South African local government under apartheid, like much of the rest of the public sector and local government elsewhere, matched what is called the traditional

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public sector model. Moodley (2003) cites Paine (1999) when she says that this was excessively hierarchical, rule-bound and built around centralized authority, where very little occurred outside standardized procedures and regulations. This has made local government clumsy, inefficient and ineffective.

To make matters worse, South African local government does not have a past of representing or servicing the needs of the majority of its people. At the period of South Africa's first democratic local government elections, the duty of renewing local government was, and still remains, a huge challenge. In an effort to tackle this challenge, the newly up to date post-apartheid deliberated the notion of developmental local government in the first white paper on local government produced in 1998.

The framework for Performance Management is informed by the following policy and legislation on performance management among others:

- The White Paper on Local Government (1998)
- The Batho Pele White Paper (1998)
- The Municipal Systems Act (2000)
- Municipal Planning and Performance Management Regulations (2001)
- The Constitution of the Republic of South Africa (1996)

3.2.1. White paper on local government 1998

The White Paper on Local Government (1998) proposed the introduction of PMS to local government, as a tool to ensure Developmental Local Government (DLG). It concludes that: "Integrated development planning (IDP), budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives (DPLG, 2001).

In essence, the White Paper on Local Government (1998) sees a process where communities are involved in governance matters, including planning, implementation and performance monitoring and review. In this specific way, communities are allowed to identify their needs, set performance indicators and targets and hold municipalities accountable for their performance in service delivery.

The White Paper entitles communities to participate in municipalities activities from a knowledgeable view; this enables municipalities to plan better and more strategically while refining the way they work for improved service delivery (Moodley, 2001).

It is an understandable fact that Municipalities need constant feedback from communities if they are to advance their operations. The White Paper on Local Government adds that:

"Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritize the amount of time it takes a municipality to answer a query; others will prioritize the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (DPLG, p 5).

Although there are many explanations as to why local government should consider measuring the performance of its programs and services, the most convincing motive is that citizens call for and deserve quality service from their municipalities. Citizens anticipate their municipalities to deliver services efficiently and, in a most economical way. As a result, local government officials have an obligation to make sure that programmes meet their objectives in the most cost-effective manner.

The White Paper on local government as stated by the DPLG (2001) sets out a broad vision of developmental local government. This is fundamentally a vision that appeals on municipalities to find ways of tackling the legacy of underdevelopment and poverty in their areas of jurisdiction. The White Paper highlights integrated development planning, performance management and community participation as vital devices to achieve this.

These instruments strengthen each other to convey change, transformation and improved service delivery at a local level.

White paper on Local Government (1998) asserts that performance management is vital to ensure that plans are being executed, that they are taking the anticipated development effect, and that resources are being used competently.

According to the requirements of performance management as stated by the White Paper on Local Government (1998), municipalities must set key performance indicators (KPI); KPIs differ significantly from municipality to municipality, and cover both efficiency measures and human development indices.

White paper on Local government highlights the importance of KPIs and the vital role they play for the municipalities.

Below is the role that is played by the KPIs as stated in the white paper.

i. **Key performance indicators can provide valuable information for two purposes:**

- Firstly, development indices (such as the Household Development Index) can benefit municipalities to identify their areas better and plan more effectively. Development indices also support municipalities to measure the influence and efficiency of the development strategies which they implement, and make alterations to their plans as required. The Central Statistical Service (CSS) already provides useful indicators to assist municipalities in planning for their areas. Following the distinction of new municipal boundaries, it will be likely to disaggregate information according to municipal jurisdictions, which will be of particular value in the planning process. Development indicators should also be disaggregated according to gender to allow municipalities to assess the impact of their strategies on women, and ensure that the needs and interests of women are incorporated into municipal planning processes.

- Secondly, indicators which measure value-for-money in service delivery can afford valuable direction for municipal organizational transformation. Efficiency and quality indicators empower municipalities to set objectives for sustained enhancement in their processes, to prioritize areas where organizational change is essential, and evaluate the accomplishment of their transformation programmes.

Van Der Waldt (2004) utters that involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritize the amount of time it takes a municipality to answer a query, others will prioritize the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased and public trust in the local government system enhanced (Wan Der Waldt, 2004).

Municipal Councils will also find that developing some key performance indicators in consultation with internal municipal stakeholders (i.e., management and organized labor) can assist in

developing a shared organizational vision and common goals for improved performance and delivery (Van Der Waldt, 2004).

Burger and Durchame (2000) put emphasis on the need for KPIs, expressing that KPIs need to be carefully designed in order to accurately reflect the efficiency, quality and value-for-money of municipal services. International experience shows that poorly designed performance indicators can have a negative effect on delivery, and that it is critical that indicators focus on outcomes and not only inputs and outputs, they claim.

Bennett and Minty (1990) agree with this by stating that carefully designed KPIs provide 'early warning' where municipalities are experiencing difficulties, and enable other spheres of government to provide appropriate support before a crisis develops. It also enable municipalities to compare their own performance with that of similar municipalities across the country, identify successful approaches or 'best practice', and learn from one another (Bennett and Minty, 1990)

While it is predicted that the PMS will apply in all municipalities, it will not replace the need for municipalities to set their own key performance indicators as part of the integrated development plan process. A national system can only integrate indicators which are applicable to all municipalities. Municipalities will be required to continue to develop key performance indicators which are specific to their local conditions and goals and to the priorities of local communities (Roux, 2005).

This, therefore, outlines the place of performance management as an instrument for change in the conceptualization of the local government transformation. It is alternative signal of how seriously government takes good governance and service delivery. The performance management philosophy also rests on an understanding that other spheres of government need to play their part in supporting local government to perform their functions better and thereby improve the quality of lives of the people.

3.2.2. Batho Pele principles (putting people first) (1998)

The Batho Pele White Paper (1998) indicates that the establishment of a service-orientated culture necessitates the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture. For example, local businesses or non-governmental organisations may assist with funding a help line, providing information about specific services, identifying service gaps or conducting a customer survey (DPLG, 2001).

The 1998 White Paper on Transforming Public Service Delivery, which accompanied and improved the White Paper on Local Government, put forward eight principles for good public service as follows.

Consultation: Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.

Service standards: Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect.

Access: All citizens should have equal access to the services to which they are entitled

Courtesy: Citizens should be treated with courtesy and consideration

Information: Citizens should be given full, accurate information about the public services they are entitled to receive

Openness and transparency: Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge

Redress: If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response

Value for money: Public services should be provided economically and efficiently in order to give citizens the best possible value for money

Although Batho Pele White Paper did not make precise indications concerning PMS, it developed the manner for public service improvement that increases motivation to the performance management requirements of the White Paper on local government.

3.2.3. The Municipal Systems Act (2000)

Following the processes of developing a policy framework on performance management, the Municipal Systems Act, containing the framework was passed.

The Municipal Systems Act, enacted in November 2000, requires all municipalities to:

- Develop and adopt a PMS
- Set targets, monitor and review performance based on indicators linked to their integrated development plan (IDP)
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- Conduct an internal audit on performance before tabling the report
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

Although each municipality is supposed to develop their own PMS that realizes the above requirements, the figure below endeavours to present the structure of national PMS.

