UNIVERSITY OF KWAZULU-NATAL

EVALUATING THE IMPLEMENTATION OF PERFORMANCE MANAGEMENT

SYSTEM IN UGU DISTRICT MUNICIPALITY

by

Sihle Maxwell MBILI

200239887

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Supervisor: Dr T I Nzimakwe

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DECLARATION

I, **Sihle Maxwell MBILI ,** declare that

(i)   The research reported in this dissertation, except where otherwise indicated, is my original research.

(ii)   This dissertation has not been submitted for any degree or examination at any other university.

(iii)   This dissertation does not contain any other person's data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.

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ABSTRACT

In satisfying the requirements of the Constitution of the Republic of South Africa of 1996 and as is further enshrined in the Local Government: Municipal Systems Act of 1998 (MSA), a municipality is required to establish a performance management system (PMS). The PMS should be commensurate with the Municipal resources, best suited to its circumstances, and should be in line with the priorities, objectives, indicators and targets contained in the Municipal Integrated Development Plan (IDP). The municipality is required in terms of MSA to promote a culture of performance management among its political structures, political office-bearers and councillors and in its administration; and to administer its affairs in an economical, effective, efficient and accountable manner.

In view of the above, it is evident that a performance management system can be regarded as one of the cornerstones of the new constitutional dispensation and that a performance management system can be considered as a practical instrument for the improved delivery of services within the municipal context. This study therefore seeks to evaluate the implementation the implementation of performance management system in Ugu district municipality with a view to improving service delivery and minimising the number of complaints which are the result of service delivery challenges. In achieving this purpose, a whole range of research methods such as interviews, focus groups and document analysis were used to collect data on the subject matter. The relevant data was analysed and was compared with legislative guidelines on the subject matter.

The findings and conclusions of the study indicated that certain constraints affect the effective implementation of the performance management system by the Ugu district municipality and these include, among other things, the role of oversight structures which is not exercised, the lack of monitoring and evaluation of performance, the lack of alignment of performance review outcomes with personal development plans, and an inability to utilise the performance management system to improve services that are delivered to the community. Given the above, the researcher has made some recommendations on how to improve the performance management system of the municipality. Key recommendations require that the municipality's targets should be

outcome-based; monitoring and evaluation of performance from planning to verification of information reported on should take place; there should be mechanisms to ensure that budget is derived from the IDP; the municipality should ensure capacitation of performance oversight committees and that local communities should be allowed to participate in the planning and review of performance.

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ABBREVIATIONS/ACRONYMS

AG	Auditor General
ANC	African National Congress
APR	Annual Performance Report
BNG	Breading New Grounds
CCAP	Canadian Comprehensive Auditing Foundation
CBPWP	Community Based Public Works Programme
CDWP	Community Development Works Programme
Council	Ugu District Municipal Council
DBSA	Development Bank of South Africa
ENE	Estimate of National Expenditure
FMPPI	Framework for Managing Programme Performance Information
IDP	Integrated Development Plan
HSRC	Human Science Research Council
IEC	Independent Electoral Commission
KPI	Key Performance Indicator
LGTAS	Local Government Turnaround Strategy
LGMPPA	Local Government Municipal Planning and Performance regulations
MFMA	Municipal Finance ManagementAct
MCC	Municipal Call Centre
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
NPN	New Public Management
NPWP	National Public Works Programme
PDP	Personal Development Plan
PMS	Performance Managementsystem
PRC	Performance Review Committee
RDP	Reconstruction and Development Programme
SAICA	South African Institute of Chartered Accountants
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
UGU DM	Ugu District Municipality

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CHAPTER ONE

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

The 1998 White Paper on Local Government, supported by the *Batho Pele* principles encompassed in the White Paper on the Transformation of Public Service Delivery (1997) bear reference. These policies were given legal stature through the adoption of the Local Government: Municipal Systems Act (Act 32 of 2000) in 2000.

Chapter six of the Local Government: Municipal Systems Act of 2000, requires all municipalities to:

- Develop a performance management system;
- Set targets and monitor and review the performance of the municipality based on indicators linked to their Integrated Development Plan (IDP);
- Publish an annual performance report on the performance of the municipality, forming part of its annual report as per section 127 of the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003) in 2003;
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government;
- Conduct, on a continuous basis, an audit of all performance measures;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

The minister responsible for local government published the Municipal Planning and Performance Management Regulations of 2001 in terms of the Local Government: Municipal Systems Act of 2000 (MSA), wherein section seven sets out in detail the requirements for a municipal performance management system. The regulations also contain the general indicators prescribed by the minister responsible for local government. In 2006 the minister published a further set of regulations dealing with

performance management for municipal managers and managers directly accountable to municipal managers.

The Ugu district municipality has adopted a performance management system, with the aim of improving service delivery upon its effective implementation. As a result of the Auditor-General's report of 2012-2013, annual performance and quarterly reports, protest actions, as well as complaints regarding poor service delivery, which all took their toll during the period 2013 to 2014, the researcher deemed it necessary to conduct this type of research. The research aims at evaluating the implementation of the PMS by the Ugu district municipality. It is the researcher's view that the research evaluates the implementation and arrives at certain recommendations for the effective implementation of the PMS which will give rise to improved service delivery.

1.2 BACKGROUND TO THE STUDY

The research focuses on evaluating the implementation of the performance management system by Ugu district municipalityThe performance management system was introduced within the municipalities as far back as the year 2000 with the enactment of the Local Government: Municipal Systems Act (Act 32 of 2000) and further with the introduction of the Local Government Municipal Planning and Performance Management Regulations (LGMPPR) of 2001.

A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players (LGMPPR, 2001).

In developing its performance management system, a municipality is required to ensure that the system complies with all the requirements set out in chapter six of MSA (Act 32 of 2000); demonstrates how it is to operate and be managed from the planning stage to the stages of performance review and reporting; to clarify the roles and responsibilities of each role-player, including the local community, in the functioning of the system; to clarify the processes of implementing the system within the framework of the integrated development planning process; to determine the

frequency of reporting and the lines of accountability for performance; to relate it to the municipality's employee performance management processes.

This is a form of evaluation research which, according to Neuman (2006) is aimed at determining how well a programme or policy is working or reaching its goals and objectives.

The Ugu district municipality (the Municipality) is one of the 10 district municipalities in KwaZulu-Natal Province, established in terms of Section 12 of the Local Government: Municipal Structures Act of 1998 (the Act). The Act requires the MEC for local government in a Province, by notice in the *Provincial Gazette*, to establish a municipality in each municipal area which the Demarcation Board demarcates in the province. The municipality is located in the South Coast region of Kwazulu Natal. It covers 5 866 km² in extent and boasts a spectacular coastline of 112 kilometres, which forms its Eastern Border. The region is bordered in the north by the Ethekwini Metropolitan Municipality, in the west by the Umgungundlovu District Municipality and the Harry Gwala District Municipality and on the southern side it borders the Eastern Cape Province.

The municipality consists of eighty one (81) municipal wards, which culminate in six (6) local municipalities, namely the Hibiscus Coast, Ezinqoleni, Umuziwabantu, Vulamehlo, Umzumbe and Umdoni. The region also boasts forty-two (42) traditional authorities. The district municipality has a population of 722 484, comprised of 179 440 households and a population growth of 0.26% per annum (StatsSA, 2011).

It is important to note that the core function of the Ugu district municipality is to provide water and sanitation to the households of the district. The municipality has other functions which include environmental services, disaster and fire services as well as local economic development. The municipality's responsibilities also include support functions like financial management, human resources, information technology as well as municipal administration. The municipality's customer care function also plays a crucial role in ensuring that the performance of the municipality is improved and that services are delivered promptly. It is through this function that the municipality receives customer complaints regarding services delivered.

The Ugu district municipality has encountered challenges in implementing the performance management system, which have then led to poor service delivery and disclaimers or negative audit opinions, whereby the municipality has received a disclaimer opinion from the Auditor-General for the period of the 2012/13 financial year, based on the auditing of performance information. A disclaimer opinion, as defined by the Auditor-General of South Africa, means that the auditee has provided insufficient evidence in the form of documentation on which to base an audit opinion (www.agsa.co.za).

Relevant research done in the field includes research by Dlamini (2013) on the impact of the performance management system (PMS) on the implementation of the Integrated Development Plan (IDP) at the Ugu district municipality. One of the research objectives, as stated in the research, is to examine the extent to which the Ugu district municipality has implemented performance management systems in line with its IDP priorities for 2008-2011. The following were recommendations by the researcher.

The IDP of the Municipality must at least identify key performance indicators set by the municipality. The municipality IDP does not have key performance indicators (LGMPPR, 2001). The Ugu IDP did not include the key performance indicators and performance targets set in accordance with its PMS, as required by Sections 26(i) and 41(1)(b) of the MSA and MPPMR (2001). Performance indicators are not measurable, relevant, objective and precise, and some key performance indicators are not included in the Ugu IDP. The performance appraisal for municipal employees has been partially implemented in the municipality and is currently applicable to senior managers only. There is currently no reporting and monitoring of performance by the Municipality.

The researcher is of the view that a gap exists in this research in that the mere identification of some of the constraints affecting the implementation of the PMS in line with the IDP is not sufficient to evaluate those constraints. Evaluating the implementation of the performance management system (PMS) and its impact on service delivery in the Ugu district municipality will enable the researcher to measure the effectiveness of PMS through the use of several techniques such as surveys and focus groups. In light of the above recommendations, and the fact that the research

focused on the IDP Period of 2008–2012, the researcher felt it necessary to embark on research of this nature, which is based specifically on evaluating the implementation of performance management system and its impact on service delivery by the Ugu district municipality.

The following represents a brief synopsis of what led to the problems identified in the Ugu district municipality:

- **Auditor-general's findings**

2011/12 Findings: The following findings were raised by the Auditor-General's office during the audit for the 2011/12 financial year. The findings relate to the implementation of the performance management system by the Ugu district municipality:

Usefulness of information: measures taken to improve performance were not disclosed. However, it reflected that 41 percent of the targets were not achieved.

Consistency: the reports indicated inconsistencies between performance objectives, indicators and targets and between the planning and reporting documents. It further indicated that 48 percent of the objectives, 61 percent of the Key Performance Indicators (KPIs) and 61 percent of the targets were not consistent between the Integrated Development Plan and the Annual Performance Report (APR).

Measurability: 63 percent of the key performance indicators could not be verified and were not measurable.

Reliability: 66 percent of the reported performance was not backed by evidence due a to lack of monitoring procedures.

Achievement of planned targets: it was further stated that 27 percent of the targets were reported as 'not achieved' due to a lack of budget.

The above findings regarding the implementation of the performance management system were repeated for the financial year 2012/13 to varying degrees. However, the extent of poor or non-performance occurred on an even larger scale.

- Community protests

One of the things, among others, that the researcher observed about the Ugu district municipality, is the issue of community service delivery protest actions, which,

according to the researcher, are due to the poor performance of the municipality and its failure to implement the performance management system. The performance management system makes it possible for one to review the performance of the organisation on an ongoing basis, to identify challenges and to come up with measures to deal with those challenges. Water interruptions in the Murchison area have been consistent over the past few years due to the demand being greater than the supply. In Murchison, KwaZulu-Natal (KZN) on the South Coast, the KZN government has blasted a community on the South Coast following protest. The residents of Murchison in Port Shepstone have been demonstrating consistently, demanding water. Thousands of residents blockaded the N-2 freeway, linking KwaZulu-Natal and the Eastern Cape (www.enca.com/kzn-govt-blasts-murchison-water-protestors).

Fig 1.1: Residents at Murchison burning tyres in protest, demanding an adequate water supply (August, 2014)

Source: www.enca.com/kzn-govt-water-murchison-water-protesters

1.3 RESEARCH PROBLEM

A preliminary study and investigation from the Office of the Auditor-General in the consolidated Annual Municipal Performance report (2012/13) revealed that the Ugu

district municipality is struggling with the effective implementation of the PMS. In addition, the municipality has, during the period 2012-2013/2014, been flooded by service delivery complaints channelled through the Municipality Call Centre (MCC). Such complaints have also been evident in various local publications/media in relation to the delivery of these services. The Auditor-General's report of 2012/13 revealed that the information on the municipal performance scorecard does not necessarily translate to what is being implemented. The report mentioned that there is inadequate content in the IDP, a misalignment between strategies and objectives, and that reported information on performance management reports is not reliable, since adequate supporting sources of information are not provided, and that there is also a lack of implementation of the PMS system. Overall, these queries make one deliberate on the effectiveness of the Ugu district municipality's performance management system as it impacts on service delivery.

The Ugu district municipality implemented performance management for all section 57 managers in order to comply with the Local Government: Municipal Systems Act of 2000, however, the impact has been minimal, and the review of such performance is still a challenge. The above has led to the research being conducted, which aims at evaluating the implementation of the performance management system and its impact on service delivery in the Ugu district municipality.

1.4   RESEARCH PURPOSE

Terre Blanche, Durrheim and Painter (2006), in their analysis of purpose statements mention that the study should seek to explain three purposes in the following three stages, which are (1) general statements of what the research aims to discover; (2) an account of where these aims come from, the importance of the findings, the rationale for the research and (3) specific questions that the researcher is investigating in the particular study. In view of the author's opinion, with which the researcher is aligning himself, the research aims at evaluating the implementation of the PMS and its impact on service delivery by the Ugu district municipality.

Descriptive design

The study is descriptive in nature, in that it seeks to evaluate the implementation of PMS and its impact on service delivery by the Ugu district municipality. The researcher will follow a **descriptive** approach, with the aim at "painting a picture" using words or numbers and to present a profile, classification of types or an outline of steps to answer questions such as who, when, where and how (Neuman, 2006). The study will move from descriptive to exploratory by seeking to understand "what" is the impact of performance managent system implementation by UGU District municipality. Neuman (2006), further defined exploratory research whose primary purpose is to examine a little understood issue or phenomenon and to develop preliminaty ideas about it and move towards refined research questions.

Exploratory research is said to be relevant when the subject is fairly new, little or nothing is known about it, or no one has yet explored it. In contrast, descriptive research is said to be relevant in describing how things are. The researcher has made an informed decision in choosing both descriptive and exploratory approach which he believes is more relevant to the intention of the research.

1.5 RESEARCH QUESTIONS

Maree (2007) mentioned that good research questions provide the researcher with a focus for data collection and prevent research drifting from the original purpose by keeping the researcher focused on the central interest. Since the researcher's aim is to evaluate the implementation of the PMS and its impact on service delivery by the Ugu district municipality, the following are key primary questions which the researcher will be pursuing responses to.

The study will attempt to answer the following questions:
- What challenges affect the effective implementation of the performance management system in the Ugu district municipality?
- How does the Ugu District Municipality deal with constraints affecting the implementation of the PMS?
- How can the Ugu district municipality can improve service delivery through performance management system implementation?

- What recommendations can be made to the Municipality with regard to the effective implementation of the PMS?

1.6 RESEARCH OBJECTIVES

The objective of this research is to evaluate the implementation of the performance management system and its impact on service delivery by the Ugu district municipality. The research also aims to test the theory that relates to performance management systems and performance. The research focuses primarily on how these constraints could be resolved and the impact of performance management on service delivery. The researcher intends to make certain recommendations with particular reference to the Ugu district municipality, which might assist in improving performance management, reducing public complaints and minimising service delivery protest actions.

The overarching objective of the research is to generate insight that can provide organisations with information that is considered successful in implementing performance management practices, including performance appraisal and goal-setting practices. A better understanding of the constraints by the persons directly involved and/or affected by performance management systems should provide decision-makers with more specific and useful information needed to improve the effectiveness of the systems in achieving organisational goals. As the literature has affirmed, the effectiveness of the performance management system is, after all, dependent on the attitudes of the users.

The main objectives of the study are to:
- Assess implementation of the performance management system and its impact on service delivery by the Ugu District Municipality;
- Understand how the Ugu district municipality deals with the constraints affecting the implementation of the PMS and the impact on service delivery;
- Evaluate how the Ugu district municipality can improve service delivery through performance management system implementation; and
- Propose recommendations to the Ugu district municipality with regard to the effective implementation of the PMS.

1.7 RESEARCH METHODOLOGY

In simple terms, the research methodology is meant to give a clear idea as to how the researcher will carry out the research. According to the researcher, research methodology has many dimensions, and, in this study, it aims to establish 1) why a research study has been undertaken, 2) how the research problem has been defined, 3) in what way and why the research questions have been formulated, 4) what data have been collected and 5) what particular method has been adopted, 6) why a particular technique of analysing data has been used. These, and a host of other similar questions, will be answered when the research methodology concerning a research problem or study is discussed.

In this study, a proper evaluation of the implementation of the PMS and its impact on service delivery by the Ugu district municipality will be explored. The methods of data collection suitable for the study will be explored, both primary and secondary. In conducting the research, the following questions will be explored:

- What constraints affect the effective implementation of the performance management system in the Ugu district municipality and what impact does that have on service delivery?
- How can constraints affecting the effectiveness of the Ugu district municipality PMS be resolved/dealt with?
- How can the Ugu district municipality improve service delivery through the implementation of the performance management system?
- Why the Ugu district municipality performance managementsystem is ineffective?
- What recommendations can be made to the municipality with regard to the effective implementation of the PMS?

It is therefore important to ensure that the research design is well-aligned to the questions so as to achieve the objective of the study.

1.8   RESEACH APPROACH - QUALITATIVE RESEARCH

The key to understanding qualitative research lies in the idea that has meaning and that is socially construed by individuals in interactions with their world; however, there are multiple constructions and interpretations of reality that are in flux and that change over time (Merriam, 2002). The researcher's interest lies in understanding what those interpretations are at a particular point in time and within the context of the Ugu district municipality.

According to Fox and Bayat (2007) qualitative data research methods are designed to scientifically explain events, people and matters associated with them and do not depend on numerical data, although they may make use of quantitative methods and techniques. Given the variety of qualitative research designs or strategies, the researcher has chosen to focus on the basic interpretive qualitative approach, which, according to Merriam (2002) exemplifies the researcher's interest in understanding how participants make meaning of a situation or phenomenon. According to the author, this meaning will be mediated through the researcher as an instrument, the strategy is inductive and the outcome is descriptive.

According to the researcher, some strengths of interpretive qualitative research forms are that they allow the researcher to understand the meanings which people have constructed about their work and their experiences. This understanding is an end in itself, so that it is not attempting to predict what may happen in the future, necessarily, but to understand the nature of that setting – what it means for the participants to be in that setting, what their lives are like and what is going on for them.

1.9 LIMITATIONS OF THE RESEARCH

The research study is captured through the title, "Evaluating the implementation of Performance Management System in Ugu District Municipality". PMS with local government is viewed from and individual and organizational persective and the research is confined on organizational PMS as regulated in Chapter 3 of the Local Government Municipal Performance and Planning Regulations (2001) as well as Chapter 4 of the Local Government: Municipal Systems Act of 2000. As this is primarily a descriptive study, it is expected that it might have a few disadvantages, however the main shortcoming is that of providing satisfactory answers to research

questions, although the research may hint at the answers and provide direction as to which research methods could provide definite answers. Methodologically, the weaknesses of the study may lie in its inability to secure some of the appointments with the Municipality as was envisaged.

1.10   SUMMARY

The manner in which this research has been set out has been extensively discussed in this chapter with explanations of how complementary approaches were selected though triangulation, using different data collection methods to ensure that findings are valid, credible and reliable. The study utilises a qualitative methodology approach to research inquiry which will enable the researcher to evaluate the implementation of the PMS and its impact on service delivery in the Ugu district Municipality.

In conclusion, the development of the selected research design has not been a simplistic one, but has required the researcher to engage in a series of choices and decisions.

CHAPTER TWO

THEORY OF PERFORMANCE MANAGEMENT: A CONCEPTUAL PRACTICE

2.1 INTRODUCTION

Managing performance is a key element in the delivery of services by both the municipalities and public sector in general. The importance of performance managementin both the private and public sectors is recognised throughout the world. In the private sector, performance evaluation is almost automatic, based as it is on profitability and the rate of return on capital. However, in the public sector, there is no profit motive and performance is measured in terms of value-for-money principles, namely economy, efficiency, service delivery, customer satisfaction and effectiveness.

The importance of performance in municipal service delivery in South Africa is demonstrated in the White Paper on Transforming Public Service Delivery (White Papte), *Batho Pele*, by its selection of one of the eight service delivery principles, namely: "Value for money – public services should be provided economically and efficiently" (DPSA, 1997). The White Paper emphasises that an organisation needs performance information about the services it provides. Information about the nature and quality of the services is also needed, together with an assurance that the organisation's resources are being economically acquired and efficiently and effectively utilised.

The importance of integrated reporting on performance, including financial and non-financial information, receives prominent attention in the King Code of Governance 11 for South Africa, 2009 (IODSA, 2009). Mervyn E King, the King Committee Chairman, highlights the necessity of integrated reports to increase the trust and confidence of the stakeholders and to provide legitimacy to the operations of the entity, and the committee recommended integrated sustainability performance and reporting (Institute of Directors in Southern Africa (IODSA), 2009). The King III report also applies to the public sector and recommends that entities should, by way of explanation, indicate whether the principles have been applied or not (IODSA, 2009). The King III report

further states the Board/the Council should appreciate that strategy, risk, performance and sustainability are inseparable (IODSA, 2009).

This study focuses on evaluating the implementation of the performance management system and its impact on service delivery which might improve service delivery in the Ugu district municipality. The global trends and the importance of performance are well reflected in different sections of legislation in South Africa, some of which include the Constitution of the Republic of South Africa (hereafter referred to as the Constitution), the Public Finance Management Act (PFMA, 1999) and the Municipal Finance Management Act (MFMA, 2003).

The importance of performance managementand its appropriate application are further highlighted in that accountability for the efficient and effective use of resources is not limited to the treasury department or accounting officers (the head of a department or the chief executive officer) but is also devolved to line managers who are accountable for their particular areas of responsibility. This is detailed in Section 45 of the PFMA, which states: "An official in a department is responsible for the effective, efficient, economical and transparent use of financial resources within that official's area of responsibility" (PFMA, 1999). This implies that each line manager is responsible for the resources deployed in a particular programme, and it is a requirement of Section 27(4) of the PFMA that measurable objectives must be submitted for each programme. Furthermore, line managers can also be held accountable for the outputs generated by that programme.