Figure 5: the National System of Performance Management
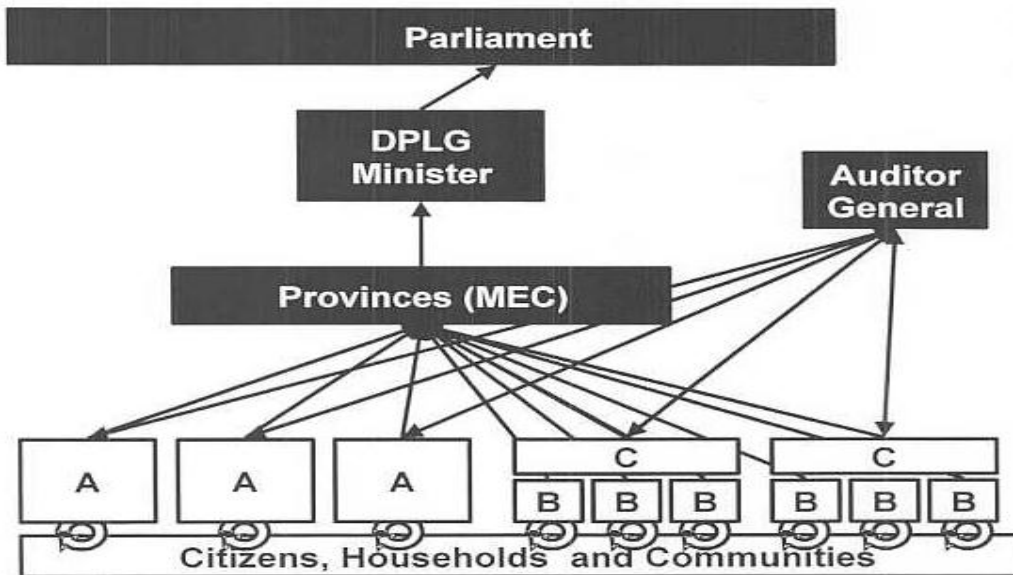
Source: (Moodley, 2003)

In explaining the figure above Moodley (2001), state that the figure outlines that each municipality, irrespective of whether it is a category A, B or C (metropolitan, local or district) municipality, is required to develop a PMS where it develops a plan, monitors, reviews and improves the plan, together with its citizens and communities. It, in turn, must report on performance to the provincial government.

The provincial MEC is required to compile a report on the performance of all municipalities in the province. This report is to be submitted to the national minister responsible for local government, who will consolidate a national report on performance of all municipalities with regard to the nationally prescribed performance indicators. The report will therefore be tabled before parliament for discussion. The legislation also empowers the minister to publish regulation on performance management that include nationally prescribed performance indicators (Moodley, 2001).

Furthermore, Moodley (2001) also denotes that the South African Approach to the management of local government performance clearly demonstrates knowledge of lessons learnt in the United Kingdom. While the approach has not entirely escaped the seize of managerialism, it does show the start of an approach which emphasizes openness, democracy, participation and development.

The restructuring of municipal services, poses a core challenge in the new local government system, because restructuring means change and change is frequently attached with resistance. The Municipal Systems Act, 2000, offers for a variety of internal and external instruments that allow municipalities to provide services. Among the external agencies are water committees, licensed service providers, traditional authorities, CBO's, NGO's and stakeholders from the private sector. Because Government does not have the capacity to deliver all the required services, responsibilities are selectively outsourced. On the one hand, suitable reformation of municipal services directs to a noteworthy improvement in delivery and development and this advances our national democratic transition. On the other hand, if the restructuring is mismanaged, it could obstruct delivery and development. Government has dedicated itself to providing free basic water and electricity services for the needy people. Some municipalities, reportedly, are unable to comply because of the lack of infrastructure, especially in rural areas (DPLG, 2001).

3.2.4. Municipal Planning and Performance Management Regulation (2001)

Sydney Mufamadi, the former minister of Provincial and Local Government published the
Municipal Planning and performance Management Regulations, in 2001. This document sets out in
more detail the requirements for municipal performance management systems. The regulation also
include nine national key performance indicators, on which all municipalities are required to report,
as well as new requirement for both internal and external audit processes of municipal performance.
While performance management requirements of the Municipal Systems Act suggest a strong
emphasis on development and public participation, the regulations represent managerialist
tendencies. The Municipal Systems Act provide municipalities the flexibility to develop their own
approach to performance management, provided they measure and review indicators that are linked
to their IDP. However, it is felt that regulations over-emphasize the need to measure efficiency,
effectives and economy (DPLG, 2001).

a) Input, output and outcome indicators

The regulations specify that in establishing performance indicators, municipalities need to develop
input, output and outcome indicators. Beneath these indicators are clarified in details.

- **Input Indicators**

    These are indicators that measure economy and efficiency. That is, they measure how much
    it cost the municipality to obtaining the essentials for generating anticipated outputs, and
    whether the organization realizes more with less, in resource terms without compromising
    quality.

- **Output Indicators**

    These are the indicators that measure whether a set of activities produces the anticipated
    products. They are fundamentally effectiveness indicators. The output indicators relate to
    programme activities or processes.

- **Outcome Indicators**

    These are the indicators that measure the quality as well as the effect of the products in terms
    of the accomplishment of the total objectives. In terms of quality, they measure whether the
    products meet the set standards in terms of the perceptions of the recipients of the service
    rendered. Outcome indicators relate to programme objectives (Moodley, 2001).

b) Auditing

The regulation instructs that municipal council should establish an audit committee, where the bulk of members are neither councilors nor employees of the municipality. A council is also anticipated to assign a chairperson who is neither a council nor employee of the municipality. According to the regulations, the performance audit committee must:

- Review the quarterly reports submitted to it by the internal audit unit
- Reviews the municipality's PMS and make recommendations in this regard to the council of the municipality.
- Assess whether the performance indicators are sufficient.
- Submit an audit report to the council at least twice during the financial year

In order to realize their function a performance audit committee may, according to the regulations:

- Communicate directly with the council, municipal managers or the internal and external auditors of municipality concerned
- Access any municipality records containing information that is needed to perform its duties or to exercise its powers.
- Request any relevant person to attend all 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 power.

These are significant powers which have been given to the audit committee of a municipality, to whom the regulations spell out a comprehensive terms of reference.

c) Setting targets

At this phase a municipality should have clear objectives for its IDP and should have identified suitable indicators. Targets are simply the goals or milestones that we intend an indicator to measure at various timeframes (Moodley, 2001).

What are Performance Targets?

Performance targets are the planned level of performance or the milestones an organization sets for itself for each indicator identified. Targets are usually expressed in terms of quantity or time. For example, if a municipality identifies the number of households connected to electricity as an indicator for an electrification programme, 20 households per week may be the target (Moodley, 2001).

- **How to Set Targets**

    A municipality must identify baseline measurements. A baseline measurement is the measurement of the chosen indicator at the start of the period. If performance is seen as a race, the baseline is the starting position and the target is the finish line. In setting targets it is important to know how we are performing at the current moment.

    This step also tests whether the chosen indicator is in fact measurable and whether there are any problems associated with it. It is important to know the date when your baseline measurement was relevant. For example, if you cannot measure your baseline at the current moment, and have to rely on data from the last census, you should clearly note that your baseline measurement is relevant to the date of the last census (Moodley, 2001).

    A municipality may then look at all the indicators set, and identify targets for each.

    The targets need to be realistic, measurable and be proportionate with available resources and capacity.

The public needs to be consulted on their needs and expectations in setting a target. Politicians need to give clear direction as to the importance of the target and how it will address the public need. Targets should be informed by the development needs of communities and the development priorities of the municipality.

Line managers need to advise as to what a realistic and achievable commitment for a target is, given the available resources and capacity. Whilst targets should be realistic, they should pose a challenge to the municipality to do things significantly better. Managers will need to advise on seasonal changes and other externalities that should be considered in the process of target setting(Moodley, 2001).

3.3. Public participation and involvement in performance management system

An imperative characteristic of the new system of local government is the galaxy it presents to ordinary people to become actively involved in governance. In fact, the legal definition of a municipality (The Municipal Systems Act, 2000) is that it includes not just the councilors and the administration, but also the local community.

Stemming from this definition, each of these inter-related methods has certain specific rights and duties. These are derived from the Constitution and are set out in The Municipal Systems Act, 2000.

Among the objectives of local government, according to the Constitution, are "to provide democratic and accountable government for local communities" and "to encourage the involvement of communities and community organizations in matters of local government".

In terms of The Municipal Systems Act, 2000, a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. The Act makes it clear that residents have the right to contribute to the municipality's decision-making processes. They also have the right to submit recommendations and complaints to the council and are entitled to prompt responses to their submissions. They have the right to "regular disclosure of the state of affairs of the municipality, including its finances". This is also supported by the White Paper on Public Service in terms of the Batho Pele principles. Residents also have the right to give feedback to the municipality on the quality and level of services offered to them. A guide by the Department of Constitutional Development, 1997(a) outlined that residents are encouraged to participate in the:

• Preparation, implementation and review of IDPs;

• Establishment, implementation and review of a municipality's performance management system;

• Monitoring and review of a municipality's performance;

• Preparation of a municipality's budget;

• Decisions about the provision of municipal services

3.4. Conclusion

From the preceding it is clear that an effective performance management system will result in improved performance of individual employees, appropriate career planning and succession, recognition for work well done and generally a greater balance between social and private motives. However that needs public servants to embrace the performance management system. Fear, anxiety, and insecurity about own ability some of the factors that can have a detrimental effect towards the benefits of implementing performance management system.

In a study conducted by the Public Service Commission (PSC) (2010) some of the reasons for slow progress in the implementation were negative culture and organizational change has not been accompanied by individual change. Despite the adoption and implementation of performance management system in the public service it has come to light that many managers are contesting it. The study revealed that number of senior manager had not signed performance agreements. Furthermore, the study showed that the evaluation of performance was not conducted on regular basis. In fact some respondents were unaware of the manner in which performance was being evaluated (PSC, 2010)

Lastly, integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives.

CHAPTER FOUR

4. Research Methodology

4.1. INTRODUCTION

Research methodology can be viewed as an inquiry process that has clearly defined limitations. It aims to discover and create new knowledge, and to build theory by testing, confirming, revising or contesting previously existing knowledge (Babbie and Mouton, 2001).

The adoption of sound research is regarded as being extremely significant for this study, and the aim was to achieve better results by ensuring that the research plans were systematic and scientifically acceptable.

Babbie and Mouton (2001:74) argue that a "research project should be carried out according to a carefully laid-out research methodology. This implies that the researcher has to build processes, tools and procedures, which he or she can use to gather evidence, to be able to analyze the problem".

4.2. Qualitative Research Method

This study uses qualitative research methods to assess patterns of PMS in ORTDM. It produces descriptive data, based on the written and spoken words of the interviewees. This method allows the researcher to see the world from participant's point of view. The main motive for using qualitative methods is to discover novel or unanticipated conclusions as well as to ascertain research plans in response to incidental encounters. This paper has established hypothesis, but, that does not mean there is only one factual solution. Alterations are made as a consequence of new verdicts. According to Krueger (1994) qualitative research focuses on context, it's more evolving than firmly predicted and is fundamentally explanatory. He basically means that qualitative research is concerned with developing explanations of social phenomena. That is to say, it aims to help us to understand the world in which we live and why things are the way they are. For example the researcher has spent substantial amount of spell living in the Western Cape and under the City of Cape Town Municipality, it would be unwise for him to deduce his conclusions about ORTDM in comparison to the activities of the City of Cape Town. Hence qualitative research is most suitable for this paper, it enables the researcher to actually observe and understand the living conditions of

the O.R Tambo District. Rather than making invalid comparisons without considering differences in socio-economic conditions.

According to Neuman (2000) qualitative research is based on the concept that individuals create social reality in the form of suggestions and understandings, and that these constructions tend to be brief and situational. He further claims that qualitative research typically involves qualitative data, i.e. data obtained through methods such interviews, on-site observations, and focus groups and that it is in narrative rather than numerical form. Such data are analyzed by looking for themes and patterns. It involves reading, rereading, and exploring the data. Hence, this research paper reviews and scrutinize relevant literature on the Performance Management System subject.

4.3. Data collection

Denzin and Lincoln (2003) contend that the process of carrying out research is in its self highly subjective, depending on the intuition and inspiration of the researcher. The Data was collected through interviews and document analysis these include (relevant literature, online articles, legislation, council meeting minutes, Municipal IDP and approved policies).

According to Babbie and Mouton (2006), 'multiple methods' approach to conduct qualitative research is considered to be one of the best ways to enhance validity and reliability.

This thesis generates information through the use of primary and secondary data. Secondary data was gathered through the scrutiny of relevant literature. This includes reviewing and studying findings on related topics and by obtaining perspective on the most research findings related to the topic of this research. This helped the researcher to obtain indication of the best methods, instruments for measurement, and statistics which can be used. There secondary data used encompassed data collected from previous researches, Constitution of the republic of South Africa of 1996, the public service act of 1994, public service regulation, reports and other departmental documents.

Primary data is data that has been collected from first-hand-experience. Primary data has not been published yet and is more consistent, trustworthy and unbiased. Primary data has not been reformed or altered by human beings; hence its legitimacy is superior to secondary data (Babbie and Mouton, 2000).

Significance of Primary data cannot be ignored. A study can be steered without secondary data but a research based on only secondary data is least reliable and may have prejudices because secondary

data has already been influenced by human beings. In statistical surveys it is necessary to get information from primary sources and work on primary data: for example, the statistical records of female population in a country cannot be based on newspaper, magazine and other printed sources (Babbie and Mouton, 2000).

Sources for primary data are limited and at times it becomes difficult to obtain data from primary source because of either scarcity of population or lack of cooperation. Regardless of any difficulty one can face in collecting primary data; it is the most authentic and reliable data source. According to Denzin and Lincoln (2003) following are some of the sources of primary data and this research makes use of in an attempt to assess the implementation patterns of PMS at ORTDM:

- **Interview**: Interview is a face-to-face conversation with the respondent. In interview the main problem arises when the respondent deliberately hides information otherwise it is an in depth source of information. The interviewer can not only record the statements the interviewee speaks but he can observe the body language, expressions and other reactions to the questions too. This enables the interviewer to draw conclusions easily (Denzin and Lincoln, 2003).