The MFMA also reflects the requirements for managing performance in Sections 62, 121(c) and 165. Section 62 requires the Accounting Officer to ensure that resources of the municipalities are used effectively, efficiently and economically. Section 121(c) requires that the annual report includes the annual performance report while Section 165 requires of the internal audit unit to advise the Accounting Officer and report to the audit committee on performance management (MFMA, 2003).

By definition, performance management generally includes performance planning, i.e. goal-setting, ongoing coaching and development of subordinates, formally reviewing performance and rewarding performance. It was first introduced by Beer, Ruh, Dawson, McCaa and Kavanagh (1978) as an innovative appraisal and development

system that combines the developmental facet of performance appraisal with the goal-setting facet of management by objective (Beer et al., 1978). At the time, it was considered to be an improvement on the performance appraisal system which was generally considered as subjective and plagued by rater problems.

2.2 THE SYSTEMS MODEL OF PERFORMANCE MANAGEMENT

The Systems Model comprises inputs, processes, outputs and linkages to other systems. The effectiveness of performance managementis greatly influenced by inputs into the system. Strategic drivers comprise, firstly, the purpose or purposes of performance management. The desired purpose, or purposes, should be determined beforehand, should not contain contradictory elements, and should be clearly communicated to all. Secondly, the transformational framework comprising leadership, corporate strategy and culture is critical to changing the strategic direction of the organisation in order to exploit opportunities in the environment. A fair degree of sophistication is expected from all internal stakeholders, namely, management, supervision and employees, to understand and apply the principles and procedures of performance management. A productive working relationship with unions or other employee representatives is essential. Processes comprise the core of the performance managementsystem and entail the following:

- An organisational or unit mission, goals and strategies are clarified or developed and communicated to all employees;
- Goals and performance standards related to wider organisational goals, are negotiated for teams and individuals;
- Structures are designed or redesigned at organisational, process and team/individual levels to ensure effective functioning of the entire organisation;
- Performance at organisational, process, team and individual levels is measured, feedback is provided on an ongoing basis and problem-solving mechanisms are in place and used; and
- In addition to ongoing performance reviews, regular performance reviews are scheduled for individual employees.

Furthermore, training and development needs are identified and coaching conducted. Because of the often negative impact of discussing rewards during the final performance review, the reward issue may be separated from the annual review.

In the system model it is considered as a linkage to the performance management system (Spangenberg, 1994b). Performance management is normally linked to human resources and occasionally to other organisational systems and processes. With regard to human resources, it is linked to training and development, career management and the reward system. There are an increasing number of productive linkages to business strategy. Outputs reflect the main purposes of performance management, namely the implementation of strategy in an efficient manner, with a satisfied employee corps. Short-term outputs comprise overall effective performance, namely, meeting the quantity and quality of products or services demanded by the market-place; efficiency and employee satisfaction and morale. Longer-term outputs entail adaptability and development. Adaptability refers to the extent to which an organisation is capable of responding to external and internal changes. Development in this context refers to ensuring effectiveness over time by investing resources in ways that will enable the organisation to meet future environmental demands. Longer-term outcomes therefore reflect the organisation's approach to environmental change.

INPUTS

Strategic drivers
- Corporate strategy
* Purpose Performance Management
- Leadership
- Culture
- *Sense of mission for PM*
  Purpose and Strategy
* *Driving strategy*
* *Driving culture change*
* *Driving performance improvement*
  Values and Behaviour
* *Becoming values driven:*
- *Participation*
- *Openness*
- *Justice and fairness*

Internal stakeholders
- Management
- Employees
- Trade Union

PROCESSES
- Developing/clarifying unit mission, goals and strategy
* *Incorporating core organisational competencies*
* *Identifying and implementing individual competencies*
- Formulating goals and creating alignment at team and individual level
- Designing and redesining structures
* *Group oriented PM system*
- Managing performance at three levels
- Reviewing performance
  Introducing:
* *Mastery descriptions*
* *Behavioural frequency scales*

LINKAGES
- Business strategy
- *Balanced scorecard*
- TQM
- HR
* Career management
* Training and development
- Reward System
* *Linking bonuses to purpose PM*
* *Merit based pay*
* *Utilising multi-level pay system*

OUTPU

Short-term
- Production
- Efficiency
- Satisfaction
- *Outcomes performanc*
* *Acceptability*

Longer-term
- Stabilizatior
- Organisatior adaptability developmer

FEEDBACK ← FEEDBACK ← FEEDBACK ←

Figure 2.1 Performance Management system model

2.3 ELEMENTS OF THE PERFORMANCE MANAGEMENT SYSTEM

Performance management is a continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organisation (Aguinis, 2009). Performance managementis often mistaken for performance appraisal, but the latter is just a part of the former.

There is no single universally accepted model of performance management. Various experts have explained the concept in their own ways. Mabey (1999) has described the model of a performance management system in the form of 'performance management cycle'. This cycle has five elements which suggest how a performance management system should be implemented in an organisation. The performance management system cycle includes:

1) Setting of objectives;
2) Measuring the performance;
3) Feedback of performance results;

4) Reward system based on performance outcomes; and

5) Amendments to objectives and activities (Mabey et al., 1999).
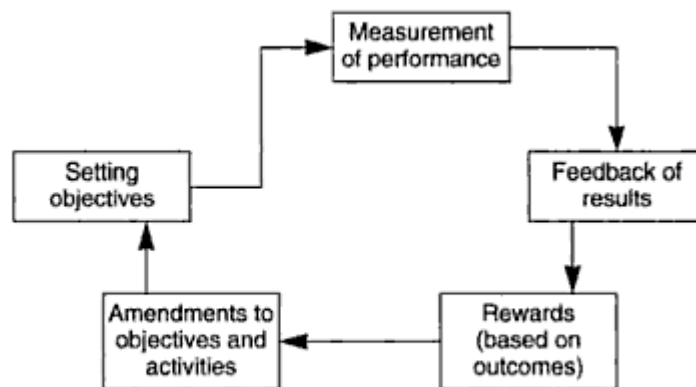
Figure 2.2 Performance Management cycle

The above cycle, if followed and performed effectively, could improve delivery of services, reduce customer complaints and result in customer satisfaction in a municipal environment.

Literature on this subject offers a number of definitions of performance management. The one that seems the most appropriate for this study is that of Du Randt (2000), where he points out that performance management is the tool for transforming the mission of the organisation 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 statutory 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; and
- Economy/Efficiency – spending within approved budgets, accountability for use of public money and demonstrating value-for-money and productivity.

He concludes that, to ensure an effective framework for performance management, performance indicators have to build upon these principle performance dimensions (Du Randt, 2000).

Du Randt (2000) further suggests that indicators should cover outcomes, incidence prevalence, service utilisation, 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 the legislature, suppliers, providers and consumers), senior managers' strategies (the organisation's mission, priorities and values), specific staff enrolment objectives (operations, job descriptions) and performance measures for each individual, programme, or department.

Another useful definition which is similar to Du Randt's, is proposed by Conradie and Schutte (2008). They add the importance of targets within this framework for performance management. According to these authors, 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. These tools and techniques are utilised by role-players to regularly plan, continuously monitor and periodically measure and review performance of the organisation in terms of set indicators and targets for efficiency, effectiveness and impact.

Outputs refer to tangible results, such as how much or how many, and, according to the Estimate of National Expenditure (ENE), they may be defined as the final goods and services provided or delivered by departments to clients that are external to the departments. Outputs may be defined as the 'what' those departments deliver or provide, contributing towards meeting the outcomes that government wants to achieve (MFMA, 2003).

A definition of outcomes is also given in the 2003 ENE document as the end social and economic result of public policies or programmes, and mainly refer to changes in the general state of wellbeing in the community. Examples include a safe and secure environment, healthy citizens, reduction in repeat offenders, reduced poverty levels and stable and self-sufficient families (MFMA, 2003).

The outcomes relate to the pressures and inputs from the initial environment, including involved actors, the choice of steps taken to address the challenge and the subsequent decisions taken for execution of remedial steps. The latter should be

monitored and evaluated, and, if need be, refined, reviewed, adapted or discarded. In short, the cycle has to accommodate givers' circumstances and challenges, suggest steps for better performance and outcomes, implement these steps, and be aware of shortcomings and re-design if necessary (Parsons, 1995). The Framework for Managing Programme Performance Information (FMPPI) defines outcomes as the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans, thus, outcomes are what the entity wishes to achieve (MFMA,2003).

Within the performance management cycle, it is the researcher's view that defining and measuring performance outputs is less complex than defining and measuring outcomes, as it is sometimes impossible to pinpoint who is responsible for these outcomes. Although processes are more difficult to measure than outputs, at least they can be identified, which is not always the case with outcomes. A combination of measurement of processes, outputs and outcomes could therefore provide a way around some of the limiting factors articulated in this study and explored further.

2.3.1 Performance planning

- o **Setting of Performance indicators:**

Performance indicators define the relationship between outputs and outcomes. Thus, performance outcome indicators measure the impact on broader society of the outputs of a particular programme (Shall, 2000). A more comprehensive definition is provided by the (LGMPPR:2001):

Output indicators are indicators that measure whether a set of activities and processes yield the desired products. They are essentially effectiveness indicators. They are usually expressed in quantitative terms (that is, number of or percentage of). An example would be the number of households connected to electricity as a result of the municipality's electrification programme.

Indicators are important because they enable organisations to review the achievement of objectives and provide a basis to measure and report on performance. Outcome indicators are the indicators that measure the quality, as well as the impact of the products in terms of the achievement of overall

objectives. In terms of quality, they measure whether the products meet the set standards in terms of the perceptions of the beneficiaries of the services rendered. Examples of quality indicators include assessments of whether the services provided to households comply with the applicable standards by the community (LGMPPR,2001). In terms of the impact, outcome indicators measure the net effect of the products and services on the overall objective. An example would be to measure the impact of an electrification programme by establishing the percentage reduction in the number of houses destroyed by fire due to the employment of other sources of energy.

Outcome indicators thus relate to programme objectives. In practice it is much easier to develop output performance indicators because there is a clear link between inputs and outputs which is tangible and easy to measure. On the other hand, the relationship between outputs and outcomes is much more difficult to articulate because many different factors may have an influence on society.

2.3.2 Performance measurement

In the literature on this subject, the terms "performance measurement" and "performance management" are used interchangeably. For example, an article by Radnor and Lovell (2003) states that:

> "the paper will use the abbreviation PMS for a combined performance measurement/management system, and defines it as follows: "information systems that managers use to track the implementation of business strategy by comparing actual results against the goals and objectives" (2003:174).

A performance measurement system typically comprises systematic methods of setting business goals together with periodic feedback reports.

Other authors, such as Conradie and Schutte (2008) regard performance measurement as a framework that describes and represents how an organisation's business cycle and processes of performance planning, monitoring, measurement and review, reporting and improvement will be conducted, organised and managed. The performance framework also defines the roles and responsibilities of the various role-players. Performance measures define the relationship between inputs and outputs. In

other words, they measure how successfully outputs are produced by using various inputs. In effect, they measure the productivity of resource use (Shall, 2000).

2.3.3 Performance monitoring and reporting

- **Performance reporting**

Public performance reporting is described by the Canadian Comprehensive Auditing Foundation (CCAF–FCVI) (2002(b):1) as follows:

> Public performance reporting refers to the formal mechanisms that a government uses to communicate with the public and legislatures in accordance with agreed guidelines. It is the formal response to a desire or need to report performance to those who have a legitimate interest in knowing, understanding and assessing performance, and then acting on this information.

To summarise, performance management, measurement and reporting are the tools utilised by management to demonstrate to what extent it has achieved the objectives and addressed service delivery as defined in its strategic plans.

- **Performance auditing**

Various terms are used for audits that go beyond the traditional financial statement audit and cover matters of economy, efficiency and effectiveness. For the purposes of this study the term "performance auditing" will be used. In South Africa, the South African Institute of Chartered Accountants' (SAICA) Guide on Performance Audit in the Public Sector (SAICA, 2006) defines this as follows:
A performance audit may be described as an independent auditing process aimed at evaluating the measures instituted by management, or the lack of these measures; ensuring that resources have been acquired economically and are utilised efficiently and effectively, and reporting on the acquisition and use of resources to managementor the relevant authority.

- **Performance outcomes**

Performance management brings about many benefits to an organisation. It is a way of telling managers in the public sector something that they may not have heard before: that they are responsible for the performance of the staff who work under them, and that it is the manager's job to manage them by setting objectives that relate to the overall strategy, monitoring their performance and giving them support, feedback and the opportunity to develop (World Public Sector Report, 2005).

According to Letsoalo (2007) the "purpose of managing performance should be clear and accepted by all employees (managers and their subordinates)". Thus, the benefits of performance management need to be discussed. Performance management is a process concerned with the effectiveness of the individual employees, the team and the organisation. Williams (2002) cited improving organisational effectiveness, motivating employees and improving training and development as the three main reasons for introducing performance management in organisations. Performance management seeks to find ways to get the best performance from all and to motivate them to achieve organisational objectives (Foot & Hook, 1996). Williams (2005) concurs by stating that when a performance management system is working, it should enhance the overall performance of groups, individuals and the organisation, and should be able to help individual employees see how their own roles contribute to the organisational goals and success.

According to Meyer and Botha (2000) a performance management system will only be effective if both employees and managers understand "why and how to use it". It is therefore crucial for both managers and employees to clearly understand the benefits of performance management. Performance management provides the system and processes to plan work and set performance expectations . It sets out to communicate the link between an organisational mission, a strategic direction and the required employee performance (Stredwick, 2005). Letsoalo (2007) argues that the significance of performance management is to establish an organisational culture in which the individual employees and groups within the organisation take full responsibility for the continuous improvement of their performance for effective achievement of organisational goals. Performance management, according to the LGMPPR(2001), enhances organisational efficiency and effectiveness, accountability for the use of resources and achievement of results. The regulations further state that the primary

orientation of performance management in the public service should be developmental, although it should allow for effective response to consistent inadequate performance, and for recognising outstanding performance. From the foregoing it can be argued that the purpose of a performance management system is twofold, namely, to develop and to reward. The former ensures that government, through its employees, operates effectively and efficiently by identifying and providing adequate training to those employees whose performance is below the expected standard, while the latter ensures that employees who perform well are satisfactorily rewarded, in order to ensure that they maintain a high level of performance. The manner in which employees' performance is being managed causes confusion with regards to whether performance managementshould be seen as a performance improvement, a rewarding tool or both.

2.4   SUMMARY

A performance management system has been clearly articulated in this chapter, while the elements that form part of a performance management system have been explained. It is clear that performance management cannot be regarded as an event, but rather as a day-to-day activity that should be accompanied by proper monitoring and evaluaton of performance. In conclusion, performance management can be regarded as both a performance improvement and a rewarding tool, and, in a municipal environment, it can be regarded as a tool to improve service delivery.

CHAPTER THREE
THE IMPACT OF PERFORMANCE MANAGEMENTON SERVICE DELIVERY AND THE ROLE OF OVERSIGHT

Clearly, the matter of service delivery is central to our freedom because we cannot enjoy this freedom while our fellow South Africans have no clean water, have no sanitation and are still using the bucket system. We cannot enjoy this freedom while many among us still have no electricity and other basic services. It is therefore very important that all spheres of government combine their efforts to ensure speedy implementation of programmes around these basic services. (President Thabo Mbeki, April 27, 2006)

3.1   INTRODUCTION

The internationally recognised democratic government of South Africa intended to be a people-centred one, with service delivery high on the agenda. In order for the promised quality service delivery to be realised, according to Maphunye (2002) the public service had to be transformed. Such transformation had to include the advancement of non-discriminatory policies and the reorganisation of structures. Maphunye (2002) says that such a transformation of the South African public sector was necessary and obligatory, as it would undo the systematic inequalities of the past regarding the provision of basic services.

The South African Government has, since the 1994 democratic break-through, adopted performance management as a tool to achieve effective service delivery. However, it is worth noting that, even though the performance management system has been adopted in order to speed up service delivery and transformation, performance management still remains a major challenge in the Public Service, with a negative impact on service delivery. The literature on performance management in the South African public service points to, albeit with isolated areas of success, a number of loopholes that are inherent in the public service's performance management system leading to poor service delivery. These shortcomings include, but are not restricted to, inadequate managerial and technical skills, a lack of training and development, an inability to enforce the system and a substantive performance culture. Enhancing a positive impact on service delivery through performance management requires

competent management and leadership as a primary requisite. This requires, among other interventions, management training, revival of staff morale and managerial commitment.

The government not only introduced policies to promote equity and fairness, but also engaged in initiatives such as public–private partnerships that would see the private sector joining hands with the public sector in the delivery of services. As stated by Russel and Bvuma (2001) the idea was that such partnerships would lead to community pilot projects that would enhance service delivery. Furthermore, the partnerships would improve communication between government and communities through community consultation, and engage communities, particularly in decision-making processes, in matters that directly and indirectly affected them. However, Ashworth, Boyne and Entwistle (2010) argue that, although the introduction of new processes, systems, policies, practices and structures in improving service delivery may provide an early marker of improved outputs and outcomes, this may not necessarily be an indicator of organisational efficiency and effectiveness. If not properly implemented, monitored and evaluated, these can yield undesirable results. It is all about doing things in the right way.

Despite the government's introduction of these policies to address the anomalies of the past, and the fact that change is visible in certain communities regarding some basic services, generally, service delivery in a number of local municipalities throughout the nine provinces of the country, is perceived to be proceeding at a snail's pace, to be minimal and not adequately visible. It is worth mentioning that the South African government's performance will always be judged by its own citizens and international communities against its progressive policies in the delivery of basic services. Furthermore, people in a democratic country have the right to voice their opinions regarding issues that concern them.

The transformation of the public sector was popularised and institutionalised specifically to ensure that there is greater access to public services. To realise this, government promulgated a number of pieces of legislation and adopted policies that have since served as a strong foundation for performance managementin the South African Public Service. To this end, the LGMPPR and other legislation emphatically pronounced on the importance of performance management in the South African

Public Service. Management of employees' performance falls clearly under the legislative framework whereby government departments are mandated to manage and streamline the performance of their employees. It is for this reason that performance management has been introduced, essentially, to ensure that there is a continuous improvement of employees' performance in the South African public service.

The management of employees' performance in the public service is undoubtedly crucial if effective and efficient service delivery is to take place. It is often argued that the success of the public service in delivering its operational and developmental goals depends primarily on the efficiency and effectiveness with which employees carry out their objectives. Following on from this perspective, it can be argued that the effective management of employees' performance in the South African public service is reciprocally linked directly to the effectiveness of public service delivery. Thus there is a growing realisation that, if employees are to deliver effective and efficient services, their performance should be subjected to effective and continuous management. The purpose of this research is to evaluate the implementation of the performance management system and its impact on service delivery in the Ugu district municipality.

The management of employees' performance in the public service is, undoubtedly, crucial if effective and efficient service delivery is to take place. This research study argues that although continuous management of employees' performance is crucial for achieving the strategic goals and objectives of the organisation, more often than not, managers disregard the process and focus their attention on and dedicate their efforts and energies only to annual evaluations. This has far-reaching repercussions for public service delivery. The purpose of this research study is therefore to investigate the impact of performance management on service delivery in the South African public service. The article also looks at the globalisation of public sector reforms and the emergence of performance management; the conceptualisation of performance management; the role of line managers in performance management; public service delivery imperatives, and the impact of performance management, as well as the challenges of performance management practices in the South African Public Service.

The public service includes the national, provincial and local spheres of government, as well as various agencies and boards that provide services and public goods which are unobtainable elsewhere and the opportunity for transactional choice is not availed.

Quality lends itself to assessment where measurable standards have been set and allows for assessment and evaluation of service quality. The implication is that the type of services available, and the form in which they are provided by the public service, as well as the levels of quality that can be expected, have to be communicated and marketed to create awareness among citizens. Government departments have adopted service charters and/or service delivery agreements that define their projected levels of service quality in South Africa, in terms of the provisions set out in the White Paper.

The eight *Batho Pele* principles aimed at promoting people first, set the framework for the type of service quality that citizens can expect. These principles include consultation, value for money, redress, the development of service standards, access to information, openness and transparency, as well as courtesy. The principles aim at establishing an interactive and responsive relationship between the client and public officials that inspires confidence in the public service. Service quality in terms of this research is the display of professionalism by public officials which includes, *inter alia,* compliance with legislation, conformance with strategies, specifications and systems, competence defined by knowledge, skill and attitude, and commitment to provide services effectively and efficiently. It is the experience and perception that the client holds of interaction with the public service that shapes the output and outcome of a service encounter. The encounter with levels of service quality may be individual, however, client satisfaction is the collective experience all citizens hold of their interaction with the public service.

The African National Congress-led (ANC-led) state has, since 1994, passed diverse legislation to put into pragmatic effect the service delivery constitutional mandate of local government. The latter serves as the core state agency for "fast-tracking service delivery backlogs created by the past segregatory and discriminatory apartheid bureaucracy" (Tshishonga & Mafema, 2010).

As the new dispensation unfolded, coincidentally, with the triumph of Thatcherism and the Washington Consensus, as well as the international rejection of Keynesian theory, (Sunter, in Legum, 2002) post-apartheid South Africa's macro-economics too became replicas of Western conceptions of selfhood (Nabudere, 2006; Tsheola, 2012).

The implications of the coincidence of the drive for market efficiency, deepening poverty and inequalities in public service delivery have become paradoxical. Inevitably, momentous public investments in infrastructure were made without universal access being attained. Unsurprisingly, a recent secret cabinet memorandum warned that poor service delivery posed a security risk for South Africa (Letsoalo & Molele, 2011). This eventuality manifests on the heels of the democratic government's infrastructure and service investments through the National Public Works Programmes (NPWPs), Community-based Public Works Programmes (CBPWPs), Extended Public Works Programmes (EPWPs) and the Integrated Development Plans (IDPs).