The interviews were therefore conducted among employees referred to in the Municipal Systems Act as Section 57 Employees i.e. (the directors, assistant directors and the managers reporting directly to the Municipal manager) and those employees responsible for implementing performance management.

Three managers were interviewed and two directors who are employees who in terms of the Municipal Systems Act: Act 32 of 2000 has a performance-based term contract and are directly accountable to the Municipal Manager. The intended number of the respondents was not realized due to the lack of cooperation and fear of being held responsible for the opinions that the respondents would have given, even though the anonymity and discreetness was highly stressed by the interviewer.

Therefore, only interviewees who were keen to make time available for the interviews were interviewed.

Figure 6. Questions asked during the interviews

   I.   **What is your understanding of Performance Management and its mechanisms?**

  II.   **What problems if any do public officials or workers in this local authority face in their attempts to implement performance management?**

 III.   **What in your view are the successes of (PM) in your local authority?**

  IV.   **What are the problems in your unit or department that act as obstacle/s to effective implementation of performance management?**

   V.   **What do you think should be done to improve performance?**

  VI.   **Does your local authority have a training policy to support new performance demands?**

 VII.   **What are the strengths and shortcoming of the scorecard approach?**

VIII.   **Please comment on the relevance of the PMS in the new development local government?**

  IX.   **What mechanisms are in place for the public to hold the Municipality accountable?**

   X.   **With regard to the development objectives as set out in Chapter 7 of the Constitution for local government, what is this Council's vision and mission to achieve these objectives?**

  XI.   **What are the channels of information for citizens about what the intended targets are?**

4.4. Data analysis

There are many measures used by qualitative researchers to analyze raw data, so that it can be linkable to the main objectives of the study. According to Babbie and Mouton (2006) there is no neat and tidy approach to qualitative data analyses. Babbie and Mouton (2006: 490) define qualitative analysis "as the analysis of all forms of data that was gathered using qualitative methods, regardless of the paradigm used to govern the research". Miles and Huberman, cited in berg (2006: 304) identify three major approaches to qualitative data analysis, namely:

- Interpretative approaches: where interviews and observational data can be transcribed into written text for analysis.

- Anthropological approaches: where researcher has conducted various sorts of field or case study activities to gather data; and

- Collaborative social research approach: researchers operating in this mode work with their subjects in a given setting in order to accomplish some sort of change or action.

An in-depth analysis of the data collected was done by means of data filtering, mind mapping, and the integration of the views of different authors. Since it is relatively impossible for the researcher to make an in-depth analysis of all the data collected, a massive amount of data available had to be filtered until only data critical to the research was identified and studied. Strydom (2002) holds that in the process of data filtering the researcher can make use of mind mapping; mind mapping will enable the researcher to capture data that is critical to the research and to simplify the research. The other method that this paper makes use of is the integration of different viewpoint of various authors. Different authors frequently hold different views on the same phenomena, says Strydom (2002), but he also argues that some may help the researcher to identify views, help in explanations and definitions.

But the fundamental of this paper is not to accept the views of the other authors as being correct or valid, but to question, rephrase their viewpoints in order to attain and generate new ideas and findings.

In analyzing the interviews, an in-depth analysis of the interview transcripts, which were the exact reproduction of the interviews, was done. Not only the transcript that were analyzed in the process of interview analysis but, also the notes that were taken after each interview that could not be recorded i.e. Impressions, changes in behaviours or attitude etc.

4.5. Sampling method

A sample according to Bryman and Bell (2007: 182) can be described "as a segment of population that is selected for investigation, and is the subset of the population", and this is in line with how Nachmias and Nachmias (2000: 163) defined population "as a complete relevant units of analysis, or data". Bryman and Bell (2007: 182) argue that the "term 'units' is employed because it is not necessary people who are being sampled, the researcher may want to sample from a universe of nations, cities, regions, firms etc".

Based on the preceding discussion about population, it must be cited that in this thesis, the population has been all employees working at the ORTDM, involved in the subjects relating to PMS. These employees are part of the senior management of the municipality and they are directly affected by the implementation of PMS.

Nachmias and Nachmias (2000: 167) distinguished between two types of sampling probability Sampling and Non probability sampling. These are depicted below:

- **Probability sampling**: this is distinguished by the ability to specify the probability at which sampling unit of the population will be included in the sampling.
- **Non- probability sampling**: where there is no way of specifying the probability of each unit's inclusion in the sample, and there is no assurance that every unit has a same chance of being included.

According to Bryman and Bell (2007: 193) probability sampling is divided into four categories, namely:

- **Simple random sample**: where a unique number is given to each sampling units by using a table of random digits.
- **Systematic sample**: where the researcher determines the sampling interval, select the first sample unit randomly, and select the remaining units according to the interval.
- **Stratified sample**: where researchers proportionate and determine strata from each stratum and select a random proportionate to the size of the stratum proportionate to the size of stratum in the population.
- **Cluster sample**: where the researcher determines the number of levels of clusters; from each level of clusters, select a sample randomly; the basic units of analysis are groups within the sampling population.

According to Bryman and Bell (2007: 193) non-probability sampling is divided into three categories, namely:

- **Convenience samples**: this non- probability research design is obtained by selecting whatever sampling units are conveniently available to the researcher.
- **Purposive sample**: this non-probability research design is obtained when researchers use the subjective judgement and attempt to select sampling units that appear to be the representatives of the population.
- **Quota samples**: the chief reason for using quota samples is to select a sample as similar as possible to the sampling population.

As stated previously, this thesis sample has been the section 57 employees namely: Directors, assistant directors and managers who report directly to the Municipal Manager.

Due to their characteristics and suitability for this thesis, the researcher used combination of convenience samples and purposive samples.

4.6. Ethical considerations

Burgess (1989) states that there are two overarching ethical requirements for researchers namely: Honesty and Confidentiality.

- **Honesty:** honesty pertains to a manner of reporting. A researcher should at all times and under all circumstances report the truth, and should never present the truth in a biased manner.
- **Confidentiality**: research should be conducted in a responsible manner. Researchers may stumble upon data of a confidential nature, the publication of which can be harmful to the persons or groups involved. Therefore the researcher should at all-time remember that the interests of the

In light of what Burgess articulates, the reader should be well aware that the above ethical requirements for the researcher have been carefully followed and complied with. Honesty about how the research was conducted and the presentation of the researchers credential to the respondents was of utmost truth. The intentions of the researcher, what he wants to achieve and what he is expecting from the interviewees were sincere.

Furthermore, the subject of confidentiality was presented and discussed with the interviewees and all five of the interviewees asked the researcher not divulge their names or their departments within the municipality.

4.7. Conclusion

This chapter has given an account of the research methodology employed by this researcher and provided the motives as to why the qualitative research method was employed. Furthermore, this chapter also gave an in-depth explanation of how the data was collected and analysed. In addition, reasons for the sampling method that this thesis adopts were given and explanation as to why those sampling were most suited for this study. Lastly, ethical considerations and ethical requirements for the researcher were also discussed and it was explained how this thesis complied with those requirements. The following chapter will provide detailed findings from all the interviews that were conducted.

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CHAPTER FIVE

5. Performance management in practice

Research findings

5.1. INTRODUCTION

This chapter presents the interviews that were held with the interviewees who are part of the sample of this thesis. As stated in chapter four that the interviews were conducted among employees referred to in the Municipal Systems Act as Section 57 Employees i.e. (the directors, assistant directors and the managers reporting directly to the Municipal manager) and those employees responsible for implementing performance management.

Two directors were interviewed and three managers who are employees who in terms of the Municipal Systems Act: Act 32 of 2000 has a performance-based term contract and are directly accountable to the Municipal Manager. The intended number of the interviewees was not realized due to the lack of cooperation and fear of being held responsible for the opinions that the interviewees would have given, even though the anonymity and discreetness was highly stressed by the interviewer and the most anticipated interview with the Municipal Manager (MM) did not take place, because the MM could not make time to be interviewed.

Underneath, answers from each question and responses from each interviewee will be discussed in details. Questions that were asked during the interviews are stated in the previous chapter in figure six. All the responses were transcribed and verified after every interview with the interviewee, to ascertain the validity of the answers given. Some questions that were asked required prompt and concise answer, but mostly were open ended but, the researcher received very unsatisfactory or rather unexpected answers as they were not as in-depth as the researcher would have anticipated. But lack of knowledge about the subject were the results of such responses, some of the interviewees were rebellious and very uncooperative and telling the researcher that he is there to trick them and have them fired or investigated. Nonetheless the researcher was patient enough to persuade and get something out of the interviewees because, they managed to discuss their frustration and their dissatisfactions as well as their views paving the way forward concerning the implementation of the PMS at ORTDM.

Lastly, the intended sample could not be achieved among other issues, the municipality was being audited and most senior management staffs were swamped as a result, at the time of the interviews.

Figure 7. Biographical information

Interviewee alphabet	Gender	Marital status	Highest qualification obtained?	How long have you been employed in this municipality?	Management level
A.	Male	Married	Matric	11 years	Senior Management
B.	Male	Single	Diploma	9 years	Senior Management
C.	Female	Married	Degree	7 years	Senior management
D.	Male	Married	Degree	3 years	Senior Management
E.	Male	Married	Matric	21 years	Senior management

Date of the survey: 27 June 2012

This is an information shit of all the interviewed people. They are given pseudo names as interviewee A, B, C, D and E because they requested anonymity and the names of their departments were also withheld as per their request.

5.2. QUESTIONS AND RESPONSES

I. What is your understanding of Performance Management and its mechanisms?

This question was asked because the interviewer wanted to establish the understanding of the interviewee on the subject of the PMS before the actual interview proceeds.

The interviewees were asked state whether they have an advanced understanding or good understanding or poor understanding of PMS or if they do not know. Interviewee D and C had an advanced understanding of PMS and interviewee E did not know and interviewee B and A said that they had a good understanding.

This indicates that those interviewees with at least a tertiary qualification have in fact a better understanding of PMS and its mechanisms. With interviewee D and C both having graduated with degrees, also having been part of the municipality for the least number of years, three and seven respectively compared to other interviewees. However interviewee B and A claimed that they had a good understanding of the PMS, although interviewee A doesn't have any tertiary qualification he still has a substantial amount of understanding on the subject but interviewee B possesses a Diploma. Form the Five interviewees' only one interviewee, interviewee E, who claimed that he does not have any understanding of the PMS and it's processes even though, he has only a matric but he was the most senior of all the respondents with 21 years of service.
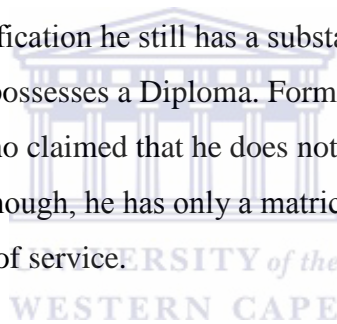
II. What problems if any do public officials or workers in this local authority face in their attempts to implement performance management?

According to interviewee A "*people that are supposed to oversee the processes of the PMS lack capacity and proper skill*". And he further suggests that another critical factor for this cause is the lack of coordination and integration within the municipality.

Interviewee B stated that, there are unsuitably qualified people in critical positions of the organization and there is a huge lack of cooperation between the employees. Moreover, he suggested that there are employees who are part of the furniture and in comfort zones who can't pull their own to ensure that the visions of the municipality are realized.

"Public officials are not sufficiently work shopped on policies and procedures" said interviewee C. She further stipulated that she does not think that the municipality has grasped the essence and the necessity of the PMS. Interviewee D stated that he would love to

see the PMS being properly implemented by people who are actually trained for it and he says that till then the municipality is still going to have problems of implementation. If it was not for the lack of training and understanding the process would have been properly implemented ages ago, he concludes. Interviewee E did not see any problems that hinder the implementation of the PMS at ORTDM.

It is clear from above that the municipality did not comply with the Municipal Systems Act (2000) which states that a municipal council, after consultation with the municipal manager, appoints a manager directly accountable to the municipal manager. A person appointed as a manager must have the relevant skills and expertise to perform the duties associated with the post in question.

III.   What in your view are the successes of PMS in your local authority?

''In other municipalities the successes of the system can be celebrated and they are evident, but I'm afraid here at ORTDM we cannot say such. I have not experienced the benefits of the system, so it would be premature for me to comment on it''. These are the sentiments of interviewee A. Interviewee B also stated that the system has never been successfully implemented and it's merely fractional. Furthermore, he stated that they have not yet observed the successes of PMS due to the resistant to change by the municipality's senior officials. Interviewee C also stated that they have not successfully or entirely benefited from the PMS. Interviewee D as well states that they have not tasted the success of the system and that they have not received any performance bonuses and that is not doing the municipality any good because now the employees are being more inefficient. Interviewee E argues that if all relevant stakeholders were involved in the development of the PMS we could see the success of PMS and now to the municipality it's a plan that has never been implemented and the municipality does not have to account to anyone.

There was a unanimous belief from all the interviewees in this regard that, the system is not implemented effectively and that the community is not part of the PMS. Once again the municipality failed to comply with the Municipal Systems Act (2000) which clearly stipulates that a municipality should develop and implement performance management system, through appropriate mechanisms, processes and procedures must involve the local community in the development, implementation and review of the municipality's

performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

IV. **What are the problems in your unit or department that act as obstacle/s to effective implementation of performance management?**

Interviewee A said that it is really difficult for him to single out one aspect that act as an obstacle to the effective implementation of the PMS but he stated that there is no experienced personnel to perform duties and the municipality is under staffed. Interviewee B was not far off from interviewee's A's views, he highlighted under-staffed, unqualified leaders and lack of training as major obstacles to effective implementation. Moreover, interviewee C highlighted lack of skills and expertise by stating that section 57 employees have not been appropriately trained on PMS hence the lack of implementation. Furthermore, interviewee D stated lack of understanding, lack of cooperation and lack of training as some of the problems that deter effective implementation. Lastly interviewee E underlined poor understanding of the PMS, absence of skills and lack of institutional integration as major problems in his unit that prevent successful implementation of the PMS.