Together with a myriad of public policies and development programmes, the Community Development Worker Programme (CDWP) was implemented in 2004 as a national mandate to fast-track service delivery and development in various local municipalities. The CDWP was also viewed as "a panacea to service delivery backlogs" and a national transformative agenda "pacesetter for inclusive endogenous development geared towards sustainable service delivery" (Tshishonga & Mafema, 2010:561-562). Its primary focus is "the needs of local communities", especially social services, social grants and the development of municipal IDPs (Levin, 2008). The violent service protests since at least 2006, wherein lack of access to water, electricity, housing and sanitation top the list of grievances, suggest that service delivery remains non-existent among poor communities.

Service delivery protests are becoming a more ubiquitous aspect of the current changing political landscape in South Africa. Lately, not even a week passes without headlines describing service delivery protests. This is in spite of the fact that the African National Congress's (ANC) 2007 Polokwane Resolutions adopted a more pro-poor stance on issues of socio-economic development. The phenomenon of service delivery protests dominates the public intellectual space. It is a subject of much speculation from which fundamental questions that need scientific answers emanate (Maserumule, 2010). Do the service delivery protests, as Williams (2002:564-586) argues, "represent 'the unfinished business of democratisation?" This question is asked in the context of the fact that protests occur largely in settlements where services have been delivered.

To understand the logic behind this, theories of protest activity are employed in many of the intellectual attempts to untangle service delivery protests, "with some using the macro-level context – levels of economic and political development – a variable that influences service delivery protests" (Maserumule, 2010). But, as Maserumule asks, "is this theoretical paradigm a correct approach from which the current challenges of service delivery in South African could be understood?" He explains that the context for asking this question is the observation that various interventions by government to deal with this phenomenon of service delivery protests do not seem to be making much impact as it is a persistent occurrence that is beginning to characterise the relationship between government and society (Maserumule, 2010).

This phenomenon is the paradox of democratisation in South Africa (Williams, 2002). In essence, accountability and oversight are constitutional requirements in all the spheres of government which are the cornerstone for any effective performance and service delivery oversight. The parliaments of national and provincial governments exercise oversight and accountability over their administrations through the Public Accounts Committees (MPAC), and rely on performance review reports of the Auditor-General (AG) to ensure accountability by local governments. The MPACs, which are the oversight version of the MPAC, have been established in all 278 municipalities in South Africa, to act on issues raised in the AG's reports. This has strengthened oversight and accountability.

Good governance, to some extent, within the local sphere of government in South Africa, has been heighted by the establishment of these committees. Although the Local Government: Municipal Structures Act of 1998 and the MFMA provide for the establishment of committees formed in terms of section 79 and 80 of the Municipal Structures Act of 1998, the oversight role of the MPAC within the local sphere of government in South Africa is new. In this regard, the big question is: Will Municipal Public Accounts Committees succeed in closing gaps as well as deficiencies in oversight and accountability as the Standing Committees on Public Accounts do in national and provincial spheres of government?

3.2 SERVICE DELIVERY REQUIREMENTS IN TERMS OF THE SOUTH AFRICAN LEGISLATION

This section looks at three pieces of legislation that play a key role in the provision of services, namely, the *Constitution of the Republic of South Africa*, the White Paper on the Transformation of the Public Service and the *Batho Pele* White paper.

3.2.1 The Constitution of the Republic of South Africa

The Constitution was enacted in 1996 as the supreme law of the country. It places emphasis on the rights of citizens to basic services such as health care, food, social security, housing, education, water and information in an equitable manner as clearly articulated in Sections 26 and 27 of the Constitution. Section 195, clauses d) and e), further states that "services must be provided impartially, fairly, equitably and without bias", and that "people's needs must be responded to, and the public must be encouraged to participate in policy-making". Clause 32.1 emphatically mentions that it is also the duty of government to make information available to citizens on services they are supposed to be receiving. To entrench the values of democracy, Section 17 clearly states that it is the right of citizens to participate in peaceful demonstrations if they feel their rights are being violated or their needs not met (Constitution,1996).

Local government service delivery principles

The White Paper, outlines a number of principles which should guide municipalities and councillors in selecting the best delivery options for their areas, and includes the following:

- ***Accessibility of services***

Councillors, through their governing function, should strive to ensure that all citizens have access to at least the minimum level of basic services. Where imbalances in access to services are identified, these should be addressed thoroughly. This may occur by means of the development of a new infrastructure or the rehabilitation and upgrading of an existing infrastructure or a combination of both. However, the resolutions adopted by councillors to enhance basic service delivery are often subject to financial constraints in terms of the capital budget of municipalities. The consolidated Municipal Infrastructure Programme (MIP) has been established to

provide capital grants to assist municipalities in funding bulk and connector infrastructure for low-income households. This programme extends access to services to previously disadvantaged communities (Gwane, 2011). The White Paper further urges municipalities to ensure that people with disabilities are able to access municipal services.

- ***Affordability of services***

The White Paper articulates that accessibility of services is closely linked to affordability. Councillors need specific financial management skills to better equip them to understand complex financial reports usually prepared by relevant officials. The White Paper proposes that, even when service infrastructure is in place, services may remain beyond the reach of many unless such services are financially affordable. Gwane (2011) suggests that municipalities can ensure affordability through: Setting tariffs which balance the economic viability of continued service provision and the ability of the poor to access such services; and determining appropriate service levels. Service levels which are too high may be economically unsustainable and may jeopardise continued service provision. It should be noted, however, that the White Paper, does take into cognisance the fact that inadequate service levels may perpetuate stark spatial divisions between low, middle or high income users. This is especially true in urban areas, which could imply that the socio-economic objectives of a municipal council are bound to be jeopardised.

To minimise the chances of the occurrence of such a situation, municipalities could consider cross-subsidisation (between high and low-income users and commercial and residential users) within and between services. Again it is proposed that councillors need specific skills in local government financial managementin order to execute their duties and responsibilities efficiently and effectively, as proposed in the Constitution. Netswera and Phago (2009) state that the ability to pay for basic municipal services is measured through the use of three variables, namely, (i) employment data, (ii) household income and expenditure, and (iii) living standard measurement data that assesses household material possessions. Furthermore, affordability is measured because measuring household wealth is a cumbersome process that cannot be fully explained through the use of a single variable.

- *Quality of products and services*

The quality of services provided by municipalities may be difficult to define. Nevertheless, the White Paper, proposes certain criteria to be considered by local government councillors when adopting formal resolutions pertaining to the quality of services. The criteria include the suitability of purpose, timeframes, convenience, safety and continuity, responsiveness to service-users; and a professional and respectful relationship between service-providers and service-users. According to Maimela, (2009) in order to provide high-quality products and services, management must have an obsession with quality and perfection that pervades all facets of the public institution. The driving force behind quality management is customer satisfaction. Councillors should ideally pay particular attention to this requirement, especially in light of the violent service delivery protest action that has occurred in many parts of the country, including the Eastern Cape.

- *Accountability for services*

While there may be several service delivery mechanisms or options available to municipalities, accountability for such services delivered or not remains the ultimate responsibility of the municipal council. Williams (2002) proposes that the accountability expected should, *inter alia,* relate to the quality of the services provided or planned, as well as the affordability and accessibility of the target recipients of the service. Kakumba and Fourie (2007) state that accountability can be understood as the answerability for performance, and the obligation that public functionaries are required to provide satisfactory explanations to the public over the exercise of power, authority and resources entrusted to them for service delivery.

- *Integrated development and services*

In terms of this principle, municipalities should adopt an integrated approach to planning and ensure the provision of adequate municipal services. This implies taking into account the economic and social impact of service provision in relation to municipal policy objectives such as poverty eradication, spatial integration and job creation through public works programmes. According to Malefane and Mashakoe, (2008) all planning for key social, economic and environmental sectors is incorporated in the Integrated Development Plan of a municipality.

- ***Sustainability of services***

On-going service provision depends on, *inter alia,* financial and institutional systems which support sustainability. Sustainability includes both financial and environmental viability with a sound and socially just use of resources. In their compilation and execution of their developmental plans, municipalities must ensure that the services planned are sustainable, economically viable, and do not disrupt environmental and social systems in place. According to Netswera and Phago, (2009) municipalities are required by law to establish a tariff or levy system on services for sustainability purposes. Furthermore, sustainability has major implications for service-charge collection and the enforcement of payment.

- ***Value-for-money***

Value in the public sector is both a matter of the cost of inputs, and of the quality and value of the outputs. The above principles require that the best possible use is made of public resources to ensure universal access to affordable and sustainable basic services (Maimela, 2009).

- ***Ensuring and promoting competitiveness of local commerce and industry***

This principle requires municipalities to ensure that the job-generating and competitive nature of commerce and industry are not adversely affected by higher rates and service charges on industry and commerce. Municipal councils may not delegate the responsibility for amendments to rates tariffs or service charges, which occur on 1 July each year at the commencement of the new municipal financial year. This consideration should not be compromised where there is a need to subsidise certain groups of domestic users. The White Paper, prescribes that transparency is required to ensure that investors are aware of the full cost of doing business in a local area that falls within the geographical area of a municipality. In this regard, councillors need to be aware of the impact of their decisions (in terms of formal resolutions) on local communities, commerce and industry.

- ***Promoting local democracy***

In terms of Section 152(2) of the 1996 Constitution, municipalities must strive, within their financial and administrative capacity, to achieve the objectives set out in Section

152 (1), which emphasises, *inter alia*, the need to encourage the involvement of communities and community organisations in local government matters. In this regard, councillors have a legislative obligation to promote community consultation and participation in local government matters. Taken further, the democratic values and principles, as enshrined in Section 195 (1) of the Constitution, should be promoted by all municipalities. This is one of the many functions expected of municipalities and councillors as portrayed in the White Paper. An important aspect regarding service delivery is what clients expect from public institutions, public officials and their councillors.

The primary function of a municipality is to serve its community by providing water, electricity, sanitary services and other related services (Du Toit, Knipe, Van Niekerk, Van der Waldt & Doyle, 2002). Furthermore, it is accepted that the activities undertaken by public institutions to deliver services are conducted in accordance with generally accepted normative principles. The *Batho Pele* Principles provide a fresh perspective to the meaning of normative principles. These principles emphasise the legitimate right of the public to expect quality services from public officials (Du Toit et al., 2002). Councillors have an equally important role to play in this regard in terms of their leadership and governance functions.

3.2.2 The White Paper on Transforming Public Service Delivery (1997)

The above-mentioned White Paper introduced eight principles which are known as the *Batho Pele* (People First) Principles. They are, as follows, and have an impact on what is expected of public officials and local government councillors: Consultation must take place between the public sector and the citizens about the level and quality of the services to be rendered. Consultation also implies that the citizens must have a say regarding the services delivered. Mfene (2009) states that, wherever possible, citizens should be provided with a choice of the services that are offered. In terms of service standards, citizens should be informed about the level and quality of the services they will receive in order to remain abreast of what to expect. This implies that public officials are obliged to deliver what is expected, failing which, the citizens have a right to complain (Williams, 2002).

Access implies that citizens also have a legitimate right to equal access to services, and public officials should not withhold that right. Mfene (2009) states that all citizens should have equal access to the services to which they are entitled. The principle of courtesy requires public officials to treat all community members with courtesy and consideration, irrespective of the social status of such persons. Access to information means that community members have the right to accurate information regarding the public services they are legitimately entitled to. Public officials must therefore provide them with full and accurate information. An important implication of this principle is that, should the standard of service drop for whatever reason, citizens should be informed why this has happened. They should also be informed as to when the situation will be remedied. According to Van der Waldt (2007) government departments in South Africa need to develop service delivery improvement programmes.

Such programmes should set out, *inter alia*, how the departments' communication systems will improve information about the type and frequency of services that customers require, and also how complaints systems will be developed. It is proposed that this requirement be equally applied to departments within municipalities. Openness and transparency requires public officials to inform citizens about, *inter alia*, the administration and management of public sector departments, what it costs to run them and who is responsible for running them. Additional prescriptions pertaining to openness and transparency are contained in the 1996 Constitution. Redress implies that historically disadvantaged communities receive adequate budget allocations in terms of basic service provision.

Value for money implies that community members have the right to expect services that are efficient and are provided economically. It is proposed that in order for municipalities to further achieve the aims and objectives of the *Batho Pele* Principles, both local government officials and councillors need to become more "sensitised' in terms of exactly what is expected from the bureaucracy and council members. This is important when one considers that community members have an important role to play in local government matters, as prescribed in terms of a variety of applicable legislation including, *inter alia*, the Local Government: Municipal Structures Act 117 of 1998.

3.3 SOUTH AFRICAN LOCAL GOVERNMENT SERVICE DELIVERY FOCUS

In common with its counterparts in Australia and New Zealand, South African local government has traditionally provided a rather narrow range of 'services to property' (Williams, 2002). However, in line with the *White Paper on Local Government* and the RDP aims, the role of municipalities was rapidly expanded to include a much broader array of service objectives.

In terms of its structure, South African local government is sub-divided into three basic categories; metropolitan municipalities, district municipalities and local municipalities. Metropolitan municipalities have municipal executive and legislative authority in their respective local government areas, which embrace the major urban concentrations of Cape Town, Durban, East Rand, Johannesburg, Pretoria and Port Elizabeth. By contrast, district municipalities have municipal executive and legislative authority over significant spatial areas, with primary responsibility for district-wide planning and capacity-building. Within the local jurisdiction of each district municipality, there are typically several individual local municipalities which share their municipal authority with the district municipality. In essence, district municipalities administer and make rules for a district, which includes more than one local municipality. South Africa has a total of 278 municipalities in these three categories combined (Atkinson, 2007).

The intended purpose of district municipalities and local municipalities sharing responsibility for local government in their given areas is to ensure that all communities, particularly historically disadvantaged communities, have equal access to resources and services. Since district municipalities usually cover both relatively affluent and relatively poor concentrations of people, consequent upon the apartheid legacy, this facilitates 'cross-subsidisation', enabling local municipalities without adequate administrative, financial and technical capacity to provide basic services to their historically disadvantaged communities. In addition, the system provides the scope for shared services between local municipalities which can generate economies of scale and scope and attendant cost reductions.

The functions of district municipalities are manifold. From the perspective of local service delivery, district municipalities, *inter alia,* must plan for development for the district municipality as a whole; provide a bulk supply of water that affects a large proportion of the municipalities in the district; supply bulk electricity; provide municipal health services for the whole group of municipalities in the district; ensure bulk sewerage purification works and main sewerage disposal; provide waste disposal sites for the whole district; provide municipal roads and storm water drainage for the district municipality area; provide municipal public works; ensure street lighting; and provide municipal parks and recreation facilities.

3.3.1 A history of necessity

In order to understand the nature of local government service delivery protests, it becomes important to trace the genesis of the local government system in South Africa as it relates to the black part of the society. It is equally important to trace the popular discontent, on behalf of the black sector of society, with local government structures and systems over the years. Such a background does not necessarily justify violence, but provides a useful understanding and argument that, over the years, local government service delivery protests have become entrenched. It also provides an understanding that the ushering in of a new democratic dispensation may, in itself, not have been sufficient to overcome the entrenched societal culture of venting anger and frustrations against local governments.

During the period 1922 to 1994, black society consisted of "migrants" in urban centres throughout South Africa. The apartheid state required cheap black labour to sustain its industries and thus set up urban zones closer to the industrial hubs for purposes of labour extraction. The question of black urban authorities henceforth became a reality in these black townships. The earliest form of services and rent boycott can be traced to 1897, during the colonial era, under the jurisdiction of the Sanitary Board which is the predecessor of the Johannesburg City Council in Mayfair, Johannesburg. Such a violation was punishable by imprisonment without fine (Leyds, 1964). The above literature suggests, therefore, that services and rates boycotts are a very old phenomenon which was historically championed by the White population in the case of Mayfair in Johannesburg. The policy to house a black population in major cities like Johannesburg only came in the early 1900s; between 1902 and 1905, through the

Native Affairs Commission (Musiker and Musiker, 1999). The proper introduction of the urban black local authorities legislation came to the fore immediately after Hertzog become the president of the Republic.

The local council "stooges" of the apartheid government who served on the black affairs administration boards were so vilified that some of them could not even live in the same townships they served (Netswera and Phago, 2013; Du Pre, 1990 and Shubane, 1991). It is important to note that Soweto residents were, in the 1980s, worried enough to set up their independent commission in 1989 to determine the reasons and effects of local government service protests and boycotts. The report recommended the upgrade of water and sewerage supplies, but equally noted the absence of a single tax base to be one of the major cause of the problems in the township (PLANACT, 1989).

3.3.2 The culture of violence

The culture of service delivery protest has been extensively researched (Netswera, 2005; Pfaffe, 2010; Netswera and Phago, 2009; Gwane, 2011 and Netswera and Phago, 205). Some of the major factors influencing the general local government service delivery protests currently form part of the growing literature. The literature suggests that, to a large extent, the then banned African National Congress (ANC) not only introduced, but encouraged, the service delivery boycotts, rent defaulting and protestations (Hoosen, 1999 and McDonald, 2002). The ANC later introduced the Masakhane campaign to counter the culture of boycotts and local government services protests. Expecting that the new Masakhane campaigns would immediately sweep over the country and overcome an entrenched culture of boycotts seemed unrealistic (Netswera, 2005).

The violence associated with local government service delivery protests has its own history and track record which is not as thoroughly researched as the popular service delivery protests. Protest politics in South Africa have been "utilised" differentially in different eras and moments. Protests formed an important vehicle through which black society expressed their frustration and anger against the apartheid government since they had no legitimised representation in such a government. At times, violent protests were pursued because of their immediate ignition of attention and the attention they generated from local authorities, and because they attracted the attention of local and

international media. Service delivery protests are, however, not a mechanism for pure political attention-seeking but rather raise genuine anger which emanates from community dissatisfaction with municipal service delivery or its lack thereof. Often, it is a manifestation of poor or a lack of communication in debriefing communities about progress and challenges faced by local municipalities (Nleya, Thompson, Tapscott, Piper, and Esau, 2011). As a result; over the past few years, local government protests have drastically increased, as depicted. While protests have existed throughout the past three decades; Alexandra (2012) acknowledges that, after 2004, South Africa experienced an unprecedented escalation in the number of these protests.

Figure 3.1: Service delivery protests of the past decade
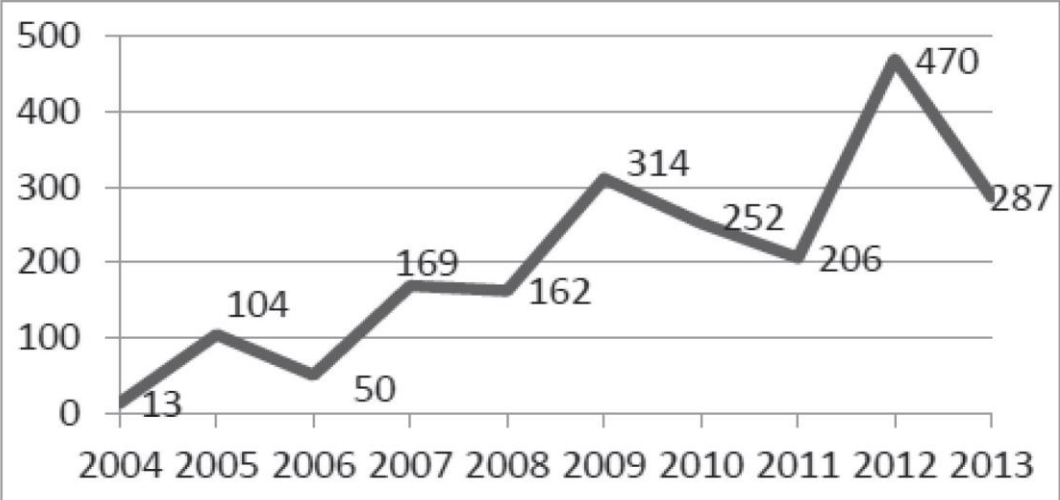
Source: Alexander, Runciman and Ngwane (2013)

The current service delivery protests continue to raise the same challenges as did those in the 1980s. Absence and poor delivery of the basic services which form part of the competence of the local municipalities continues to be the biggest reason for the service delivery protests, according to Alexander, Runciman and Ngwane (2013).

Figure 3.2 Reasons for service delivery protest
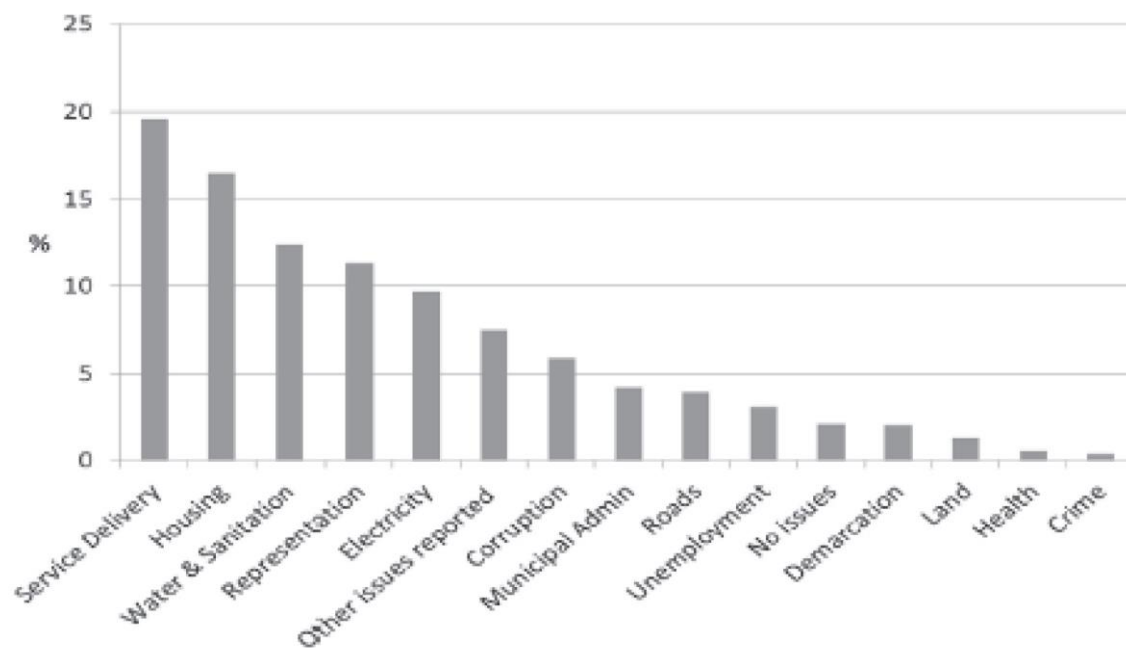
Source: Alexander, Runciman and Ngwane (2013)

In the midst of absent and poor basic service delivery, equally troubling perceptions loom that there is, within the realm of local government, huge scale corruption (Atkinson, 2007). Poor basic service delivery is, to a large degree, the perception of community members, correlated with the prevalence of large-scale corruption. Such corruption manifests itself, among other issues, in the awarding of service tenders and visible in the opulent lifestyles of local politicians. Lodge (1998) suggests that there is rampant corruption in the issuing of tenders, nepotism, in terms of offering jobs to family members and friends, and shoddy work done by incompetent contractors who are connected to politicians, which results in people revolting against government. Patronage is also perceived as rampant when political parties and leadership subsume powers in municipal administrative processes (Abdalla, Maghrabi & Raggad,1998).