The general consensus from the above responses is that lack of skills and capacity are resulting to ineffective implementation and they interviewees also agreed that there is a need for more training and qualified leader who will be able to understand the necessity for the implementation of the PMS.

V. **What do you think should be done to improve performance?**

All the interviewees agreed that in order for the performance to improve the PMS should be properly implemented in order for the employees to have and set targets, which in return will result in performance rewards. In addition, there municipality should get rid of those senior managers who are resistant to change.

Implementing a PMS is advantageous in that it discovers most important or regular obstructions on time, ensures responsibility among citizens, the political leadership and the

management of the Municipality, and provides premature warning signals so that remedial action can be taken on a regular basis.

VI. **Does your local authority have a training policy to support new performance demands?**

All the interviewees agreed that there is no training policy in place and it becomes particularly impossible for them to perform new tasks that require advanced skills.

From preceding discussion it can be deduced that the municipality should by all means necessary act in accordance with the Skills Development Act (2008) and Basic Conditions of employment which requires municipality to promote education and training and empower all its employees. The municipality must understand that its employees are the most vital assets and therefore they must ensure that each employee receives proper training and education in order to enable them to meet requirements of their present job and to cater for personal development and attainment of national qualification.

VII. **What are the strengths and shortcoming of the scorecard approach?**

One interviewee stated that he has been with the ORTDM for more than 6 years as a section 57 employees and yet he has only been subject to two performance bonuses, for four year the municipality has not been using the scorecards to determine or to evaluate the performance of the section 57 employees. Two interviewees said that it's almost impossible to really see the benefits and failures of the balanced scorecards if there are problems with the way PMS is implemented. There other two interviewees stated that the scorecards are there to link objectives, initiatives, targets and measures across key municipal goals but, they have not been used so, to ORTDM they are irrelevant.

In chapter two, relevance and importance of scorecard approach was discussed. The widely used performance model is the Balanced Scorecard. The Balanced Scorecard guarantees that there is sense of balance in the set of indicators being assembled. It must be developed as a means to measure performance by combining both financial and non-financial indicators to create a balance between financial and other critical functional areas in organizations. By combining financial indicators and non-financial indicators in a single report, the Balanced Scorecard aims to provide managers with more affluent and more relevant information about the activities that they are managing than is provided by financial indicators alone.

The Balanced Scorecard performance model requires the use of scorecards as a systematic approach to assessing internal results while probing the external environment. This Model groups its indicators into four perspectives: financial perspectives, customer perspective, internal perspective and learning and growth perspective (Kaplan and Norton 1996).

VIII.   Please comment on the relevance of the PMS in the new development local government?

One interviewee (A) stressed that PMS will ensure social and economic development of the community because it enhances provision of services to the citizen. Whilst the three interviewees shared same sentiments with the previous interviewee by stating that PMS is supposed to improve the delivery of services and bring about new developments and the other one also stated that it is relevant because it is there to enhance the operations of the municipality and improve service delivery. However, interviewee D from a different perspective noted that by involving the community in the matters of the municipality including budgetary process and other activities, provides awareness knowledge to the citizens about their rights and responsibilities as well as their development.

Local economic development (LED) is about local people working together to achieve sustainable economic growth that brings economic benefits and improves quality of life for all in the community (World Bank, 2002).

The role of local government has always been to develop local economies to uplift the local communities.

IX.   What mechanisms are in place for the public to hold the Municipality accountable?

There are ward meetings and public hearings but, again the matter of public participation and the lack of communication hinder the process argued interviewee B. Interviewee A stated that there is no communication strategy established by the municipality to encourage and promote the involvement of the communality in the matters of the municipality. In addition, interviewee D stated that the municipality is currently reviewing its communication strategy framework but imbizo (public hearings) have been frequently used by the municipality. Furthermore, interviewee E said he was not sure but he thought that the municipality has sector engagements and imbizo as a method of communication between. However, interviewee C mentioned that is a face to face programme with the mayors outreach

committee but when asked by the interviewer to explain this programme more, he could not give the details.

The importance of the public to hold the municipality accountable can never be ignored, social accountability involves the engagement of citizens to express demand of public services, and increase accountability from public officials. A key element is a focus on instruments that advance access to and quality of services by empowering people as citizens.

X. **With regard to the development objectives as set out in Chapter 7 of the Constitution for local government, what is this Council's vision and mission to achieve these objectives?**

The unanimous response from the interviewees was that the ORTDM's vision is that of a municipality responsive to social aspirations for an economically vibrant, healthy, sustainable community. The District is faced by a decaying economy, high levels of poverty, underdevelopment and infrastructure backlogs as well as dependence on the government sector. The ORTDM council determined to force its LED strategy by establishing special purpose vehicle in a form of a development agency which was later converted into a Municipal Entity by the name of Ntinga O.R. Tambo Development Agency (NORTDA).

In light of the information given above, there LED strategies improves local communication and enable people to be more proactive; help to make local institutions better contribute to development; make economic activity dependent on the comparative benefits of a specific territory, providing development by firms more capable to withstand changes in the global economic environment (DPLG 2000).

XI. **What are the channels of communication about what intended targets are?**

Interviewee A briefed that there is District Communicators Forum (DCF) which is somewhat functional. All other interviewees stated the following as channels of communications for the municipality: local newspaper and provincial newspaper (Mthatha Herald and Daily Dispatch), local radio station and SABC radio station (UNITRA community radio and Umhlobo Wenene FM) as well as road shows.

The above responses are in line with the Municipal Systems Act(2000) which states that, when anything must be notified by a municipality through the media to the local community,

it must be done in the local newspaper or newspapers of its area or newspapers circulating in its area and determined by the council as a newspaper of record; or by means of radio broadcasts covering the area of the municipality. Any other notification must be in the official languages determined by the council.

5.3. Conclusion

This chapter presented findings of the interviews held with five section 57 employees about the patterns and difficulties that are experienced in an attempt to implement the performance management system at ORTDM. The responses that were given enlightened the researcher about the problems that are faced by the municipality in their attempts to effectively implement the PMS. Although some of the interviewees were reluctant to engage the interviewer due to the reasons that were provided in the introduction of this chapter but, they manage to outline crux of the issues and simultaneously provided answer for such problems. It was interesting to note that none of the interviewees were happy with the implementation of the PMS, some stating that it is not implemented at all. But the nature of the questions were based on the hypothesis that is stated in chapter 1 of this thesis and that enabled the researcher to drive the interviewee to an unexpected destination, in other words to give answers unintentionally.

The following chapter will provide conclusions and recommendations, by discussing the findings and providing a point of departure.

CHAPTER SIX

6.   RECOMMENDATIONS AND CONCLUSION

6.1. INTRODUCTION

The Municipal Systems Act of 2000 mandates municipalities to establish a performance management system, and the Planning and Performance Management Regulations of 2001 outlines the municipality's performance management system as consisting of 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 and to determine the roles of different stakeholders (DPLG, 2001) .

This chapter will discuss the reason for the ineffective implementation of PMS or lack thereof at ORTDM, research findings will be discussed, recommendations will be provided and conclusion will also be given.

6.2. DISCUSSION OF FINDINGS

The literature review of this thesis stated that Performance management is a process which measures the implementation of an organization's strategy. At the local government level, this has become an imperative, with economic development, transformation, governance, financial viability and service delivery being the key performance areas in terms of the Local Government Developmental Agenda (LGDA). Performance management provides the mechanism to measure whether targets to meet its strategic objectives that are set by municipalities and its employees, are met (DPLG, 2001).

From the previous chapter some of the critical aspects that the interviewee highlighted as obstacles to effective performance management will be discussed below.

Lack of training and development

This thesis discovered that the ORTDM does not have a proper training policy in place to enable the employees to meet the demands of new tasks. Furthermore, lack of training, lack of job understanding, lack of skills and training were at the forefront of the reasons for ineffective implementation of PMS at ORTDM that were provided by the interviewees.

The change in importance from the national government, to provincial government and then to the local government has resulted in many training difficulties among other changes. The process of

integrating budget and combining municipal management has resulted in number of new functions entering the local government system, resulting in new training needs in an attempt to retain the existing staff. The restructuring of the local government system must be viewed within the wider context of challenges facing the local government sphere of South Africa (Van der Waldt, 2008). Van der Waldt (2008) argues that in recent years, South African municipal administration had to stomach the impact of speedy transformation. Valuable skills had been lost, institutional memory had disappeared, senior posts have become sinecures for political party supporters and junior post have been filled by poorly trained people.

At ORTDM there is a need for training and capacity building (development) and Van der Walt (2008) states that these two concepts cannot be used interchangeably.

Many interviewees voiced their dissatisfaction with leaders who lack capacity, skills and expertise. Some of the interviewed managers have grade 12 as their highest qualification and they do not quite understand the concept of performance management. Moreover, Wan der Walt (2008) goes on to say that, in many rural municipalities, the senior posts have become monopolized by people from teaching profession with little experience in management or civic affairs. This is evident at ORTDM whose Municipal Manager Mr. Tshaka Hlazo is a former teacher and he holds teaching qualifications. Hence, the ORTDM is plagued with serious institutional problems, such as poor attitudes towards rendering of public service in an efficient and effective way, hardworking, less creativity, as well as poor leadership.

Furthermore, there are various reasons for ORTDM poor skills profile, bias affirmative action and poor education system, but the matter goes beyond those two aspects. The experience of many black candidates is that they are not appointed despite their high level of competence and experience, because ORTDM makes appointments on the basis of political and family ties.

Resistance to change

There was an outcry from the interviewees about the reluctance of the top management to buy into the new policies.

In chapter 2 it was stressed that public servants need to embrace the performance management system. Fear, anxiety, and insecurity about own ability some of the factors that can have a detrimental effect towards the benefits of a well implemented PMS.

In a study conducted by the PSC (2010) some of the reasons for slow progress in the implementation were negative culture and organizational change has not been accompanied by individual change. Despite the adoption and implementation of performance PMS in the public service it has come to light that many managers are contesting it. The studies revealed that number of senior managers have not signed performance agreements, which is the case at ORTDM. Furthermore, the study showed that the evaluation of performance was not conducted on regular basis. In fact some respondents were unaware of the manner in which performance was being evaluated (PSC, 2010). Below are recommendations to deal with resistance to change are discussed.

Lack of organizational communication strategy

From the interviews it was concluded that the municipality does not have a proper communication strategy within the organization. Some interviewees mentioned that the there are no leadership structures from high level officials to disseminate and convey information to subordinates. Moreover, some stated that the internal communication strategy has been in the process of review since the adoption of the municipality's IDP.

Barker (2006) notes that communication is often described as glue that binds together various components of the organization, enabling interaction with its agenda, its clients and the broader public. The degree to which an organization can achieve its objectives is largely determined by its communication, attains Barker.

Public Participation

When the interviewees were asked about the measures that are available for the public to hold the municipality and its officials accountable, the general response was that there are mechanisms in place but they are not known to the public and they are ineffective. In respect to community engagement with public representatives, in instances where it was found that there was a lack of a genuine participatory process, due to political instability, corruption and undue interference in the administration, then it can be said that there is a failure to provide democratic and accountable government. This failure is growing as evidenced by the community protests and intense alienation towards local government being expressed by such communities.

There are number of acts and policies in South Africa that compel the municipalities to encourage public participation, involve citizens in the decision making and account to the public.

Chapter 7 of the South African Constitution (1996) sets out the objectives of local government Public participation as an imperative of two objectives, to: provide democratic and accountable local government for local communities and encourage the involvement of communities and community organisations in the matters of local government, and the White Paper on Local Government (1998) defines developmental local government as local government committed to working with citizens and groups within the community. The White Paper requires active participation by citizens at four levels, as: voters, participants in the policy process, consumers and service users 'partners in resource mobilisation.

The white paper further states that, municipalities should promote active participation of the communities and that municipal councilors should promote the involvement of citizens and community groups in designing and delivering of municipal services.

Furthermore, it highlights that can do a lot to support individual and community initiative, and to direct community energies into projects and programmes which benefit community as a whole. Moreover, the white paper encourages municipalities to adopt comprehensive approaches to fostering community participation, including strategies aimed at removing obstacles to, and actively encouraging, the participation of marginalised groups in the local community.

Distinction between performance management of Section 57 and non-Section 57 employees

One interviewee argued that, officially obliging only section 57 employees to be subject to performance management created a needless compression on section 57 employees. There was a suggestion from one interviewee that there needs to be a distinct legislative obligation that requires all municipal employees to be subject to performance management. One interviewee stated that the terms of service for municipal employees which are nationally negotiated, and are not necessarily conducive to ORTDM, were one main stumbling block that would need to be addressed first.

The legislative environment requires filtering down of PMS to employee levels lower than Section 57 of the Municipal Systems Act.

The legislation does not, however, recommend performance management practices at these lower levels. Diverse responsibilities and predetermined arrangements with staff present a challenge in improving an integrated performance management culture and an objective system of managing performance across the employee levels.

6.3. RECOMMENDATIONS

While many municipalities now use some form of performance management system, ORTDM has not successfully completed the transition to a performance management system, integrating performance measurement into the on-going management of the organization. If PMS is going to work and be effectively implemented at ORTDM, it has to be accompanied by the following elements and the following aspects should be revisited and be considered as a remedial way or procedure.

Active Leadership and Support from Top Management

Performance management initiatives cannot achieve ideal success without energetic and sustained support from an organization's top managers.

Organization leaders, including elected officials and executive managers, need to create and communicate a vision of how performance measures will be used and how managers, employees, and stakeholders will benefit. In successful implementations, leaders motivate departments to use performance measures for management and they sustain these efforts over time (Burger & Ducharme, 2000).

Top management needs to support the small number of performance management expertise to make performance management happen. The PMS expertise are committed to implementing performance management and are willing to use their time, talents, and resources to fight the necessary battles in the trenches to make it happen. This may mean finding the time to do research, organize meetings, assign staff to projects, and develop fact-based arguments for countering criticism from pessimists and skeptics. ORTDM, due to the nature of their positions, finance officers are in a unique position to encourage organizational change in general and performance management in particular.