3.3.3 Community participation and service delivery

Public participation in governance has been widely accepted as "a core value of democracy" and even as a basic human right (Ndevu, 2011). Formal channels for communication and engagement between citizens and government are believed to be essential for ensuring efficient and responsive government (Ndevu, 2011; Ballard

2008). It is also considered an important mechanism for enhancing effective service delivery (Ndevu, 2011). The official people-centred approach of the post-1994 South African government established public participation as a Constitutional imperative, in order to encourage public engagement in policy-making, and to develop a citizenry of active role-players rather than "consumers of services" (PSC, 2008). To this end, many formal and informal initiatives have been undertaken; including ward committees, public hearings, *izimbizo,* (public meetings) Exco-meets-the-people, Citizen Satisfaction Surveys and Citizen Forums, among others (PSC, 2008). Although engagements through civil society organisations and public protest are also major features of South Africa's 'participatory landscape', these will not be dealt with here, as our focus is on residents' perceptions of formal mechanisms of engagement, primarily those of ward committees, as well as communication with local officials on issues regarding local services.

In South Africa, public participation at local government level, is enshrined in a number of legislative frameworks and policies, including the Constitution (1996), the Local Government: Municipal Structures Act (117 of 1998), the Local Government: Municipal Systems Act (32 of 2000) and the White Paper on Local Government (RSA, 1998). These policies also identify the responsibility of municipalities with regard to the provision of basic household services. Municipalities are thus legally obliged to deliver services such as water and sanitation, and to involve communities in the formulation of developmental priorities (Qwabe & Mdaka, 2011; DBSA 2011). However, low levels of public satisfaction with government performance indicate that citizens are increasingly discontented with the state of local government. In the run-up to the 2011 Local Government Elections, for example, a survey conducted by the Human Science Research Council (HSRC) on behalf of the Independent Electoral Commission, (IEC) found that, nationwide, 45 percent of the surveyed public were dissatisfied with municipal performance (HSRC, 2011).

The latter study also showed that trust in particular institutions was particularly low in 2011, with only 38 percent of people expressing trust in local government (HSRC, 2011). In fact, compared to levels of trust in provincial and national government, (46 percent and 53 percent respectively) trust is lowest in the sphere of government that is supposed to be "closest to the people". Furthermore, despite the number of formal

channels for participation; engagement between citizens and local government in South Africa remains low. In fact, it is much lower in South Africa, with 23 percent reporting contact with local councillors in 2006, than in many other African countries, although rates of protest are among the highest (Mattes, 2008). In a 2011 Development Report of the Development Bank of Southern Africa (DBSA) (2011), confirmed that the rise in service delivery protests, alongside the decrease in public confidence in government, "suggest that communities are increasingly losing faith in formal representative and participatory governance processes". Since public participation is considered critical for democracies, citizen dissatisfaction with, and disinterest in engagements with local government is problematic.

3.3.4 The role of municipal councillors in driving service delivery

In terms of the Local Government Turnaround Strategy (LGTAS) approved by the South African Cabinet on 2 December 2009, municipalities are required to formulate and implement their own turnaround strategies to, *inter alia,* improve basic delivery and also the capacity of their administrations and political functionaries. The LGTAS aims to further restore the confidence of the majority of people in their municipalities as the primary delivery machine; and to re-build and improve the basic requirements for a functional, responsive, accountable, effective, and efficient developmental local government (http://www.dplg.gov.za).

The Local Government Turnaround Strategy provides an opportunity for all municipalities in the country to reflect on their own performance, and concentrate on removing constraints. In this regard the LGTAS strives to set the standards by which municipalities will be held to account (to their communities) for their performance and actions. In this regard, five strategic objectives have been articulated in the LGTAS, namely:

- To ensure that municipalities meet the basic needs of theircommunities;
- To build clean, effective, responsive and accountable local government;
- To improve functionality, performance and professionalism in municipalities;
- To improve national policy, oversight and support to local government.; and
- To strengthen partnerships between local government, communities and civil society (http://www.polity.org.za).

Despite the fact that the new local government system is already in its second decade, there are still signs and trends which indicate that the majority of municipalities are failing to deliver on their mandate. The introduction of the LGTAS is, therefore, an important development in terms of addressing the numerous challenges that currently face municipalities in South Africa. Under the former apartheid government there was systematic under-investment in municipal infrastructure in historically disadvantaged areas. This deprived millions of people of access to basic services including: water, sanitation, refuse collection and roads. In terms of the developmental local government mandate, specific obligations have been imposed on municipalities to address backlogs (Williams, 2002).

Municipalities are now required to develop service delivery strategies to meet the basic needs of communities. Basic services enhance the quality of life of citizens. Such enhancement also increases citizens' social and economic opportunities by promoting health and safety, as well as facilitating access to work, education and recreation. It should also stimulate new productive activities (The White Paper on Local Government, 1998). Draai (2010) suggests that, by the mid-1990s, the South African public service was influenced by international public-sector reform strategies emanating from the New Public Management (NPM) theory and practices. The adoption of the eight *Batho Pele* (People First) Principles that focus on quality client service provision is indicative of NPM reform strategies, because it specifies that the provision of public services should become client-centred and thus performance-related (Draai, 2010). Given the above understanding of local government in the current political dispensation, informed by the former apartheid legacy, municipalities should ensure that adequate services do reach local communities. Taken further, the Local Government Turnaround Strategy approved in December 2009, places additional responsibilities on both the officials and elected representatives in the third sphere of government. Councillors have an important role to play in meeting their leadership and governance responsibilities. In this regard, the delivery of basic services becomes of importance, especially in light of the recent violent protest action by communities in many parts of the country.

Despite these (and numerous other) challenges, a study by the Centre for Policy Studies (CPS) (Paradza, Mokwena & Richards, 2010) on the role of councillors in

service delivery, found that where there is effective and transparent oversight by councillors of municipal progress in service delivery, combined with feedback to residents on progress, residents appear to be more satisfied, because they are aware of the challenges facing the Municipality and what is being done to address the situation. The municipal administration is also held to account, and this appears to improve service delivery performance. Furthermore, where there is an effectively functioning public participation system in place for residents to express their needs, and for these needs and concerns to be heard and acted upon by the municipal administration, residents appear to have more trust in the ability of local government to address their needs, and appear to be less frustrated with service delivery shortfalls (Paradza, Mokwena & Richards, 2010).

Similarly, Akinboade, Kinfack and Mokwena (2012) found that the quality of participation impacts on participants' tolerance of different viewpoints, as well as enhancing their trust in government. Indeed, it is often assumed that improved performance in the provision of public services will increase public trust and confidence in government Akinboade et al., 2012: 189; Bouckaert and van de Walle, 2003). Mattes, (2008: 133), however, maintains that the poor are much more likely to engage with local government than those who have reliable access to basic services and who usually live in urban areas, and that, "neither dissatisfaction nor satisfaction with local government provides an adequate account of this participation"

3.3.5 Ward committees and service delivery

Shaidi (2006) asserts that, in many instances, local communities perceive ward committees to be structures owned by ward councillors and not by respective communities. In terms of the new system of developmental local government, the legal definition of a municipality is that it comprises not only the councillors and the bureaucracy, but also the local community. It can be argued that a defining feature of the new mandate is the opportunity it affords ordinary citizens to become actively involved in local government matters in their area (Shaidi, 2006). A further challenge facing many municipalities is that ward committees are not fully operational, resulting in poor service delivery and a lack of communication with communities.

Ward committees have been the focus of considerable attention by government, as well as civil society, with substantial investment already made in an attempt to ensure that these structures have the necessary capacity and resources required for them to fulfil their envisaged roles as the voices of communities (Williams, 2002). At the same time, questions that are often asked include the following: How effective are these institutions? Are they useful conduits for community involvement in local governance? Are they inherently capable of playing the critical role expected of them, as created space for public participation? Do they create opportunities for real power-sharing between municipalities and citizens? (IDASA, 2010). The mention of ward committees typically solicits some negative views.

Communities appear to be critical of ward committees, arguing that they do not function as intended. Moreover, ward committees are usually viewed as highly partisan structures aligned to party political agendas (IDASA, 2010). Ideally, ward committee structures should serve as the "link" between communities and their ward councillors. They should also play a positive role in terms of promoting service delivery by working closely with their respective ward councillors. However, it appears that ward committees face many challenges throughout the country in terms of playing a more meaningful role in local government matters. According to Shaidi, (2006) a low percentage of the national population participates in the public consultation processes, including the Integrated Development Plan (IDP). In terms of the MFMA, municipalities are required to take reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

Sound financial managementis the key to local service delivery and ideally, councillors should be equipped with the relevant financial skills. It is of concern to note that certain municipalities are associated with underperforming in their financial management controls. Financial mismanagementand non-compliance with financial legislation are common in many municipalities. Consequently, this results in poor performance and the delivery of social service is compromised (IDASA, 2010). Another factor that undermines the performance of municipalities is the availability and shortage of the required skills. This applies to both the appointed officials, as well as the elected councillors.

The State of Local Government in the South Africa Report of 2009, points out that the skills deficit within municipalities remains a major challenge. A significant number of municipalities do not have the managerial, administrative, financial and institutional capacity to meet the rising needs of local people. This situation is exacerbated by the decline of municipal professionals and poor linkages between local government and the tertiary education sector. As a result, these municipalities cannot meet their required performance standards, hence impacting adversely on the delivery of services (IDASA, 2010). In the section that follows, an overview is provided on, *inter alia,* the methodology and sample population selected for the purposes of a recent empirical survey conducted at a local municipality in the Province of the Eastern Cape to specifically assess the needs of councillors.

3.3.6 Government and service delivery

Any government has the responsibility to provide basic services to its citizens, and such services should be provided "...at the highest possible level of responsiveness and efficiency" (Johnson,77). However, most governments in the world are faced with service delivery challenges, and South Africa is no exception. As stated by Manning, (2006:23) "... (service) delivery troubles are not unique to South Africa. They occur worldwide, in both business and the public sector". Although the public sector is not as concerned with making a profit on services rendered as its counterpart, the private sector, is, there is one common denominator: both include human resources who have to interact with clients who expect efficient delivery of particular services or products on a daily basis. It is therefore imperative that institutions put good recruitment and retention strategies in place to ensure that the personnel employed in managerial positions perform to the optimum, because managers play a pivotal role in fulfilling the objectives of an organisation.

As stated by Nengwekhulu (2009), it is important that an organisation's recruitment, selection and appointment of public officials should be based on merit, and that prospective employees should be subjected to "competitive examinations and interviews". Nengwekhulu (2009) further says that, in order for the public service to perform optimally, there needs to be neutrality in the employment and placement of public servants in the higher echelons of public institutions. Political affiliation should not be used as the only criteria in such appointments. Using political party membership

as a licence to climb the ladder may compromise service delivery, because those placed in such positions may be protected because of 'political patronage', and in South Africa, 'the notion of the political neutrality of the public service is a distant mirage in relation to senior public servants. However, the argument raised by politicians that employment of public institution managers belonging to the ruling party will ensure that they support the ideologies of the party and steer government's delivery of services to the optimum level still has to be tested.

A public service that performs well has good policies for fighting corruption. However, having good policies does not guarantee good service delivery, but the successful implementation, monitoring and evaluation of such policies will. Sangweni and Balia (1999) emphasise that it is the prerogative of government to ensure that there are strategies in place, and that these strategies are implemented successfully in order to prevent both officials (the corruptee) and some members of the public who are corrupt (the corruptor) from engaging in activities that undermine and eradicate ethics and values in the workplace. Corruption, if not promptly attended to, can soon become a culture of an organisation that will ultimately destroy its economic efficiency. As espoused by corruption results in stagnation and institutional failure that can lead to poor service delivery. The failure of institutions may, in turn, lead to lower economic growth, a recipe for government's malfunction.

A successful public service also ensures that there are good strategies on how to raise revenue. A report released by the Economic Commission for Africa (2003) identifies three elements of good governance that will bring about an efficient, accountable and dependable public service. They are:

- Accountability: making public officials responsible for their actions:
- A predictable legal framework that ensures that rules are known in advance, and that reliable and independent judiciary and law enforcement mechanisms are in place; and
- Availability of information and transparency in order to enhance policy analysis, promote public debate and reduce the risk of corruption.

Citizens should not be perceived as mere consumers or recipients of services, but as an integral part of governance, and therefore need to be involved in decision-making

processes on services that affect them. As mentioned by Pollit (2007) and Hood (1995, in Dibben & Higgins, 2004) this approach is widely perceived to be one that will enable citizens to participate in the activities of government and have a say in the decision-making process, taking full control of their lives by exercising their rights in collective decision-making. The revolution in the public service has, to a great extent, been mobilised by the workers' unions which emphasise active participation of citizens in the decisions taken by government, as those decisions have a direct bearing on the day-to-day lifestyle of citizens.

3.3.7 Criteria for service quality - what is quality?

Quality holds different meanings for clients at different times in different circumstances. In its generic sense quality means meeting identified needs. Service quality in the public service is the provision of services in terms of legislative provisions as specified in service charters and/or service agreements. These services are provided in terms of cost-benefit analysis in respect of financial, physical and human resources viability. According to Williams (2002) service quality is value-based, in that it is, *inter alia*, the expectation that the client holds of services which includes the following aspects:

- What the client is entitled to in respect of legislative prescripts and defined in service charters;
- What the client wants; and
- How the client expects to receive the service in an era of innovation and technological advancement, and is entitled to in terms of legislative provisions and service charters.

Quality occurs during the interaction between the official and the client. The implication is that the client engages with the business system of government where intangible services or tangible goods are provided. Quality is therefore based on subjective judgement as well as comparison. The assessment of service quality is therefore subjective, influenced by various aspects, including the socio-economic mobility of the client. Socio-economic mobility implies that perception of service quality and client satisfaction is influenced by the income brackets of citizens. Socio-demographics refers to the expectations of service quality of citizens in rural areas versus the

expectations of those in peri-urban and urban areas. Quality managementand assessment therefore involve all stakeholders of the organisation, which includes the internal client and the external client. Internal clients are the officials within the organisational structure who are reliant on interdepartmental and/or intergovernmental cooperation within the bureaucracy to give guidance and effect to the decisions to carry out service delivery. The provision of service quality is aimed at the external client.

3.3.8 Service quality models

Technical and Functional model

There are a number of models that delineate the criteria that allow for the analysis of the perception and experience of the levels of satisfaction with service quality within organisations. This article will review two models. Pollit (2007) identifies three components which define levels of quality: technical, functional and image. Technical service quality is tangible and is related to a product. This type of quality involves the accuracy with which the standards and specifications are followed, to construct, *inter alia,* low-cost housing provided by government. The focus of this article will be on functional and image quality and not technical quality.

Functional and image quality are closely intertwined. Functional quality, in particular, centres on the integration of a managementphilosophy and tools that lead to the implementation and monitoring of systems and processes with which service requests are met. The maintenance of service quality, therefore, takes into account not only the service output, but the entire service outcome. It is the implementation of strategies that lead to internal effectiveness and efficiency of workflow aimed at accurately satisfying client service requests with courtesy, within the shortest turn-around time. Functional quality is therefore two-pronged, in that it is both internal to the organisation as well as external. There are a number of stakeholders involved in defining service quality.

The key stakeholders include the internal client which comprises firstly, management, who hold a strategic vision of the level of service quality that should be implemented in respect of identified services. It is the projected and anticipated levels of service quality that clients can experience. It is the development of realistic measurable

service standards that take into account the value system of the organisation of service quality specified in operational plans and service charters. A service charter or Service Delivery Agreement (SDA) is the contract between the client and the service provider which specifies the levels of service quality that can be expected. It is the overt commitment from government of its performance levels appropriate to the specified service, as well as to continuously improve services and bring about innovation where necessary or applicable.

These service standards should specify that service quality is observable, achievable, measurable and desirable. Public officials are the implementing agents who hold operational interpretation of level of service quality. It is incumbent on public officials to implement service standards to determine compliance with service levels set, as well as conformance with business systems. Public officials are periodically monitored and evaluated. This systematic collection of data is fundamental to assessing performance. Continuous monitoring enables the assessment of service quality and identifies the gap between perceived and experienced service quality. It allows managementto take corrective action where available evidence indicates the origin or nature of a complaint or problem area, as well as to bench-mark successes (PSC, 2008). The external client holds expectations and/or perceptions of service quality, informed by service encounters, assertions from the media or word-of-mouth projections. It is of cardinal importance to note that the client is not a passive recipient of service quality and consequently will express levels of satisfaction or dissatisfaction with service quality.

The perception and experience of service quality created over a period of time has a direct correlation with the organisational reputation developed. Organisational reputation stems from the image an organisation intends to project, or that is projected to the client. Image quality is the projection of quality that is envisioned in strategic and operational plans, which specify the organisation's intent and purpose. It is therefore the perception that internal and external clients have of the levels of service quality that was, can be or should be achieved by the public service. Organisational reputation is the defined levels of service quality in specified service delivery improvement plans. It includes capacity and capability in terms of annual skills inventories and talent managementplans to deliver services. In order to meet service quality within organisations, a comprehensive planning and communication process is required.

The organisational reputation and image is furthermore defined in terms of the history of the organisation in terms of past service quality levels experienced, perceived and conveyed by the media, as well as by word-of-mouth, which may be positive or negative. The image and reputation derived is further compounded by such aspects as reported continued maladministration and corruption (Carpenter & Krause, 2012). Past experience is a strong determinant for future interaction and perception of service quality. The image displayed by the public service to clients, who are also citizens, is fundamental to levels of confidence held in its ability to deliver quality service. Image is derived from the display of competence and willingness of the public official to meet levels of service quality, as stipulated by legislation and provided for in service standards.

The competence of public officials is defined by skill and attitude towards service delivery and encompasses such aspects as the display of consistency, reliability and responsiveness perceived and experienced with service delivery. In terms of police services, such aspects as police visibility in high-crime areas are fundamental to the display of commitment to service quality, as is the display of willingness by officials to expediently introduce redress and innovation measures in service delivery.

The Gap model: The Gap model for service quality was developed by Ziethaml, Parasuranman and Berry 1990) to measure and analyse the perception of client satisfaction with service quality. Parasurman et al. (1990) developed the related SERVQUAL methodology. This is a scale which identifies ten measurable dimensions to assess levels of satisfaction with service quality. These dimensions include tangibles, reliability, responsiveness, security, competence, courtesy, credibility, communication, access and understanding the client. These measures were reconstructed to yield five dimensions, namely, tangibles, reliability, assurance, empathy and responsiveness (Ziethaml, Berry & Parasuraman, 1990; Seth, Deshmukh & Vrat, 2005). The central focus of the service quality gap model is the service gap between the expectation and the actual level of performance where public officials are either unable, or unwilling to execute service quality at defined levels in respect of set service standards (Parasurnam et al., 1990; Sharabi & Davidow, 2010). The model identifies four gaps which include:

The expectation gap*:* This is the difference between the levels of service quality expected by clients and those anticipated by management. Fundamentally it implies that monitoring and evaluation strategies are flawed, or that the data which emanates is misinterpreted, which implies that satisfaction with service quality will be minimal.

The standards gap: This is the distinction between the organisational understanding of client expectations and the development of service standards. The implication is that defined service standards are unrealistic, are not informed by the levels of service quality desired or appropriate, or will be tolerated by clients. Principally, the development of service standards should take into account issues of socio-demographics. The levels of socio-economic and socio-demographic mobility determine the levels of service quality expected and the levels of client satisfaction experienced and demanded. The level of awareness among citizens and compliance by officials with service charters, in a developmental context such as South Africa, are not consistent across departments and provinces (PSC, 2007).

The performance gap*:* This is the difference between service quality received and that which is experienced. Monitoring and evaluation may indicate that service quality experienced may be excellent and hold implications for benchmarking success or poor quality requiring intervention.

The communication gap*:* The distinction between service quality promised in terms of service charters or service agreements, and that which the client is experiencing or perceiving. This gap can be compounded by numerous factors that include the organisational capacity to deliver service quality; these can include high labour turnover as well as skill shortages.

3.3.9 Determinants of service quality perception

There are a number of determinants that influence the perception of service quality. The client holds critical influence in defining levels of service quality in the public service. The adoption of public service reform measures has led to citizens being referred to as clients of the public service. This reference is misleading, as the concept of client or customer is associated with the private sector, where transactional and personal choice can be exercised, as well as with competition for clients, where

profitability and organisational longevity is crucial. Furthermore, the application of the term 'citizen' in the public service raises numerous questions in view of the divergent services and goods provided by government, based on legal entitlement or sanction. These services include aspects of social welfare and/or legal obligation. Alford (2010) argues that citizens can only be seen as beneficiaries and not as clients. For instance, the provision of social assistance is made available or obligates where law enforcement takes place. However, this inference enables citizens to state their levels of satisfaction or dissatisfaction with public services.

In principle, the relevance of service quality for clients in the public service therefore becomes irrelevant, due to a lack of competition. The fundamental issue is that citizens express satisfaction or dissatisfaction with service quality. They also convey their experiences by word of mouth. This type of communication is a strong determinant in the perception of service quality and, consequently, of the organisational image. Alford (2010) argues further that citizens are co-producers of public services and not passive recipients of services. It is important for government to realise the active role of clients in defining service standards and the type of services required to meet their needs. Citizens also influence the physical and social conditions in which services are produced. Examples of these are the introduction of various outreach programmes and the availability of mobile services in rural areas provided by many departments.