Manage resistance to change

Kreitner *et al* (1999:594) underpins that "it is generally difficult for people to try new ways of doing things." they further points out that "it is vital for managers to acquire ways to manage resistance because unsuccessful struggles are costly." Managers, according to these authors, can count the cost in terms of "decreased employee loyalty, lowered probability of achieving organizational goals, a waste of money and resources, and trouble in fixing the unsuccessful change effort (Kreitner *et al*,

1999:594). When the potentially damaging impact of any of the above factors on an organization is experienced, then the need for inspired change management cannot be ignored.

Robbins (2001:545) makes the often repeated point that resistance to change can occasionally provide a step of solidity and certainty to behavior, but it can also be a source of functional conflict and it deters adaptation and progress.

Resistance can be demonstrated in an explicit, implicit, immediate or delayed manner. Robbins (2001) argues that, the bigger test is managing resistance that is implicit or delayed. Implicit resistance includes loss of loyalty to the organization or loss of motivation. He also mentions that deferred actions cloud the connection between the causes of resistance and the reaction to it

Sufficient Staff Training

Implementation of a performance management system requires skills that current staff, and especially those on the project team, may not have or may not have used in a long time. Project staff needs to be well versed in current concepts and practices to support top management and assure that the system framework is appropriately structured.

The concept of measuring results and holding managers accountable for results that may not be entirely within their control can be a threatening proposition. Agency managers need information on how performance management systems can support improved results and how they can use data produced to better manage their operations, explain the rationale for their decisions to executive management, and communicate progress and success to citizens. Addressing concerns through a thorough training program is an effective method for achieving understanding and overcoming resistance.

Lastly, in sight of the conclusions and striving for the PMS to be effectively implemented, it is rational to recommend that a management skills audit be carried out. This will underline gaps in proficiency and could discover training requirements for managers to meet new performance demands.

Adequate Resources

Performance management systems can result in more effective use of resources in the long run, but require an initial investment of resources for implementation and for on-going administration. People, expertise, technology, and money are necessary to establish and maintain systems to

develop measures collect and store data, conduct analysis, and complete reports. Planning for these systems and allocating adequate resources, either by shifting resources from lower value activities or providing additional resources, are critical to successful performance management initiatives.

Improved Human Resource Strategy

The poor human resource management at ORTDM is not helping in attracting and retaining the skilled and professional staff required to ensure efficient and effective service delivery. This is further multiplied by political intervention in the employment procedure, hiring of persons to non-existent positions and discrepancies in salaries.

There is an imperative requirement to aid engagements between the employees and employers to stabilise the weakening relationships, illustrated by labour quarrels.

Furthermore, there is a vital call to reorganize the inventive ways of cutting corruption and some other managerial misconduct within ORTDM.

Local government transformation in South Africa has put forth extensive pressure on municipalities to administer their financial resources successfully, economically and proficiently in an attempt to meet their developmental goals.

Therefore, to battle the plague of maladministration, unprofessional conduct of municipal finances, fraud and corruption, ORTDM needs to reinforce and assess their present internal control system that discovers the above-mentioned issues. These include verifying the quality and appropriateness of internal audit and audit committees and this necessitates powerful inspection by the officials in administrative roles.

Improved organizational communication strategy

From the interviews it was concluded that the municipality does not have a proper communication strategy within the organization. Some interviewees mentioned that the there are no leadership structures from high level officials to disseminate and convey information to subordinates. Moreover, some stated that the internal communication strategy has been in the process of review since the adoption of the municipality's IDP.

Barker (2006) notes that communication is often described as glue that binds together various components of the organization, enabling interaction with its agenda, its clients and the broader public. The degree to which an organization can achieve its objectives is largely determined by its

communication, attains Barker. He goes further to define organizational communication, which this study is more interested on. He states that organizational communication deals directly with communication within the organization, or more specifically intraorganisational communication. Organizational communication involves, the connection of two complex concepts namely organization and communication. Both terms can be defined separately. Communication is defined as a transactional and a symbolic process in which messages are exchanged and interpreted with the aim of establishing mutual understanding between the parties (Barker, 2006). Whereas, organizational communication involves an understanding of the influence of context of an organization on communication processes and of the manner in which the symbolic nature of communication distinguishes it from other forms of organizational behavior (Barker, 2006). For ORTDM to have its PMS effectively implemented, it needs to improve its communication strategy, because communication in the organization focuses on neutralizing negative effects of unstable and changing environments, internally and externally, and on managing and solving conflict that is often as the result of change in the organizational structure.

Accessing Outside Expertise or Appointing Internal Expertise

Developing a successful performance management system requires much more than creating new forms and developing new measures. Performance management systems represent a vital change in organizational culture that may take years to fully realize. The path to effective performance management systems is filled with pitfalls and false turns. Accessing the expertise of outsiders who have successfully navigated this path to help design a system and plan for its implementation allows governments to take advantage of the lessons others have learned and avoid many of the common and not-so-common problems. Alternatively, identifying and enlisting the support of individuals internally that are knowledgeable about performance management, preferably those who have experience in implanting such efforts, is an excellent success strategy (Burger & Ducharme, 2000).

6.3. Conclusion

Since performance management system is an effective tool to improve service delivery, the implementation of performance management system is critical because it ensures that plans are being implemented, that they are having the desired development impact, and that resources are being used efficiently.

Furthermore, the objectives of this research paper were to investigate and establish factors that deter and hinder the effective implementation of performance management system at local government in South Africa.

Numerous critical aspects that act as obstacles to effective implementation of PMS at ORTDM have been identified by this thesis. Lack of training and development has a negative impact in the implementation of PMS at ORTDM is one aspect. Secondly, there is a lack of organizational communication strategy as a result the vision of the municipality is not properly communicated to the employees and the degree to which an organization can achieve its objectives is largely determined by its communication. The third aspect that is identified by this paper as a hindrance to effective implementation is resistance to change; despite the adoption and implementation of performance PMS ORTDM it has come to light that senior officials are contesting it. This paper identified lack of public participation in establishing performance agreement and lack of involvement of the citizens in the budgetary processes of the municipality. This also proved noncompliance of the municipality with established legislative framework which puts citizenship participation at the forefront of the municipal activities.

In an attempt to curb or get rid of the identified hurdles that are experience by ORTDM in their attempt to implement PMS effectively and efficiently, this thesis recommends seven remedial procedures, namely: how to manage resistance, the need for an improve human resource strategy, accessing outside or internal PMS experts, active leadership and support from top management, improved communication strategy, adequate resource and sufficient staffing.

In conclusion, in the introductory part of this paper it is stated that provision of quality service is paramount to the welfare of the public and has increasingly became a problem in the South African public service. This has undesirable effects in the level of service delivery in local government. Nevertheless, this evolving concern has been made conceivable by the legacy of the past, which

makes it practically impossible to redress and address the immediate needs of ordinary South Africans.

For over a decade, South African local government has been extensively condemned for poor service delivery, which is as a result of inefficiency, unproductiveness and incompetency of the public servants and this is also due to the legacy of apartheid. These factors have hindered the prospect of delivering quality services at the most efficient and effective ratio.

This, therefore, outlines the place of performance management system as an instrument for change in the conceptualization of the local government transformation. It is alternative signal of how seriously government takes good governance and service delivery. The performance management philosophy also rests on an understanding that other spheres of government need to play their part in supporting local government to perform their functions better and thereby improve the quality of lives of the people.

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