The critique and evaluation of service quality informs the government of the levels of satisfaction or dissatisfaction experienced with the provision of essential services. The provision of services does not, in principle, lead to transactional activity. However, it can become transactional when citizens withhold their vote, or refrain from interacting with the government processes because they believe that their criticism of levels of service quality is not being heeded. Public officials should demonstrate levels of accountability and be responsive in providing service quality. The display of levels of responsiveness and accountability in delivering service quality to citizens, can lead to the expression of loyalty by citizens and cooperation with the public service and government. The continuous negative criticism of poor service delivery, whether experienced or perceived, will be minimised. The expression of loyalty and cooperation can be found during an electoral period.

The citizens express themselves less in terms of party political loyalty, and more in respect of the results and outcomes of government programmes, and/or in the quest for governance, which includes aspects on community and/or public participation in aspects of policy evaluation. Criticism provides an opportunity for government to act expediently to address emergent service delivery issues to gain the trust of citizens, in the interests of sustaining a relationship of good governance between citizens, officials and the political elite with the aim of maintaining political stability. Redress is the process which allows government to take heed of the negative critique of service delivery through the implementation of complaints procedures, as well as monitoring and evaluation processes. The focus of many departments is, however, on output of service. Complaints handling procedures are often not in place, or are not attended to, which implies that levels of accountability in performance are lacking (PSC, 2006:4). The inability of political leaders to hold public officials accountable for performance can diminish levels of integrity and credibility in the public service assigned by citizens.

3.3.10 Access to water and sanitation in South Africa

Access to water

The delivery of subsidised houses in post-apartheid South Africa is considered to be the most expansive and notable milestone, especially following the implementation of the Breaking New Ground Policy (BNG, also known as the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements) in 2004. This policy delivered 1.2 million houses of the 2.8 million by 2009, but the percentage of households who lived in informal dwellings fluctuated above 13 percent following the drop to 11.9 percent in 2004. The drop was due largely to the 2004 BNG housing delivery, but the percentage of households living in informal dwellings fluctuated between 15.7 percent, 14.5 percent, 15 percent, 14.1 percent and 13.4 percent, respectively, in 2005, 2006, 2007, 2008 and 2009 (StatsSA, 2010).

This fluctuation shows that the informal settlement housing backlog remained steady (Figure 2) and, by implication, unattended to, despite the momentous investments through the 2004 policies of the Upgrading of Informal Settlements Programme and the BNG.

Figure 3.3: Percentage households with/without access to water, sanitation and housing services, 2002-2009
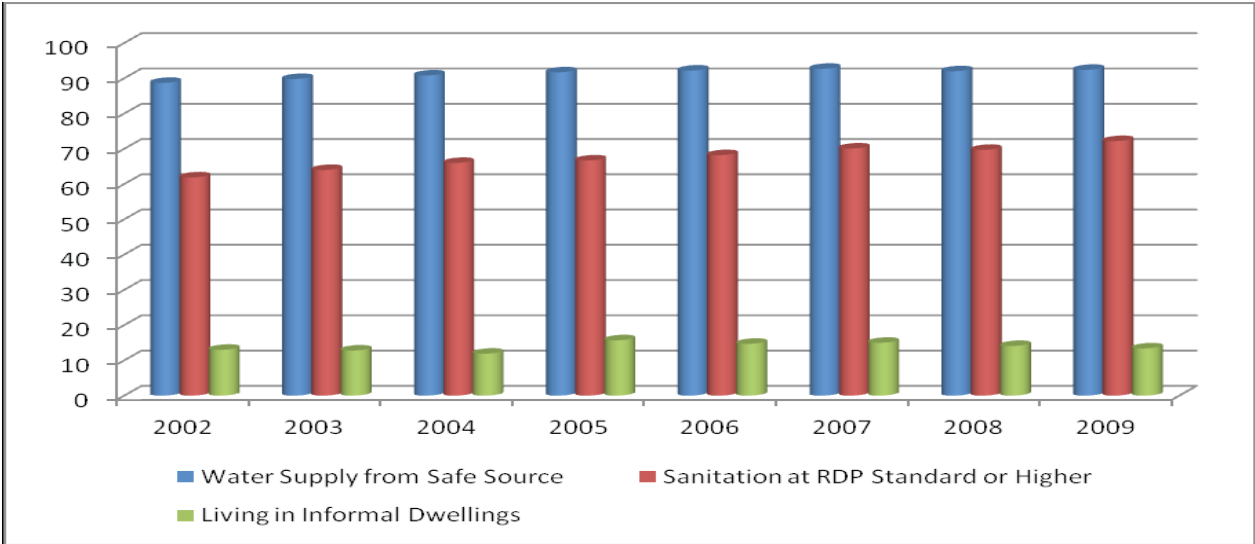
Source: StatsSA, General Household Survey (2002-2009)

Access to sanitation

South Africa's Constitution provides for the right of access to basic services, including sanitation (Republic of South Africa, 1996); and it mandates the municipalities to ensure the realisation of this right. The proportion of households that accessed flush or chemical toilets increased marginally by 3.1 percentage points from 50.3 percent to 53.4 percent between 1996 and 2001 (Leibbrandt, Poswell,Naidoo, & Welch., 2006). Simultaneously, the proportion of households that had no access to either flush or chemical toilets or pit or bucket latrines increased slightly by 1.2 percentage points over the same period (Figure 3.1).

The improvement in sanitation services did not significantly reduce the backlog among poor communities. Paradoxically, a general increase from 61.9 percent to 72.2 percent in the proportion of households with access to sanitation at RDP standards or higher, occurred between 2002 and 2009. Simultaneously, the estimated sanitation backlog dropped from 4.8 million households in 2001, to 3.3 million in 2008, while those using the bucket system decreased from 609 675 in 1994 to 9 044 in 2009 (StatsSA, 2010, 2011). These statistics do not account for the population growth and the mushrooming of informal settlements where sanitation continues to be a teething challenge. For example, the recent Capricorn District Municipality's socio-economic impact survey showed that the official estimation of the total number of households in the district is

between 10 percent and 15 percent below the actual number (Department of Development Planning and Management, forthcoming). Besides, the increase in the percentage of households with access to sanitation at Reconstruction Development Programme (RDP) standards or higher, fluctuated between 61.9 percent, 70.1 percent, 69.7 percent and 72.2 percent, during 2002, 2007, 2008 and 2009 respectively (StatsSA, 2010). On average, about 30 percent of South African households continue to be without access to decent sanitation.

Figure 3.4: Percentage of households by type of access to sanitation, 1996 and 2001
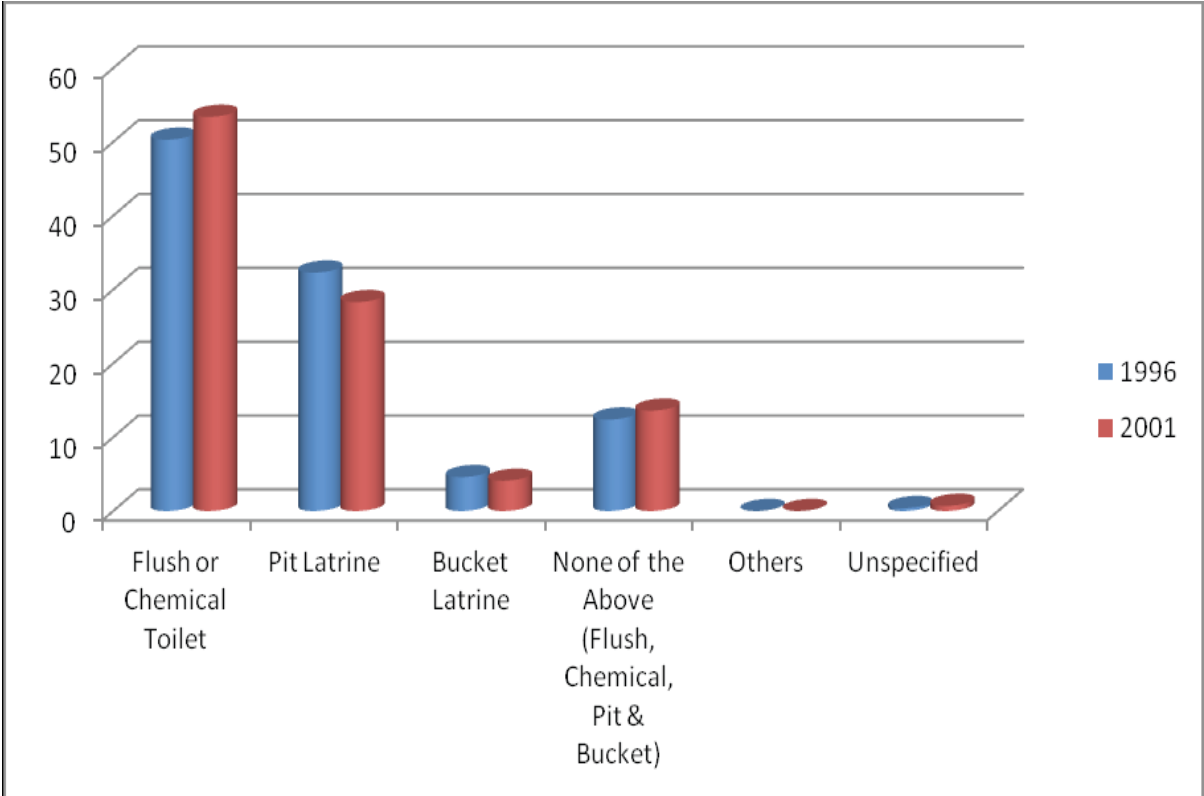
Source: StatsSA, General Household Survey (2002-2009)

3.4 THE NEED FOR ACCOUNTABILITY, INTEGRITY AND ETHICAL CONDUCT IN THE PUBLIC SECTOR

For sound public administration to exist there must be public trust. The public expects public officials to serve their needs and interests with fairness and to manage public resources properly. Fair and reliable public services and predictable decision-making inspire public trust. According to Mafunisa (cited in Moeti, 2007), one of the major challenges faced by nation states is a lack of trust by the public. There are many

reasons why governments cannot gain and keep public trust. One such reason is unaccountable, unethical conduct and the lack of integrity by political office-bearers and officials alike. Accountability, integrity and ethical conduct of political office-bearers and officials is a prerequisite to, and underscores, public trust, *Accountability* is an obligation to expose, explain, and justify actions. It demands that the actions of public institutions be publicised to encourage public debate and criticism (Vyas-Doorgapersand & Ababio, 2006). Kernaghan & Langford (cited in Moeti et al., 2007: 100) regard accountability as "…an obligation to answer for the fulfillment of assigned and accepted duties within the framework of authority and resources provided".

Public officials account to political executive office-bearers and political executive office-bearers account to Parliament. Parliament, made up of elected office-bearers accounts to the public. Vyas-Doorgapersand and Ababio (2006) argue that, since it is the political executive, office-bearers (Ministers) who are accountable to Parliament and not public officials, public officials must implement orders from ministers even if they disagree with their content, provided the orders emanate from a legitimate source of authority in the institutional hierarchy. This highlights the importance of accountability. An oversight mechanism would help in upholding accountability at the local sphere of government in South Africa.

3.4.1 The role of oversight structures

3.4.1.1 Council committees

Apart from municipal councils, there are also committees and personnel who must exercise oversight and accountability over municipal officials so that municipalities are able to meet their constitutional obligations and gain public trust. These are:

Executive committees: Particular categories of municipalities may establish an executive committee in terms of Section 44. Such committee may not consist of more than 20 percent of the councillors or 10 councillors, whichever is the least. An executive committee's composition must be representative of the parties represented in council by substantially the same proportion in which they are represented in council. The executive committee's functions and powers are provided for in Section 44 (1) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

The executive committee :

- is the principal committee of council (where it has been established);
- receives reports from other committees and forwards them, with comments, to council; and
- may delegate duties and powers assigned to it by council to another member of the Executive Committee.

Mayoral Committees: If a municipal council, with an executive mayoral committee system has more than nine members, its executive mayor (where the system is in operation):

- must appoint a mayoral committee from among the councillors to assist;
- may delegate specific responsibilities to each member of the committee;
- may delegate any of his/her powers to the respective members; and
- may dismiss a member of the mayoral committee.

Other committees of council: According to Section 79 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) a municipal council may establish one or more committees necessary for the effective and efficient performance of any of its powers and appoint members of such a committee from among its members. The municipal council may further determine the functions of such a committee, may delegate duties and powers to it in terms of Section 32 of Act 117 of 1998, and may appoint a chairperson and authorise the committee to co-opt advisory members who are not members of the council.

Mayor: A municipal council must elect a member of its executive committee (in cases where this type of committee has been instituted) as mayor, and may, with the approval of the Member of the Executive Council elect a deputy mayor. The functions of a mayor include, *inter alia,* (Section 49 of the Local Government: Municipal Structures Act, Act 117 of 1998):

- presiding at meetings of the executive committee; and
- performing duties, including ceremonial functions and exercising the powers delegated to him/her by the council executive committee.

In a case where a municipal council has designated a power or function to the executive mayor, it must be exercised and performed by him/her together with the other members of the mayoral committee (Municipal Structures Act, 1998, Section 60(3)). The executive mayor appoints members of the mayoral committee and may also dismiss them. The mayoral committee members remain in office for the term of the executive mayor who appointed them. With regard to budgetary and financial managementmatters, the mayor has other duties and responsibilities which, according to the MMFA are to:

- provide general political guidance over the fiscal and financial affairs of the municipality (s 52(a)), and to establish a linkage between the processes required to review the Integrated Development Plan and the budget;
- take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's budget (s52(b));
- submit a report to council on the implementation of the budget and the
  - ✓ financial affairs of the municipality;
- exercise the other powers and perform the other duties assigned to the
  - ✓ mayor in terms of the Act or delegated by council to the mayor;
- take reasonable steps to ensure that a performance plan, called the Service Delivery and Budget Implementation Plan, which must inform the performance agreement for the municipal manager, is compiled;
- take reasonable steps to ensure that a written employment contract and performance standards are set for the municipal manager;
- consider monthly and quarterly financial reports, and take corrective steps in the event of poor performance; and
- make quarterly reports to council.

3.4.1.2　Auditor-General

The office of the Auditor-General is one of the institutions established in terms of Chapter 9 of the Constitution of the Republic of South Africa to strengthen constitutional democracy in South Africa. According to Section 181 of the Constitution of the Republic of South Africa, the Auditor-General is independent, and is only subject to the Constitution and the law, and must act impartially, perform functions and exercise powers without fear or favour. The Auditor-General is appointed by the President as the independent auditor of the Executive Authority in South Africa for a fixed, non-renewable term of between five and ten years.

The appointment, conditions of service, powers, duties and related matters are dealt with under the Constitution of the Republic of South Africa, Auditor-General Act, 1995 (Act 12 of 1995) and the Public Audit Act, 2004 (Act 25 of 2004). The Auditor-General is assisted by the Deputy Auditor-General and nine provincial auditors. The nine provincial auditors are responsible for the managementof provincial governments, specific statutory bodies and municipalities. They are also responsible for related reporting to the provincial legislatures and other provincial and local government institutions (www.southafrica/finance/auditor-general).

The following are the functions of the Auditor-General:

- audit and report on the accounts, financial statements and financial managementof all national and provincial state departments and administrations; all municipalities; and any other institution or accounting entity required by national or provincial legislation to be audited by the Auditor-General;

- audit and report on the accounts, financial statements and financial managementof any institution funded by the National Revenue Fund or a provincial Revenue Fund or by a municipality; or any institution that is authorised in terms of any law to receive money for a public purpose; and

- submit audit reports to any legislature that has direct interest in the audit and make the report public.

3.4.1.3   Municipal Public Accounts Committees (MPAC)

The key functions of accountability and oversight in municipal financial management are to improve performance and service delivery, safeguard against corruption, mismanagementof resources and abuse of power, as well as to improve integrity and confidence in local government. The committee system is used to support and enhance council's oversight function and MPAC perform the council's oversight role over municipal finances. The MPAC and the oversight committees are established in terms of the Municipal Finance Management Act, (MFMA) Circular 32, 2006 and the Guidelines for establishment of MPAC, published by the National Treasury and the Department of Cooperative Governance and Traditional Affairs.

The general function of the MPAC is to assist the council to hold the executive and municipal administration to account, and to ensure effective and efficient utilisation of municipal resources. Therefore, MPAC must scrutinise statements of account of municipalities and their entities and the reports on these (quarterly and annual) emanating from accounting officers and the Auditor-General thereon. An important function of MPAC is to ascertain that money appropriated to municipalities and their entities has been spent within the scope of the demand. This means that:

(i) money recorded as spent against the allocation in the budget must not be more than the amount approved; (ii) the expenditure brought to account against a particular allocation must be of such a nature as to warrant its record against the allocation and not against others; and (iii) the allocation should be spent on purposes which are set out in the detailed demand and cannot be spent on any new service not contemplated in the demand.

If any money has been spent on any service during the financial year in excess of the amount approved by Council for that purpose, MPAC should examine, with reference to the facts of each case, the circumstances leading to such an excess and make such recommendations as they may deem fit. MPAC are not concerned with questions of policy in the broad sense. This is the role of the Finance Oversight Committee, although it is within their jurisdiction to point out whether there has been extravagance or waste in carrying out the applicable policy. However, the committee examines cases involving losses, wasteful, fruitless, unauthorised and irregular expenditure.

When a matter involving the aforementioned cases is brought to the attention of the MPAC, they can call upon a member of the Mayoral Committee or Executive Committee and\or heads of departments concerned to explain what action, disciplinary or otherwise, has been taken to prevent such a recurrence.

In such a case, the committee can also record its opinion in the form of disapproval, or pass stricter measures against the extravagance or waste or lack of proper control by the Member of the Mayoral Committee/ Executive Committee or department concerned. In order to execute their general function as stated in the foregoing, the MPAC should review the statements of account showing the income and expenditure of the municipality and its entities; exercise financial oversight on behalf of the Council; refer and receive matters from other committees, such as the finance committee; ask and receive advice from the internal audit committee; and ask and receive reports from the Mayoral Committee/ Executive Committee and administrative departments.

The MPAC has the power to/(should) examine the financial statements of all executive organs of the municipality, including its entities; any audit reports issued on those statements; any reports issued by the Auditor-General on the affairs of the municipality and its entities; any other financial statements referred to it by Council; and the annual report on behalf of Council and make recommendations thereafter. The MPAC must carve a public accounts process through receiving the annual report from the Office of the Speaker; reviewing documents referred and requested; obtaining briefings from the Auditor-General; adopting preliminary questions; analysing responses and convening hearings for the executive to account (if necessary); making findings; preparing a report-back to Council for resolution, and monitoring progress in the implementation of the resolutions; reporting on any financial statements or reports to Council; initiating and developing the annual oversight report based on the annual report; initiating any investigation within its area of competence; and performing any other function assigned to it by Council. When examining financial statements and audit reports, the MPAC must consider improvements from previous statements, and must monitor the extent to which the committees and Auditor-General's recommendations are implemented.

3.4.1.4 Structure and membership of MPAC

The MPACs are constituted by councillors appointed by full Council meetings. Membership reflects a wide range of experience and expertise available in Council, as well as a political mix. The size of membership is determined according to the approved formula. The Mayor/ Executive Mayor and Mayoral Committee/ Executive Committee members are not members of the MPAC. Members of the public, or experts in relevant fields, may be invited to assist and advise on committee deliberations on a needs basis. In choosing the chairperson of the committee, it is advisable to appoint from the opposition parties in Council, however, a policy decision must be made by Council on the issue. In considering the membership of the committee, the following factors are taken into account: Requirements for transparency; ethics and general good governance prescripts; local government legislature and integrity.

The following are enablers of the MPAC' effectiveness: a clear mandate; adequate powers; adequate resources (Human Resources, financial, equipment); documented processes and procedures; strong and credible leadership; municipalities' commitment to accountability and oversight; integrity; autonomy; access to information; skills required, which include: understanding and interpretation of financial statements; analytical skills, including budget and financial statements analysis, principles of auditing; financial oversight; understanding financial systems; research; coordination; content advice; legal expertise. Although the abovementioned factors enable MPAC to be effective in exercising oversight and accountability in municipal financial management, there are, however, factors that impede MPAC from effectively exercising this function. MPAC across municipalities in South Africa face some challenges which include a lack of continuity and the loss of institutional memory; implementations of resolutions by the administration; inadequate powers; the lack of pro-activeness in initiating own enquiries; limited resources; attendance of public hearings by communities; while the MPAC can sometimes be undermined by the executive and municipal administration.

3.4.1.5   Role of line managers in Performance Management

Managers exist to achieve results and organisational objectives and for this to happen, they have to manage the performance of their departments, teams and individual employees. According to Meyer (1999:) "in a well-run organisation the performance management system holds managers accountable for applying the principle values and strategic objectives of the organisation". In carrying out the responsibilities of performance management, the aim of the (line) manager or supervisor, is to contribute to the improvement of the overall performance of the organisation by getting better results from their teams and individual employees (Armstrong, 2000). Effective managers and supervisors realise that they must take an active and positive role in employee's performance to ensure that goals are met, simply because these managers and supervisors realise that they are paid, not for what they do, but for what their subordinates do (Werner & DeSimone, 2006).

According to Harvard Business Essentials "the job of the manager is to produce results through people, thus, it makes sense for them to assume responsibility for increasing [the] productive capacities of their employees". Williams (2002) argues that performance managementcan be viewed as a means of strengthening managerial control over the workforce. It is for this reason that performance managementemphasises the important role of line managers in taking responsibility for the managementof performance of the people they lead (Foot & Hook, 1996; Stredwick, 1998). The line manager, according to Williams (2002) is seen as an important agent for providing support for the jobholder directly through coaching, or indirectly, *via* other means that may be within the manager's control. It is important to understand that an organisation is judged by its performance, and particularly that of its employees (Stredwick, 2005). It is against this background that the managementof employees' performance in the public sector becomes, undoubtedly, crucial, if effective and efficient service delivery is to take place. It is said that performance managementshould be owned and driven by line managers (Williams, 2002).

Managers in the public service are empowered to manage the performance of their subordinates. In fact, Meyer and Botha (2000) emphasise that "managers should be accountable for the performance of the people they lead". The primary aim of the above managerial function is to ensure that managers are able to clarify organisational

goals and also to enable them to differentiate between the poor and satisfactory performance of their subordinates. One of the biggest influences on organisational performance is the quality of the labour force at all levels. Teams of highly skilled, trained and motivated employees will nearly always overcome most difficulties, while a poorly motivated, untrained and unskilled labour force will nearly always fail to take advantage of favorable opportunities (Stredwick, 2005). Managers must play a leading role in performance management. They should be hands-on to realise this. Meyer and Botha (2000) maintain that they should have weekly or bi-monthly meetings with their subordinates, as part of an effective component of the PMS. However, for these meetings to be successful, Meyer and Botha (2000) emphasise that each meeting must have action points for individual team members to implement in between the meetings. This will assist managers in making their subordinates accountable for the implementation of items or the lack thereof. Some managers take a narrow, reactive and negative view of their role in managing employee performance (Werner & DeSimone, 2006).

3.5   SUMMARY

Service delivery within local government has been a challenge whereby the municipalities are struggling to focus on the service delivery imperative, given budgetary challenges. The communities have made strides in dealing with service delivery dissatisfaction through protest actions which lead to further violence within the communities. Municipal councilors and ward committees have played a meaningful role in assisting municipalities to identify service delivery backlogs, stabilise communities in areas where violence is rife, as well as to assist with the delivery of those services while retaining good quality. Regardless of the aforementioned, there still remains a huge backlog in sectors like water, sanitation, houses, roads and other services. In contrast, the role of certain structures and line functions is important for the effective implementation of the Performance Managementsystem. In the absence of a monitoring and evaluaton function within the municipality, these structures play such a role and report directly to the municipal council. It is important to note that this role should be played by the line managers, who are expected to understand how functions should be implemented, improved and managed. Without the coordinated role of these roleplayers, Performance Managementmight experience challenges in implementation.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1   INTRODUCTION

The approach that the researcher has taken is that of the case study. Although case study methods remain a controversial approach to data collection, they are widely recognised in many social science studies, especially when in-depth explanations of social behaviour are sought. Case study research, through reports of past studies, allows the exploration and understanding of complex issues. It can be considered a robust research method, particularly when a holistic, in-depth investigation is required. Recognised as a tool in many social science studies, the role of case study methods in research becomes more prominent when issues with regard to eduation (Gulsecen & Kubat, 2006), sociology (Grassel & Schirmer, 2006) and community-based problems (Johnson, 2006), such as poverty, unemployment, drug addiction, illiteracy, etc. are raised.

One of the reasons for the recognition of the case study as a research method is that researchers became more concerned about the limitations of quantitative methods in providing holistic and in-depth explanations of the social and behavioural problems in question. Through case study methods, a researcher is able to go beyond the quantitative statistical results and understand the behavioural conditions from the actor's perspective. By including both qualitative and quantitative data, a case study helps explain the process and outcome of a phenomenon through complete observation, reconstruction and analysis of the case under investigation (Tellis, 1997).

4.2 RATIONALE FOR THE CASE STUDY APPROACH

The rationale for conducting this research is to evaluate the implementation of the PMS and its impact on service delivery by the Ugu District Municipality. This was identified as a problem due to poor service delivery, a negative Auditor-General's report, as well as customer complaints. An ineffective PMS has led further to the provision of some key service delivery projects such as local economic development,

the provision of bulk water and sanitation infrastructure and environmental managementsuccumbing to challenges within the Ugu district municipality.

A case study will be used in order to create a study which focuses on a particular area that the researcher can easily monitor. The unit of analysis in this case is – the Ugu District Municipality, which is situated in KwaZulu-Natal.

Thomas (2011) describes a case study as an in-depth explanation from the multiple perspective of the complexity and uniqueness of a particular project, policy, institution, programme, system in a real life context, with its purpose being to generate in-depth understanding of a specific topic, programme or system to generate knowledge and inform policy development, professional practice and civil or community action.

Rugg and Petre (2007) in their study mention that the unique contribution of a case study approach is that it provides the researcher with a holistic understanding of a problem, issue or phenomenon within its social context. The authors further mention that case studies allow the study of systems which are particularly useful to both social science and health studies.

According to Zainal (2007), case studies can be considered as robust research methods particularly when a holistic, in-depth investigation is required. Recognised as a tool by many social science studies, the role of the case study method in research becomes more prominent when issues with regard to education, sociology and community based problems, such as poverty, unemployment, drug addiction, illiteracy, etc. are raised (Zainal, 2007). According to the author, one of the reasons for the recognition of the case study as a research method is that researchers are becoming more concerned about the limitations of quantitative methods in providing holistic and in-depth explanations of the social and behavioural problems in question.

The main concern will be with understanding the case studied in itself, with no interest in theoretical inference or empirical generalisation with respect to the goals and purpose of the case study. As Rugg and Petre (2007) have confirmed, some researchers conduct case study research with the goal of generalising to the larger population of cases from which the particular case was selected. In essence, the author further suggests that generalisability can be important in a variety of research

scenarios, especially when there are public policy implications or other "related world' applications of findings which, in this case, are not applicable. Research findings will only be used to advocate for changes in the implementation of the PMS by the Ugu district municipality. However, the aspect of generalisation may still be looked at further, where applicable, when discussing qualitative data analysis as it relates to theoretical generalisation, based on the logic of demonstrating how context and explanation will be intimately connected.

Another perspective introduced by Rugg and Petre (2007) which contributes to the goals and objectives of a case study is that of 'transferability'. Even though the study allows for deep understanding of the case at hand, the findings won't be used in other contexts. In essence, the researcher will use the case study approach to study this topic in relation to the Ugu district municipality – the case will centre on the constraints that affect the effective implementation of the PMS in the Ugu district municipality.

In essence, the researcher has identified a case that is significant for the research questions and will further clarify what else belongs to the case and what methodological approaches its reconstruction requires.

As this research is qualitative in nature, it is necessary to define the concept, its characteristics and relationship to the case study. According to Dawson, (2002) qualitative research explores attitudes, behaviours and experience through such methods as interviews or focus groups. It attempts to get an in-depth opinion from participants; fewer people take part in the research, but the contact with these people tends to last a lot longer.

Gillham (2000), in his earlier studies, described qualitative research as being descriptive and inferential in character, implying that even though you might have significant statistical results, these have to be described and interpreted, and it is here that the quantitative/qualitative distinction starts to break down. The researcher's choice of a case study is therefore informed by the qualitative methods it uses to enable the researcher:

- To carry out an investigation where other methods such as experiments are either not practical or not ethically justifiable;

- To investigate situations where little is known about what is there or what is going on;
- To explore complexities that are beyond the scope of more controlled approaches;
- To 'get under the skin' of a group or organisation to find out what really happens;
- To view the case from the inside out; and
- To carry out research into the processes leading to the results rather than into the 'significance' of the results themselves (Gillham, 2000).

In this case, the researcher believes that the method will enable one of or a combination of the above, in particular, to evaluate the implementation of the PMS and its impact on service delivery by the Ugu district municipality. This is preferred, taking cognisance of the Tellis (1997) conclusion on case studies, where the author indicated that case study methodology has been subjected to scrutiny and criticism at various times since the 1930s, and, as a research tool, it has not been a choice that is listed in major research texts in the social sciences. However, even with regard to this criticism, the researcher, as already shown in this study, believes that a case study will be the only reliable method for conducting this type of research.

Yin (1993) identifies some specific types of case studies such as exploratory, explanatory and descriptive. The author further indicates that exploratory cases are sometimes considered as a prelude to social research, while explanatory case studies may be used for doing casual investigation, and further concludes by defining descriptive cases as requiring a descriptive theory to be developed before starting the project.

Arguable, Fox and Bayat (2007) differentiates between these three types as follows:
- Exploration – when a researcher examines a new interest, or when the subject of the investigation itself is relatively new. One may want to carry out an exploratory investigation in order to obtain at least estimated answers to the research questions;
- Description – when an important aim of scientific research is to describe situations and events. In this case, researchers observe and then describe what they observed; and lastly,

- Explanation – when scientific managementresearch is aimed at explaining things.

In conducting this research and, given the arguments above, a descriptive and exploratory view is adopted.

4.3 POPULATION AND SAMPLE

According to Host and Runeson (2009) in case studies, the case and the units of analysis should be selected intentionally. This is in contrast to surveys and experiments, where subjects are sampled from a population for which the results are intended to be generalised. The purpose of the selection may be to study a case that is expected to be "typical", "critical", "and revelatory" or "unique" in some respect, and the case is selected accordingly. The researcher has therefore selected the Ugu district municipality as a case.

Works on quantitative research generally treat anything other than probability sampling as "convenience sampling" and strongly discourage the latter. For qualitative research, this ignores the fact that most sampling in qualitative research is neither probability sampling nor convenience sampling, but falls into a third category which is purposive sampling (Patton, 1990). This is a strategy in which particular settings, persons or events are deliberately selected for the important information they can provide that cannot be obtained as well using other means.

Maxwell (2008) provides for several important uses for purposeful sampling, as follows; firstly, it can be used to achieve representativeness or typicality of the settings, individuals or activities selected. A small sample that has been systematically selected for typicality and relative homogeneity provides far more confidence that the conclusions adequately represent the average members of the population, than does a sample of the same size that incorporates substantial random or accidental variation. Secondly, purposeful sampling can be used to adequately capture the heterogeneity in the population. The goal here is to ensure that the conclusions adequately represent the entire range of variation rather than only the typical members or some sub-set of this range.

Thirdly, a sample can purposefully be selected to allow for the examination of cases that are critical to the theories that the study began with, or that have subsequently been developed. Finally, purposeful sampling can be used to establish particular comparisons to illuminate the reasons for differences between settings or individuals, a common strategy in multi-case qualitative studies.

In this case study, the researcher includes different performance management forums that exist within the municipality and further participants from these forums will be selected purposefully as they are critical to the study.

4.4 SOURCES OF DATA COLLECTION

Maxwell (2008) addresses two key design issues in selecting and using data collection methods: the relationship exists between research questions and data collection methods and the triangulation of different methods.   The primary data collection methods selected below are considered by the researcher as being relevant and as addressing the research questions.

4.4.1   Primary sources of data collection

In this research, qualitative and quantitative methods of data collection have been used. According to Hancock (1998) qualitative approaches to data collection usually involve direct interaction with individuals on a one-to-one basis or in a group setting. Primary data refers to first-hand information that the researcher obtains directly from the source. For this research, primary data will be collected through interviews and focus groups.

- o **Interviews**

According to Hancock (1998) qualitative interviews can be semi-structured or unstructured. The author further mentions that semi-structured interviews tend to work well when the interviewer has already identified a number of aspects he wants to be sure of addressing, so that the interviewer can decide in advance what areas to cover though open-ended questions and is receptive to unexpected information received from the interviewee.

According to Gillham (2000) a research interview is aimed at obtaining information and an understanding of issues relevant to the general aims and specific questions of a research project. However, Dawson (2002) describes three types of interviews, unstructured, semi-structured and structured. The author differentiates further between these three types as follows:

Unstructured – in this type of interview, the researcher attempts to achieve a holistic understanding of the interviewees' points of view of the situation by asking a few questions where the interviewee is free to talk about what s/he deems important, with little directional influence from the researcher.

Semi-structured – in this type of interview the researcher wants to know specific information which can be compared and contrasted with information gained in other interviews and the same question needs to be asked in each interview. It is in this type of interview that the researcher produces an interview schedule with a list of specific questions or topics to be discussed. This is regarded as the most common type used in qualitative social research.

Structured interviews – this type of interview is used frequently in market research, where the interviewer asks a series of questions and ticks boxes with the response; it is often used in quantitative research and can be conducted face-to-face or over the phone.

Structured interviews shall be conducted to evaluate the implementation of PMS and its impact on service delivery by Ugu district municipality. These interviews will be conducted with the individual managers, general managers, the municipal manager and the performance coordinators/manager/officer.

In total, approximately 15 officials from the Ugu district municipality were interviewed.

- o   Focus groups/ discussion groups

Constraints affecting the effective implementation of the PMS in the UGU District Municipality have been identified by the researcher as one area which requires evaluation. This will lead to the identification of challenges and recommendations to address them.

Given this, focus groups will serve as the relevant method of data collection to address the question referred to. In this case, a Performance Review Committee (PRC) will be the focus group and the researcher will lead the discussions by introducing the topic, asking specific questions while these discussions are recorded.

According to Hancock, (1998) group interviews can be used when limited resources prevent more than a small number of interviews being undertaken. It is possible to identify a number of individuals who share a common factor, and it is desirable to collect the views of several people within that population sub-group; group interaction among participants has the potential for greater insights to be developed.

Within the Ugu district municipality, there are key structures that play a role in the performance managementsystem, and, for the purpose of this study, the Municipal Public Accounts Committee (MPAC) will be used.

According to Hancock (1998) a principal advantage of focus groups is that they yield a large amount of information over a relatively short period of time. They are also effective in accessing a broad range of views on a specific topic, as opposed to achieving group consensus.

4.4.2 Secondary sources of data collection

Secondary data refers to data that is already available somewhere, in one form or other. An analysis of documents will be utilised as another major source of data.

- Document review

According to Hancock, (1998) a wide range of written materials can produce qualitative information. These can be particularly useful when trying to understand the philosophy of an organisation, as may be required in action research and case studies. However, Maree (2007) argued that, when documents are used as a data-gathering technique, the researcher should focus on all types of written communication that may shed light on the phenomenon that s/he is investigating. For the purpose of this research, written data sources will include municipal reports, memorandums, agendas, administrative policy documents, reports, minutes of meetings and any documents connected to the study.

The following documents shall be reviewed or used as secondary data:

- Annual performance reports;
- Quartely performance reports;
- Service Delivery and Budget Implementation Plan;
- Integrated Development Plan;
- Auditor-General's report;
- Performance management system;
- Performance assessment reports;
- Performance agreements of senior managers;
- Performance plans;
- Performance corrective action plans; and
- Service delivery reports.
  - ✓ A sample of complaints received
  - ✓ Audit committee reports
  - ✓ Agendas of Portfolio committees

Interviews and focus groups will lead the researcher to the appropriate secondary material. However, in selecting the documents referred to, notice shall be paid to:

- The kind of documents dealt with;
- The publication date of same; and
- The purpose or intention of the document.

4.5   VALIDITY AND RELIABILITY OF THE RESEARCH INSTRUMENT

According to Kohn (1997) in case study analysis, reliability and validity can be affected, in part, by problems of data overload. For example, researchers may recall the most interesting or unique incidents, rely on first impressions, or assume a correlation between simultaneous events.

- Validity

Rugg and Petre (2007) describe data validity as a process whereby the researcher earns the confidence of the reader that s/he has "gotten it right". In qualitative research, the author further suggests that validity takes the form of subjecting one's findings to competing claims and interpretations, and providing the reader with strong arguments for a particular knowledge claim, while validity can be ascertained by examining sources of invalidity.

In ensuring validity, the researcher will also employ triangulation as a validity tool by using two different methods of data collection to get to the same research question and looking for convergence in the research findings. This form of triangulation is referred to as Data Triangulation. Creswell and Miller (2000) describe triangulation as a validity procedure where researchers search for convergence among multiple and different sources of information, to form themes or categories in a study.

- Reliability

Reliability is defined by Creswell and Miller (2000) as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials. In short, it is the stability or consistency of scores over time or across matters. An important point to understand is that a measure can be perfectly reliable, and yet may not be valid. However, according to Merriam (2002) reliability goes hand-in-hand with validity. Reliability refers to the extent to which the research yields the same results again and again. The study will rely on qualitative research to attempt to establish "whether the results are consistent with the data collected".

Kohn (1997) suggests that some of the basic threats to reliability should be addressed during the design phase. In doing so, interviewers must be adequately trained in using the instruments to ensure consistency in data collection, while the documentation tools should be flexible enough to capture the local story, but structured enough to build in consistency and quality control.

These authors also argue that since the researcher is the primary instrument of data collection and analysis, the researcher can become a more reliable instrument through training and practice (Merriam, 2002).

Moreover, a number of techniques of analysis will be used to assess reliability, as will triangulation and peer-examination, which involves the discussion of the process of the study with colleagues. The researcher will also utilise the audit trial, as well as the investigator's position, that is, "critical self-reflection by the researcher regarding assumptions, worldview and biases, theoretical orientation, and relationship to the study that may affect investigation" (Merriam, 2002).

4.6 DATA ANALYSIS

Analysis of data in a research project involves summarising the mass of data collected, and presenting the results in a way that communicates the most important features. In qualitative research, the researcher is also interested in discovering the big picture, but uses different techniques to find it (Hancock, 1998).

Arguably, Maxwell (2008) suggests that every qualitative study requires decisions about how the analysis will be done, and that these decisions should influence and be influenced by the rest of the design. He further states that a basic principle of qualitative research is that data analysis should be conducted simultaneously with data collection, which allows the researcher to progressively focus his/her interviews and observations, and to decide how to test the emerging conclusions.

4.6.1 Qualitative data analysis

The analysis of qualitative research notes begins in the field, at the time of observation, interviewing, or both; as the researcher identifies problems and concepts that appear likely to aid in understanding the situation. Simply reading the notes or transcripts is an important step in the analytical process. The researcher intends to use the qualitative data analysis process proposed by Maree (2007).

The author first differentiated between the different methods of qualitative data analysis which are as follows:

Table 4.1: Methods of data analysis

METHOD	
Hermeneutics	This suggests a way of understanding textual data, whether it is done through pure hermeneutics or critical hermeneutics. It is based on the idea of understanding the text as a whole, and the interpretation of its parts, in which descriptions are guided by the anticipated explanations.
Content	Summarises the message content through analysis of such things as books, brochures, written documents, transcripts, news reports and visual media. It is used when working with narratives such as diaries or journals, or to analyse qualitative responses to open-ended questions in surveys, interviews or focus groups.
Conversation	Focuses on talk in interaction and through a detailed inspection of tape recordings and transcriptions made from such recordings, and relies more on patterns, structures and the language used in speech.
Discourse	Focuses on the meaning of the spoken and written word and reasons why it is the way it is. Used for building power and knowledge, for development of new knowledge and power relations.
Narrative	A variety of procedures used for analysing stories gathered through research.

Source: Burns (2000)

For the research of this nature, the researcher will use content analysis as per the figure below.

FLOW MODEL OF CONTENT DATA ANLYSIS

Figure 4.1 Flow model of content data analysis

Fig 4.1

Preparation Phase	→	Data collection method Sampling strategy Selecting the unit of analysis
Organisation Phase	→	Categorisation and abstraction Interpretation Representativeness
Data Reporting	→	Reporting results Reporting analysis process

Source: http://www.sagepublications.com
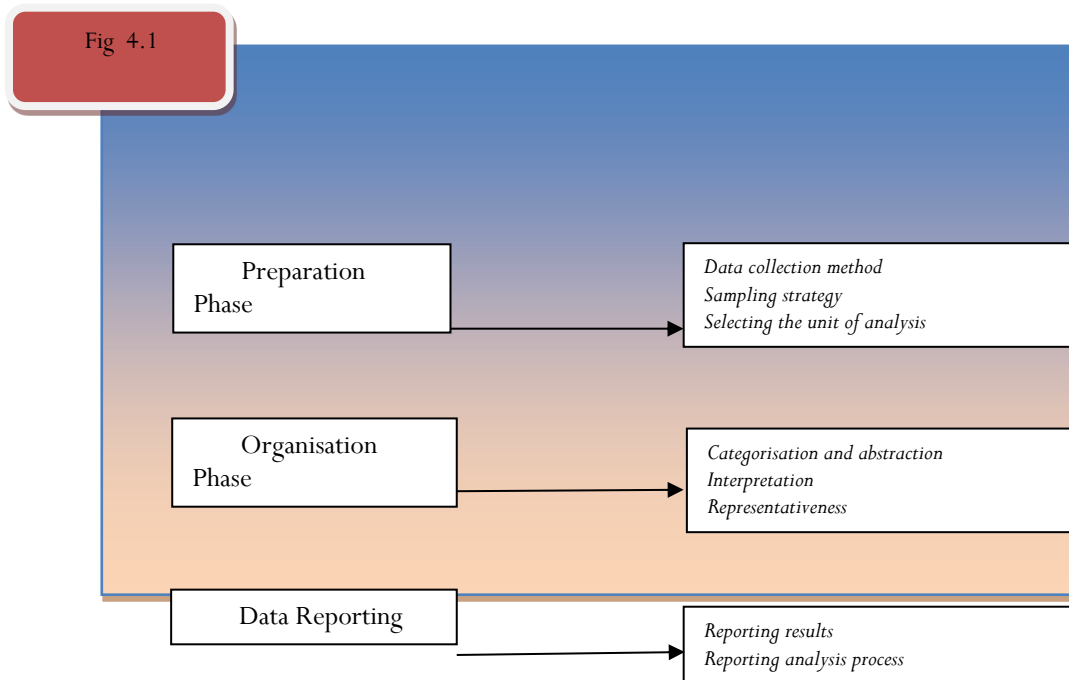
4.7 ETHICAL CONSIDERATIONS

Research projects are bound to raise ethical considerations. Even though this research study is, first and foremost, built on trust between the researcher and the respondents, explicit measures will be taken to prevent problems.

According to Fox and Bayat (2007) ethics in research involves getting informed consent from those who are going to be interviewed, questioned, observed or from whom material is drawn. The following issues are involved in the system of ethical conduct for this research:

- Informed consent – participants will be informed of the research, the nature and purpose thereof and must consent to participate without coercion.
- Privacy and confidentiality – responses to personal questions will be regarded as confidential and anonymous, so that the reader of the research will be unable to deduce the identity of the individual.

- Right to discontinue – participants will be informed of their right to discontinue with completing questionnaires, interviews and taking part in focus groups.

4.7.1 Unethical conduct

The following conduct shall be regarded as unethical and therefore the researcher will avoid engaging in such behaviour:

Plagiarism – the researcher will avoid using the work of others without acknowledging their contribution or referring to the author; and

Deception – the researcher will not engage in behaviour which misleads the participants in such a way that, if they had been aware of the nature of the study, they might possible have declined to participate in it.

4.8 SUMMARY

The manner in which this research approach has been set out has been extensively discussed in this chapter with approaches that complement their selection though triangulation, using different data collection methods to ensure that findings are valid, credible and reliable. The study utilises both the qualitative and quantitative methods of research inquiry to enable the researcher to look at the implementation of PMS by Ugu district municipality and the impact on service delivery.

In conclusion, the development of the selected research design has not been a simplistic one, but has required the researcher to be engaged in a series of choices and decisions.

CHAPTER FIVE

PRESENTATION OF RESEARCH FINDINGS AND ANALYSIS

5.1   INTRODUCTION

The chapter focuses on the presentation of the research findings according to the methodology detailed in Chapter One. Additional to the presentation of the results are the findings from previous literature, where relevant, to strengthen the validity of the findings, as well as to argue for or against against the findings.

Data collection was performed using different techniques and through primary and secondary methods where the following took place:

- A document review was conducted;
- Interview questions were compiled and interviews were conducted; and
- A focus group guide was developed and a discussion session was held with the Municipal Public Accounts Committee (MPAC)

The results will then be presented in sections to follow.

5.2   Background to Ugu District municipality

Ugu district municipality is located at the most southern tip of the KZN province, covering 112 km of the Indian ocean coastline. It is bordered by the Eastern Cape Province to the south, Indian ocean to the east, Sisonke (now Harry Gwala) and Umgungundlovu municipalities to the west and Ethekwini Metro to the north. It comprises of six local municipalities which are Ezinqoleni, Umuziwabantu, Hibiscus Coast, Umzumbe, Umdoni and Vulamehlo.

Ugu district municipality functions include planning for development for the district as a whole; provide bulk supply of water that affects a large proportion of the municipalities in the district; provide municipal health services for the whole municipalities in the district; ensure bulk sewerage purification works and main sewerage disposal; provide waste

disposal sites for the whole district and provide municipal local economic development initiatives.

Figure 5.1 Map of UGU District municipalities

Source: www.googlemaps.co.za

Table 5.1 Ugu District municipality local spread

Municipality	Population	% population	Area(km2)	Wards
Hibiscus coast	256 135	30.99	839	29
Umzumbe	160 975	27.52	1.259	19
Umuziwabantu	96 556	13.11	1.089	10
Vulamehlo	77 403	11.80	960	10
Umdoni	78 875	8.85	252	10
Ezinqoleni	52 540	7.73	648	6
UGU	722 484	100%	5.047	84

Summary:

Given the above background, it is important to note that Ugu district is 86% rural and 14% comprise of urban and peri-urban areas. Its decline of population in certain areas put a pressure to government in ensuring that resources and development is channeled through these areas using the appropriate methods.

5.3 AN OVERVIEW OF PERFORMANCE MANAGEMENT SYSTEM IN THE UGU DISTRICT MUNICIPALITY

5.3.1 Policy perspective

The Municipality has adopted a policy and procedural framework for implementation of the organisational performance management system which entails a framework that describes and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

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

The requirements that the performance managementsystem for the Ugu district municipality should fulfil, namely:

- The principles that will inform its development and application,

- A model that describes what areas of performance will be managed,

- What processes will be followed in managing performance,

- What institutional arrangements are necessary for this,

- Who will take responsibility for the parts of the system, and

- How this links to performance agreements for Senior Managers.

In line with the framework, the municipality conducts quarterly reviews of performance, where the departments submit reports based on the plans or targets that are set for the period under review. The exercise is conducted to ascertain the level of performance against the set key performance indicators and targets.

5.3.2 Governance arrangements

Organisational performance management within Ugu district municipality is coordinated by a section referred to as corporate strategy and shared services. The section is responsible to coordinate planning, review, monitoring and evaluation of performance. The section works with Internal audit section, which conduct regular

compliance audit on performance information and on portfolio of evidence as informed by performance reports. One the performance information is audited by the Internal audit committee, reports are submitted to the audit committee, which serves a purpose of giving independent assurance on the PMS implementation. The municipality makes us of Municipal Public Accounts Committee (MPAC), which serves as an oversight committee and ensure that they review and monitor both the financial and performance information of the municipality, and make necessary recommendaitons. The MPAC sits on a quarterly basis and submit their reports to the council with clear recommendations. The section that deals with performance management within Ugu district municipality is structured as follows:

Figure 5.2 Organisational structure of PMS unit at UGU district municipality
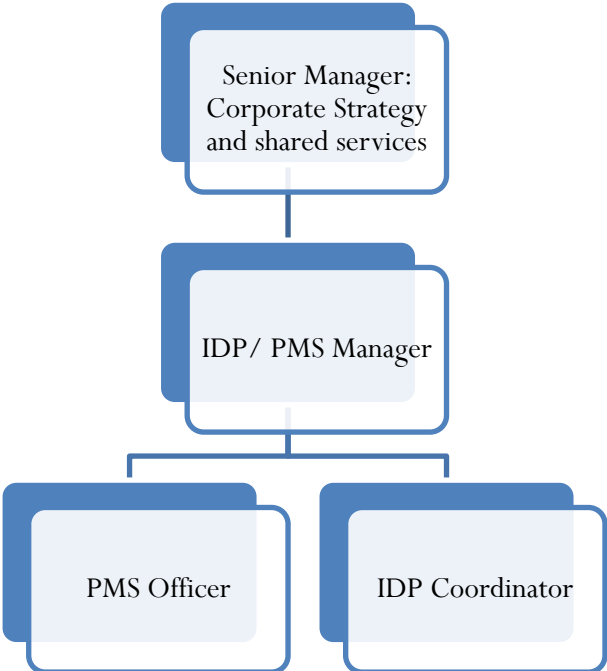
Source: **Ugu District municipality IDP 2011/2012**

The section works together in ensuring that performance management is implemented across the municipality and that it is informed by the Integrated Development plan.

5.4 RESEARCH RESULTS

The researcher used interview questionnaires, focus groups and document analysis as tools for data collection and further analysis.

The following table presents the results of interviews conducted with the participants. The interview questionnaire had two sections, i.e. Sections A and B. Section A dealt with the respondents' biographical information which included age, gender, qualifications and years of service within the municipality. In relation thereto, all respondents had post-matric qualifications and had been with the Municipality for more than five years. Section B dealt with the interview questions intended to obtain the participants' knowledge of the implementation of the performance management system (PMS) and its impact on service delivery by the Ugu district municipality. The questions numbered 20 in total and covered areas on Performance Management, service delivery protests in relation to Performance Management, as well as complaints managementand the role of Performance Management. The participants were members of the Executive Committee of the Municipality, senior managers and members of the municipal public accounts committee. Below is the summary of the responses gathered from 29 participants.

Table 5.2 Summary of responses

QUESTION	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29
PMS																													
1	1	3	4	3	4	4	4	4	5	3	3	4	2	3	3	2	3	3	2	3	3	2	3	3	3	3	3	4	4
2	2	1	3	3	3	4	4	4	4	3	4	4	4	3	4	2	3	3	3	3	3	3	3	4	3	3	3	4	3
3	1	2	0	3	0	3	5	4	4	4	4	3	3	4	4	2	4	5	2	3	3	3	1	4	4	4	4	5	3
4	1	2	4	3	4	3	4	4	4	3	2	2	5	4	3	3	4	4	3	4	2	4	2	2	3	3	3	3	2
5	2	2	4	3	4	4	3	4	5	3	3	3	4	4	4	2	4	3	2	4	2	2	3	3	2	4	4	5	3
6	3	3	4	3	4	4	0	4	4	2	2	4	5	4	4	2	3	4	2	3	3	2	3	2	2	3	4	5	4
7	3	2	4	2	4	4	4	3	4	3	2	4	5	4	4	2	3	3	2	3	2	2	2	2	3	3	3	4	3
8	1	2	4	3	4	4	5	4	5	2	3	3	1	4	3	2	3	4	1	3	4	2	2	3	2	2	3	4	3
9	1	3	4	3	4	4	4	4	4	3	4	3	1	2	4	1	2	3	1	4	4	3	1	4	3	2	3	4	2
10	1	2	2	2	2	3	3	4	4	3	4	2	1	2	3	1	5	3	2	4	3	2	1	4	3	3	4	5	0
11	2	2	0	2	0	4	3	3	4	2	2	4	1	3	4	1	4	3	2	3	2	2	1	2	2	4	4	5	1
12	3	3	4	2	4	4	4	4	5	2	3	4	1	2	4	2	4	4	2	3	4	4	1	3	2	4	0	4	2
13	2	2	3	2	3	0	4	4	4	3	4	3	1	3	4	3	3	4	2	4	2	3	1	4	3	2	4	5	3
14	2	2	4	2	4	4	4	4	4	3	3	3	2	4	3	3	3	3	2	4	3	3	1	3	3	3	3	4	3
SERVICE DELIVERY																													
1	1	2	2	3	2	3	3	3	4	2	3	3	1	0	2	2	3	3	1	3	3	2	1	3	2	4	4	4	3
2	2	2	1	2	1	1	3	4	4	3	3	4	1	2	4	2	3	3	1	2	2	2	3	3	3	4	4	4	3
3	2	1	2	2	2	4	3	3	4	3	4	4	1	4	4	2	5	3	3	2	3	3	4	4	3	4	4	5	4
COMPLAINTS MANAGEMENT																													
1	2	2	3	1	3	3	3	3	4	2	3	3	4	4	2	3	3	3	3	4	3	3	1	3	2	4	4	4	3
2	2	1	1	1	1	1	3	3	4	2	3	4	1	1	3	2	4	2	2	3	2	2	1	3	2	4	4	4	3
3	2	2	2	1	2	3	3	3	4	2	3	4	3	4	3	2	3	2	3	3	3	2	1	3	2	4	3	4	2

From the table above, it is clear that there were 20 questions in total, and 29 questionnaires. The table below further analyses the responses detailed in the above table and gives a clear indication of the participants' views.

Table 5.3 Analysis of responses

	ANALYSIS	OF QUESTIONNAIRES			
	1	2	3	4	5
Q1	1	4	14	8	1
Q2	1	2	16	9	0
Q3	2	3	8	10	3
Q4	1	6	10	10	1
Q5	0	7	8	11	2
Q6	0	6	8	11	2
Q7	0	8	10	9	1
Q8	3	7	8	8	2
Q9	5	4	8	11	0
Q10	4	8	8	5	2
Q11	4	9	5	7	1
Q12	2	7	4	13	1
Q13	2	6	10	8	1
Q14	1	5	13	9	0
Q15	4	8	11	4	0
Q16	5	8	8	7	0
Q17	2	6	8	10	2
Q18	2	5	14	7	0
Q19	8	8	6	6	0
Q20	2	10	11	5	0

Legend:
1 – awful
2 – unacceptable
3 – satisfactory
4 – good
5 – great

The analysis of the table above indicates that 4 to 5 of the 29 participants' responses illustrated that municipal performance appraisal, alignment of PDP results to performance outcomes and alignment of the PMS to service delivery protest issues is poor/awful.

Approximately 8 to 10 of the 29 participants indicated that municipal conduct is unacceptable in relation to the alignment of the PMS to the IDP and reporting, performance appraisals, record-keeping, and the system of dealing with service delivery protests.

About 10 to 16 of the 29 participants reported that the municipality's conduct in relation to its ability to achieve targets, the credibility of POEs, its monitoring system, its corrective action plans of implementation is undesirable.

Approximately 10 participants indicated that the municipality is good at conducting performance reviews and at the formulation of KPI's and targets while approximately 0 to 2 of the 29 participants indicated that the municipality's performance management system is great in all areas. Regardless of the above, the participants commented on why they believe there are challenges on the effective implementation of the PMS in the UGU District Municipality and how those affect service delivery.

5.5   ANALYSIS OF RESEARCH RESULTS

In addition to the responses which ranged from a score of 1 to 5 (1 being awful and 5 being great), respondents were required to comment on each question since such comments would indicate how UGU district municipality implements performance management system and how does that impact on service delivery **.**

QUESTION 1: MUNICIPAL PLANNING PROCESS

Summary of responses:
Performance planning involves the setting of performance indicators and the Municipality should ensure that communities are involved in this part of the process; the review of performance indicators on an annual basis and the setting of

performance targets. According to the participants, the Ugu district municipality does conduct strategic planning sessions in order to develop organisational strategy (Integrated Development Plan). In light of this, participants believe that:

1) Performance planning is just for compliance with the regulations as parties are not properly consulted;

2) The planning process does not take into account the needs of the community; community needs are identified during *Izimbizo* and IDP road-shows but are not considered in planning; and

3) There is a lack of cooperation during the planning process.

There is further acknowledgement that the Ugu district municipality has a good performance management system in place, and, given that, there is room for improvement. The issue of high levels of social influence to comply where certain municipal structures should have capacity to ensure that planning is done effectively is an issue of concern.

QUESTION 2: THE MUNICIPALITY'S ABILITY TO ACHIEVE TARGETS

Summary of responses:

A municipality is required to set performance targets for each of the key performance indicators set by it. Performance targets should be practical and realistic and should measure quality and impact on performance, be commensurate with available resources and capacity, as well as consistent with the municipality's development priorities and objectives as set out in its IDP. In relation to the municipality's capacity to achieve its targets, the participant's responses were as follows:-

1) Some departments do very well and some not so well and therefore there is no consistency across departments;

2) Departments appear to understand what the municipality's goals and targets are, however there seems to be an apparent lack of a cohesive approach to making the attainment of the targets a priority;

3) Some targets are achieved; however the impact is minimal, as they are not set in the proper way. Most targets achieved are soft targets compared to service delivery targets; and

4) Even though some targets are met, more improvement initiatives need to be implemented. Also, financial constraints are obstacles towards achieving most targets.

QUESTION 3: CONDUCT OF PERFORMANCE REVIEWS

Summary of responses:

The municipality is required to conduct quarterly individual and organisational performance reviews for senior managers, in order to identify and measure the attainment of targets, areas where targets could not be met due to some challenges, and to come up with appropriate remedial actions to deal with such challenges. In this regard, the participants' views are that, even though some reviews are done at an individual level, there is no consistency, as some departments do not conduct these reviews as they should. In terms of organisational performance, reviews are conducted on a quarterly basis; however, there are still challenges where performance management is still viewed as an event and not a day-to-day activity.

QUESTION 4: CREDIBILITY OF THE PORTFOLIO OF EVIDENCE (POE)

Summary of responses: Portfolios of evidence are critical in terms of performance review as these confirm whether targets are achieved as planned. The participants indicated that the performance management department has experienced challenges with regard to the POEs being handed in timeously, or even at all. The internal audit department has found that the validity of evidence, when tested independently, is questionable; the accuracy with regard to the correctness of information cannot be demonstrated, as it does not always correspond to planned targets, besides which, the completeness of the evidence does not always agree with the purpose and the desired performance of the indicators. In as much as the performance plans stipulate the completion of a relevant POE, the credibility or validity of such documents remains questionable.

QUESTION 5: ALIGNMENT OF THE IDP, SDBIP and APR

Summary of responses:

The alignment of the IDP with the SDBIP and APR is critical, as the IDP should inform the information that goes into the budget and SDBIP, and, if the two are aligned, the municipality will be able to achieve a credible APR. Even though the IDP alignment

with the SDBIP is always ensured, challenges remain regarding the alignment of the IDP, the SDBIP and the APR, as this is always a matter for concern for the AG, particularly if the IDP is not aligned to the SDBIP and the annual report credibility is affected. The participants felt that this area still needed serious focus and attention, as the alignment of the revised SDBIP was not always incorporated in the Annual Performance Report.

QUESTION 6: FORMULATION OF KPIs, TARGETS AND OBJECTIVES
Summary of responses:

The respondents' understanding is that KPIs, targets and objectives are formulated with regard to the Municipality's development priorities and objectives, as set out in the IDP in consultation with the community. Of most concern to the participants is that most targets are not outcome-based, are not linked to service delivery achievement, or have no impact, besides the fact that HODs have the sole responsibility for setting targets and implementing them. However, it is the view of the participants, that the creation of SMART targets is an area that needs improvement and oversight.

QUESTION 7: SMARTNESS OF PERFORMANCE TARGETS AND KPIs
Summary of responses:

The participants believe that KPIs and targets don't meet the smart principle, and at times, pose a challenge to achievability, while the participants consider that the inability to measure some of these is due to the qualitative targets that are being set.

QUESTION 8: VERIFICATION OF PERFORMANCE REPORTED
Summary of responses:

The participants believe that there have been issues regarding basic service delivery output not being verifiable. Even so, they believe that more time should be allowed for Internal Audit to perform this exercise, or that there should be dedicated personnel to ensure verification of tangible service delivery projects.

QUESTION 9: AVAILABILITY OF PERFORMANCE MONITORING SYSTEM
Summary of responses: The participants believed that performance monitoring at an operational and lower managementlevel warrants enhancement. Given the fact that there is no Performance Monitoring System in place, the view is that performance

becomes accepted as reported, without further on-site verification, and for that reason quality is compromised.

QUESTION 10: ALIGNMENT OF PDPs TO PERFORMANCE REVIEW OUTCOMES AND IMPLEMENTATION

Summary of responses: The mechanisms, systems and processes for review must at least -

(a) identify the strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it, as well as the general key performance indicators prescribed by regulations;

(b) review the key performance indicators set by the municipality in terms of regulations; and

(c) allow the local community to participate in the review process.

The lack of the review and updating of Personal Development Plans (PDP) was highlighted as an area of concern. Also, support to staff to assist them to achieve PDP targets is not always provided, e.g. time off to attend workshops or classes. Individual performance reviews are not done and PDPs are developed at the beginning of the financial year and not implemented. The failure to implement these is sometimes due to financial constraints.

QUESTION 11: CONDUCT OF STAFF PERFORMANCE APPRAISALS

Summary of responses: Performance appraisals are not conducted on a regular basis, and some managers do not meet the performance appraisal dates. This compromises the whole purpose of the performance management system, which is to manage the performance of the employees and the organisation in order to improve service delivery.

QUESTION 12: RECORD-KEEPING OF PERFORMANCE INFORMATION

Summary of responses: There seems to be a lack of understanding regarding the filing or record-keeping of performance information. Some believe that it should be kept within the Internal Audit Unit (IAU) and some suggest that it be retained at a central point.

QUSTION 13: IMPLEMENTATION OF CORRECTIVE ACTION PANS

Summary of responses: Corrective actions are not measured or not specific or are not indicated and there is no proper follow-up on any previous years' unachieved targets. In some instances, performance corrective plans are developed and implementation is not monitored or reporting on implementation is not properly conducted. In as much as the heads of departments are holding regular sessions with staff to track this implementation, this has not yielded major results.

QUESTION 14: OVERALL SATISFACTION REGARDING PMS IMPLEMENTATION

Summary of responses: During the 2013/14 financial year-end, the PMS system was seriously lacking in initiative and compliance; the PMS office was efficient, however the department was not managed effectively. The oversight thereof needs a considerable overhaul. This is said, while taking into cognisance the fact that the municipality has suffered from cash-flow constraints. In some instances, even though the municipality is trying, there are challenges of compliance among the staff.

QUESTION 15: SYSTEM OF DEALING WITH SERVICE DELIVERY PROTESTS

Summary of responses: The Municipality encounters a lot of complaints from the public and the management thereof is very reactive and is poorly coordinated, with no clear procedures being followed. There is no proper or structured process for dealing with protest; the Municipality simply reacts when such instances arise.

QUESTION 16: UTILISATION OF THE PERFORMANCE MANAGEMENTSYSTEM TO DEAL WITH SERVICE DELIVERY PROTESTS

Summary of responses: This is one area that needs improvement, as there is no specific linkage between performance management and its use as a tool to deal with service delivery protest. The performance management system is not utilised as a service delivery tool or to address the protest, however, service delivery issues are addressed when they arise.

QUESTION 17: **THE PERFORMANCE MANAGEMENT SYSTEM AS A TOOL TO IMPROVE SERVICE DELIVER**Y

Summary of responses: Unfortunately, the performance management system has not been used as a tool for service delivery at all. Performance management is carried out for compliance purposes, so that the intention is there, but the impact cannot be measured. Service delivery impact is minimal, however, the PMS, if utilised properly, might be a good tool to improve service delivery.

QUESTION 18: **COMPLAINTS-HANDLING PROCEDURE**

Summary of responses: The rate of response and evaluation of customer satisfaction is low, to the extent where customers are not always satisfied. Handling of complaints is not fully centralised and indicates a need to develop and communicate proper standard operating procedures with clear service turnaround times in handling customer complaints.

QUESTION 19: **UTILISATION OF THE PERFROMANCE MANAGEMENT SYSTEM TO DEAL WITH COMPLAINTS**

Summary of responses: It is the participants' view that complaints are handled at lower levels down to which performance management has not yet been cascaded; therefore employees do not perceive the linkage of performance management to their daily activities. Even though complaints are analysed and reported on, they are not integral to performance management, nor do they form any part of it during planning. An advantage is that the performance framework is aligned to deal with all sorts of challenges, although it is currently not utilised effectively.

QUESTION 20: **OVERALL SATISFACTION WITH COMPLAINTS MANAGEMENT**

Summary of responses: There are still a lot of unsatisfied consumers whom we cannot trace and help to resolve their complaints. Complaints are managed, even though there are still challenges regarding non-compliance by the municipality; the quality of service rendered is still questionable.

5.6 SUMMARY

From the responses of participants and the analysis, the reasons for the constraints affecting the effective functionality of the performance management system at the Ugu district municipality are clearly defined. Chapter Six presents a detailed summary of the reasons, recommendations and the need for further research in some areas.

CHAPTER SIX

GENERAL CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter presents a summary of the research by revisiting the research aim and objectives. The Municipality will be presented by providing a brief summary of the findings. Implications that arose from the research will also be provided so that the Ugu district municipality can be mindful of these when implementing performance management initiatives. The lessons have been derived from a combination of participants' perceptions, previous literature and the researcher's insight. The chapter also outlines the value of the research and provides recommendations for potential areas of further research. The last section of the chapter presents a conclusion of the research.

6.2 SUMMARY OF THE RESEARCH AIMS AND OBJECTIVES

The aim of the research was to evaluate the implementation of the performance management system and its impact on service delivery in the Ugu district municipality. The research achieved this aim by examining the research data to understand employees' perceptions and how these perceptions are valid in relation to the problem statement. Research data was voluntarily provided by senior managers and councillors from different levels of the municipality by means of interview questionnaires and focus groups. Research findings contribute to the inadequate literature regarding performance management in the Ugu District Municipality.

The objective of this research is to evaluate the implementation of the performance management system and its impact on service delivery in the Ugu District municipality. The research also aims to test the theory that relates to performance management systems and performance. The research focuses primarily on how these constraints could be resolved and the impact of performance management on service delivery and complaints managementas experienced in the Ugu district municipality.

The researcher has made certain recommendations particular to the Ugu district municipality, which might assist in improving performance management, reducing public complaints and minimising service delivery protest actions. The research has been descriptive and exploratory in nature, thus its aim is present a picture of how performance managementis implemented by Ugu district municipality. Neumann (2006) indicated that descriptive and exploratory research put together in practice. Addressing the "how" is the primary purpose of descriptive research and "what" comes as secondary as it seeks to understand the impact of the implementation of PMS in service delivery.

6.3 HOW IS THE IMPLEMENTATION OF THE PMS BY THE UGU DISTRICT MUNICIPALITY

This section summarises the implementation of the PMS by the UGU District Municipality, as reflected in the research results. The findings revealed that Performance Management constraints, in summary, are due to the following:

1) A focus on compliance rather than both compliance and completeness;
2) A lack of cooperation during the performance planning process;
3) The absence of a monitoring and evaluation tool in respect of service delivery projects to be specific;
4) A lack of capacity to ensure the alignment of the Integrated Development Plan, the Service Delivery and Budget Implementation Plan (SDBIP) and the Annual Performance Report (APR);
5) A lack of oversight and understanding of performance management by those who are entrusted with the responsibility to oversee the performance of the municipality;
6) Performance managementbeing regarded as an event and not a day-to-day activity;
7) The unavailability of an appropriate technical structure or steering committee to ensure the credibility of performance management, Integrated Development Planning and reporting;
8) The lack of compliance and an inability to follow processes to the letter;
9) The lack of service delivery focus when implementing performance management which gives rise to service delivery protests; and
10) Complaints management not being performance-driven.

In relation to the research questions, the following key findings were revealed and these associations were established: The main research question **"What constraints affect the effective implementation of the Performance Managementsystem in the Ugu district municipality and how constraints affecting the effectiveness of the Ugu district municipality PMS could be resolved/ dealt with?"** was answered by requesting the participants to rate the Municipality's Performance Management system in relation to:

1) The municipal planning process;
2) The Municipality's ability to achieve set targets;
3) The Municipality's conduct of performance reviews;
4) The credibility of Portfolios of Evidence to support performance achievement;
5) The alignment of the Integrated Development Plan with the Service Delivery Budget Implementation Plan and Annual Performance Report;
6) The formulation of key performance indicators, targets and objectives;
7) The ability of the Municipality to set targets that are specific, measurable, achievable, realistic and time-bound;
8) The verification of performance reports;
9) The availability of a performance monitoring system;
10) The alignment of personal development plans to performance review outcomes and implementation;
11) The conduct of staff performance appraisals;
12) Record-keeping of performance information;
13) The implementation of corrective action plans; and
14) The overall satisfaction of performance implementation.

The qualitative findings suggest that there are constraints affecting the effective implementation of the performance management system in the Ugu district municiaplity are due to a number of factors, such as that the focus is more on compliance than both compliance and completeness; a lack of cooperation during the performance planning process; the absence of a monitoring and evaluation tool in respect of service delivery projects to be specific; a lack of capacity to ensure the alignment of the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Annual Performance Report; a lack of oversight and

understanding of performance managementby those who entrusted with the responsibility to oversee performance of the municipality, and the unavailability of an appropriate technical structure or steering- committee to ensure the credibility of performance management, Integrated Development Planning and reporting.

The second research question seeks to establish **"How the Ugu district municipality can improve service delivery through performance management system implementation?"** and this was answered by requesting the participants to respond by rating the following:

1) The system of dealing with service delivery protests;
2) The utilisation of the performance management system as a tool in dealing with service delivery protests; and
3) Performance management as a tool to improve service delivery.

The qualitative findings suggest that the municipality encounters lot of complaints from the public and that the management thereof is very reactive due to poor coordination and unclear procedures. The other reason is that there are no proper mechanisms or structural process for dealing with protest, the municipality simply reacts when these arise. It is clear from the participants' comments that the performance panagement system has not been used consistently as a tool for service delivery at all.

The third research question seeks to establish **"Why the Ugu district municipality's performance management system is ineffective, and what recommendations can be made to the municipality with regard to the effective implementation of the PMS?"**
The participants were required to comment as to why the performance management system is ineffective or has constraints in the Ugu district and these questions were answered by requesting the participants to give an overall comment in this regard.

The qualitative findings suggest that, during the 2013/14 financial year-end, the performance management system was seriously lacking in initiative and compliance; the performance management office was efficient, however the department was not managed effectively. The oversight thereof thus needs a considerable overhaul. This even takes cognisance of the fact that the municipality has suffered from cash-flow

constraints. In some instances, even though the municipality is trying, challenges of compliance among staff remain a pressing issue.

6.4 GENERAL RECOMMENDATIONS

1) Municipal planning process

The Municipality should set aside a budget to ensure proper education and awareness in order to engage community stakeholders regarding performance planning; and

There is a need for monitoring and evaluation of performance planning with clear and proper procedures to be followed during the planning process.

2) Municipal ability to achieve its targets

The Municipality's targets should be set in such a way that they are outcome-based and not output-based;

Coaching and mentoring on performance management and setting of key performance indicators and targets should be implemented; and

The setting of targets should be informed by an approved budget of the Municipality, so as to mitigate the inability to achieve targets due to financial constraints.

3) Conduct of performance reviews

It is highly recommended that performance management become a day-to-day activity which could be achieved by incorporating this process into the performance agreements of the managers and senior managers.

4) Credibility of Portfolio of evidence

The internal steering committee should be representative of all departments within the municipality, and should also focus on the credibility of POEs when reports are submitted.

5) Alignment of the IDP, SDBIP and APR

Mechanisms should be in place to ensure that whatever is budgeted for is derived from the IDP. The municipality may consider having an IDP steering-committee which will ensure that the IDP has gone through all the processes and is credible.

6)   Formulation of KPI's, targets and objectives

Municipal Public Accounts and the Executive Committee of the Ugu district municipality should play a crucial role in the setting of KPIs, targets and objectives. Of critical importance are the ongoing workshops and the awareness of all councillors of the formulation of KPIs, targets and objectives, as well as the importance of these in relation to service delivery outcomes.

7)   Smartness of performance targets and KPI's

The IDP steering-committee should be in place so as to ensure the credibility of targets and KPIs. Ongoing workshops with the departments so as to ensure the understanding of the main purpose of performance management, which is to ensure service delivery.

8)   Verification of performance reported

The monitoring and evaluation function, as proposed, will assist in ensuring that verification is done properly.

9)   Availability of performance monitoring system

The monitoring and evaluation function, as proposed, will assist in ensuring that verification is done properly.

10)   Alignment of PDP's to performance review outcomes and implementation

It is recommended that performance management should form part of the performance agreements of senior managers and that budget processes should take into consideration the implementation of Personal Development Plans for the improvement of performance and service delivery.

11)   Conduct of staff performance appraisals

Performance appraisals should be made the responsibility of each senior manager and line manager and their performance agreements should be so informed.

12) Record keeping of performance information

The central registry and filing plan should incorporate performance information for each year of performance.

13) Implementation of corrective action plans

The implementation of corrective action plans should be part of the performance agreements for each senior manager and for managers in general. This will enable reporting and review of implementation and ensuring that challenges are dealt with promptly. The monitoring and evaluation function should be established to do proper follow-ups on the implementation of corrective measures.

14) Overall satisfaction regarding PMS implementation

The role of oversight cannot be over emphasised, however the need to capacitate Oversight Committees and the Executive Committee on performance management will make a huge difference.

15) System of dealing with service delivery protests

Rapid response teams should be established and be capacitated to deal proactively with protest actions. The guide in dealing with protest actions should be developed and workshopped amongst the team members.

16) Utilisation of PMS to deal with service delivery protests

Assessment of current situations should be effected on an annual basis and prior years of service delivery challenges that led to protest actions should be taken into cognisance so that the municipality can pro-actively develop a plan to deal with those issues and to prevent the same actions from happening again. More research on what led to service delivery protests needs to be undertaken, so that a more focused approach is developed and implemented.

17) The PMS as a tool to improve service delivery

Planning for performance should take into consideration service delivery challenges, especially issues that give rise to protest action. It is thus important that proper documentation be kept by the rapid response team regarding issues which result in protest action.

18)   Complaints handling procedure

Development of, or review of and even communication around the issues of complaints-handling should be implemented and regular workshops should be conducted on the complaints handling procedure.

19)   Utilisation of the PMS to deal with complaints

A flow-chart on complaints handling should be designed which escalates complaints to higher levels and depicts the correct procedure to be followed. The nature of complaints should be considered, since dealing with these can form part of the planning process.

20)   Overall satisfaction with complaints management

The municipality should consider improving the manner in which complaints are managed, and, once actions are put in place and implemented, annual customer satisfaction surveys should be conducted to ascertain the levels of satisfaction. The Municipality should prioritise customer complaints and align these with the municipal planning so that clear targets are formulated and implemented to improve customer satisfaction.

6.5 CONCLUDING REMARKS OF THE ANALYSIS

The performance management system is increasingly important for many, if not most, organisations. The effective development and implementation of performance management systems can fuel value creation and improve service delivery. However, the mechanisms through which the system creates value are not yet well understood. Even so, the implementation of the system in the Ugu district municipality is not so bad.

It is evident though, that there are challenges affecting the effectiveness of the system, which include the lack of proper planning, the nature of the targets set, the verification of performance reported, and the ability of the Municipality to implement corrective action plans where there is no performance or a lack of performance. Also, a better understanding of the role of internal and external factors within the implementation process of performance management systems might improve their effectiveness. In addition, the ability of the municipality to institutionalise the PMS and ensure proper

monitoring and evaluation, and an oversight role could improve service delivery within the communities.

Adding value to the PMS is the approach of the municipality in dealing with complaints and service delivery complaints, as well as pro-activeness in ensuring that this becomes part of performance planning, monitoring and evaluation.

The findings indicate that the PMS implementation is difficult to master. Key challenges such as inadequate communication and feedback, a lack of oversight, improper structures, a lack of commitment and compliance, among others, contribute to the ineffectiveness of the PMS operations. In spite of the difficulties, performance management is an essential tool for high performing organisations, and it is one of a manager's most important responsibilities, if not the most important. Furthermore, if conducted correctly, performance managementcan results in numerous important outcomes for an organisation, its managers and employees.

6.5   CONTRIBUTIONS OF THE RESEARCH

The results of this research study are significant in various respects. Firstly, on the basis of the findings, the study drew some conclusions and identified the problems and current flaws in performance management systems, or the lack thereof, thereby indicating that the management of the municipality needs to take remedial action. The findings have revealed that most employees are in favour of having a performance management system and also support the literature which states that an effective PMS adds great value to organisations. Therefore, the lack of an effective performance management system within the municipality is, in itself, a flaw. Other commonly reported flaws include inadequate communication about the performance management system and its expectations which result in uncertainty; a lack of clearly set and aligned goals, resulting in disengaged efforts and a reduced sense of belonging; inconsistency, bias, opaque and subjective PMS which leads to poor performance and a lack of proper planning and commitment that contributes to failed attempts and employee buy-ins.

Secondly, the study provides significant contributions, especially at a theoretical, but also at a practical level. Organisations rely to a high degree on regular performance

appraisals and performance management programs, which usually incorporate goal-setting interventions.

The study therefore provides vital information as to how this tool can be used effectively in order to achieve the intended results, while adding value to the already limited literature in the research field within the Ugu district municipality.

The findings suggest that senior managers and councillors need to have appropriate skills in order to competently conduct performance appraisals so as to achieve intended outcomes. Additionally, appraisal feedback needs to be discussed with employees so that identified performance shortcomings can be addressed.

6.6 RECOMMENDATIONS FOR FURTHER RESEARCH

The real success of a PMS is said to lie in how people use the performance information (Prahalad & Krishnan, 2002; Nudurupati & Bititci, 2005). Behavioural factors are important for the successful use of a PMS, (Malina & Selto, 2001) but the impact of behavioural factors on the use of PMS have been underexposed in scientific and professional literature (Vagneur & Peiperl, 2000; Krause, 2000; De Waal, 2002).

This is a recommended area of future research that could contribute greatly to the use of performance management systems, especially in the vulnerably informed municipal context.

Additionally, many organisations seem to have too many expectations of a performance management system, resulting in them being disappointed. The Ugu district municipality needs to determine what its main purpose for implementing a system before it can evaluate the system's usefulness. Research can therefore study the conditions that encourage users to employ performance management systems and focus solely on their primary use to avoid unrealistic expectations within the municipality and the community.

Even though performance management initiatives, specifically performance appraisals, are unsatisfactory for most people, one needs to still be mindful that performance appraisals serve a number of valuable municipal purposes. Since our

culture believes that people should be rewarded for outstanding performance, yet do not like to receive negative feedback, performance appraisal systems are very complicated. The Ugu district municipality needs to understand the strengths and weaknesses associated with each of the tools and determine which goals they want to accomplish. They need to realise that a single tool cannot be used over a diverse series of jobs. Once performance appraisals are seen as a tool for managing resources, the research focus should shift to matching the appropriate tools to the desired outcomes.

Future research could also be directed towards the role of oversight and the challenges in improving the performance of the municipality.

6.7 CONCLUSION

This chapter seeks to conclude the research study by revisiting the research aim, objectives and by summarising the research findings. It includes lessons to be assimilated by the Ugu district municipality in implementing the PMS going forward, derived from the findings, the literature and the researcher's insight. Contributions of the research were also highlighted and areas for further research were recommended before presenting the concluding remarks of the research.

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7 Woodlands Rd
GLENWOOD
DURBAN
4001
083 415 2531

28 May 2015

To whom it may concern

EDITING OF RESEARCH DOCUMENT : SIHLE MAXWELL MBILI

I have an MA in English from University of Natal (now UKZN) and have been performing editing services through my company for nine years. I regularly edit the research dissertations, papers and theses of the School of Nursing, Environmental studies and others at the University of KwaZulu-Natal, as well as editing for other institutions, publishing firms and private individuals on contract.

I hereby confirm that I edited the research dissertation of Sihle Maxwell Mbili titled " EVALUATING THE IMPLEMENTATION OF THE PERFORMANCE MANAGEMENTSYSTEM IN THE UGU DISTRICT MUNICIPALITY" and commented on those errors or anomalies I was unable to rectify in the MS Word Track Changes and review mode by insertion of comments balloons. Once these have been attended to by Maxwell the document should be correct.

I edited the document for spelling, grammar, punctuation and language usage as well as syntax. I trust that the document will prove acceptable in terms of editing criteria.

Yours faithfully

Catherine P. Eberle (MA: University of Natal)

UNIVERSITY OF
KWAZULU-NATAL

FACULTY OF HUMANITIES, DEVELOPMENT AND SOCIAL SCIENCE

08 September 2014

Mr DD Naidoo

The Municipal Manager

UGU District Municipality

PORT SHEPSTONE, 4240

Fax: (039) 688 3365

<u>For attention:</u> Mr DD Naidoo

REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN UGU DISTRICT MUNICIPALITY

Dear Mr Naidoo

My name is Sihle Maxwell Mbili, and I am a Master's student at the University of Kwazulu Natal in KwaZulu Natal. The research I wish to conduct for my Master's dissertation involves 'evaluating constraints affecting the effective implementation of the Performance Management System (PMS) by Ugu District Municipality' This project will be conducted under the supervision of Dr T I Nzimakwe (UKZN, School of Management IT and Governance).
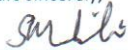
I am hereby seeking your consent to conduct Face to Face interview with key staff as well as discussion groups with the identified groups or forums. Due to the nature of this research, I hope to recruit Management, PMS Officials (for interviews), PMS Review committee, MPAC, Audit Committee (for focus groups) as well as IDP Rep forum to complete two-page questionnaire as attached.

I have provided you with a copy of my dissertation proposal which includes copy of the consent and assent forms to be used in the research process, as well as a copy of the approval letter which I received from the UKZN Research Ethics Committee (Human).

Upon completion of the study, I undertake to provide UGU District Municipality with a bound copy of the full research report. If you require any further information, please do not hesitate to contact me on 082 708 7889, or email at maxmbili@gmail.com. Thank you for your time and consideration in this matter.

Yours sincerely,

SIHLE MAXWELL MBILI

University of KwaZulu Natal

PO Box 33, Port Shepstone 4240
Kwa Zulu-Natal
South Africa

28 Connor Street
Tel: (039) 688 6700
Fax: (039) 682 1720

Ugu Distrik Munisipaliteit   *Ugu District Municipality*   *Ugu Umasipala Wesifunda*

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Mr D D Naidoo

Tel: (039) 688 5867

8 September 2014

Mr S M Mbili
124 Marine Drive
MARGATE
4275

Dear Sir

REQUEST TO CONDUCT RESEARCH

It gives me great pleasure to inform you that your request to conduct research at UGU District Municipality has been granted.

It is hoped that the outcome of the research will benefit UGU District Municipality.

Thank you

D D NAIDOO
MUNICIPAL MANAGER

COLLEGE OF LAW AND MANAGEMENTSTUDIES

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INTERVIEW SCHEDULE

NB. The information provided in this questionnaire will remain anonymous and

confidential.

The questionnaire seeks to obtain respondent's background information in preparation for the interviews that the researcher will be conducting. The purpose of the interviews is to evaluate the constraints affecting effective implementation of the Performance Managementsystem (PMS) by UGU District Municipality. Please respond to Section A of the questionnaire by inserting an X in the appropriate box.

SECTION A
1. What is your age?

Below 20 years	
20-29 years	
30- 39 years	
Over 40 years	

2. What is your Gender?

Male	
Female	

3. What is your highest qualification?

Below Matric	
Matric	
Certificate	
Diploma	
Undergraduate	
Postgraduate	
Other	

4. How long have you been working for UGU District municipality?

Below 5 years	
5-10 years	
Over 10 years	

5. How long have you been part of UGU District municipality managementteam?

Below 5 years	
5-10 years	
Over 10 years	

SECTION B

Please rate the municipality on the following issues by circling one of the numbers from one to five (one being awful, and five being great).

MUNICIPAL PERFROMANCE MANAGEMENTSYSTEM

1. **The Municipal Planning Process**   1   2   3   4   5

    Comments:……………………………………………………………………………
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2. **The Municipality's ability to achieve targets**   1   2   3   4   5

    Comments:……………………………………………………………………………
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………………………………………………………………………………………………

3. **The conduct of Performance reviews**   1   2   3   4   5

    Comments:……………………………………………………………………………
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4. **The credibility of Portfolio of Evidence**   1   2   3   4 5

    Comments:……………………………………………………………………………
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5. **Alignment of IDP with SDBIP and APR**   1   2   3   4 5

    Comments:……………………………………………………………………………
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………………………………………………………………………………………………
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6. **Formulation of KPI's, targets and objectives** 1   2   3   4   5
    Comments:……………………………………………………………………………
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7. **The SMART'ness of performance targets and KPI's** 1   2   3   4   5
    Comments:……………………………………………………………………………
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8. **Verification of performance reported**   1   2   3   4   5

    Comments:………………………………………………………
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9. **Availability of performance monitoring system**   1   2   3   4   5

    Comments:………………………………………………………
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10. **Alignment of Personal development plans to**   1   2   3   4   5

    Performance review outcomes and implementation
    Comments:………………………………………………………
    …………………………………………………………………………
    …………………………………………………………………………
    …………………………………………………………………………

11. **Conduct of staff performance appraisals**   1   2   3   4   5

    Comments:………………………………………………………
    …………………………………………………………………………
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    …………………………………………………………………………

12. **Record keeping of performance information**   1   2   3   4   5

    Comments:………………………………………………………
    …………………………………………………………………………
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13. **Implementation of corrective action plans**   1   2   3   4   5

    Comments:………………………………………………………
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14. **Overall satisfaction on PMS implementation**   1   2   3   4   5

    Comments:………………………………………………………
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SERVICE DELIVERY PROTESTS

15. **System of dealing with service delivery protests**   1   2   3   4   5

    Comments:………………………………………………………
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    …………………………………………………………………………

16. **Utilisation of PMS as a tool in dealing with SDP**   1   2   3   4   5

Comments:……………………………………………………………………………
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17. **PMS as a tool to improve service delivery**   1   2   3   4   5

Comments:……………………………………………………………………………
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COMPLAINTS MANAGEMENT

18. **Complaints handling procedure**   1   2   3   4   5

Comments:……………………………………………………………………………
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19. **Utilisation of PMS as a tool in dealing with complaints**   1   2   3   4   5

Comments:……………………………………………………………………………
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20. **Overall satisfaction on complaints managemen**   1   2   3   4   5

Comments:……………………………………………………………………………
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……………………………………………………………………………………………

NAME OF RESPONDENT:…………………………………………………

POSITION:……………………………………………………………………….

DATE:………………………….

THANK YOU!

16 October 2014

Mr Sihle Maxwell Mbili 200239887
School of Management, IT and Governance
Westville Campus

Protocol reference number: HSS/1351/014M
Project title: Evaluating the implementation of the Performance Management Systment in Ugu District Municipality

Dear Mr Mbili

Expedited Approval

In response to your application dated 14 October 2014, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of **3** years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

....
Dr Shenuka Singh (Chair)

/px

cc Supervisor: Dr TI Nzimakwe
cc Academic Leader Research: Professor B McArthur
cc School Administrator: Ms A Pearce