

UNIVERSITY OF KWAZULU-NATAL

**PERFORMANCE MANAGEMENT SYSTEMS IN MEETING
SERVICE DELIVERY TARGETS:
A CASE STUDY OF MAPHUMULO MUNICIPALITY.**

By

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Declaration

I, Mngqobi Blessing Mahlaba, 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 other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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Abbreviations

BSC	Balanced Scorecard
COGTA	Department of Co-operative Governance and Traditional Affairs
DPME	Department of Planning Monitoring and Evaluation
EPMDS	Employee Performance Management and Development System
EXCO	Executive Committee
HR	Human Resources
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
M&E	Monitoring and Evaluation
NPM	New Public Management initiative
PFP	Pay for Performance
PM	Performance management
PMS	Performance Management Systems
POE	Portfolio of Evidence
PSC	Public Service Commission
RSA	Republic of South Africa
SDBIP	Service Delivery Budget Implementation Plan

Abstract

Delivery of services to communities appears to be the leading cause of protests around South Africa, with communities turning to protest action to vent their anger at the lack of services they experience. This heightened demand for an increase in delivery of basic services to the community has forced government to develop new systems to address the community's concerns. Constitutionally, the responsibility for delivery of services lies with the local government. This has resulted in a great deal of pressure on this sphere of government. The introduction of performance management in the public sector but more especially in local government has sought to bring about efficient and effective systems which ensure that service delivery is improved. This study was undertaken in Maphumulo Local Municipality, a rural municipality in KwaZulu Natal, South Africa and aimed to ascertain the effectiveness of PMS (Public Management System) in the delivery of services this specific municipality.

The study adopted a qualitative, case study design. Research was undertaken with participants from Maphumulo Municipality who were purposively selected because of their high degree and working knowledge of the subject matter. In-depth interviews were used as the primary means of collecting data from the participants and content analysis was performed on the interview transcriptions.

The analysis confirmed the hypothesis of the study, that the Performance Management System in use in the Maphumulo Municipality is ineffective in addressing their service delivery needs. It also resulted in the emergence of a number of themes around possible causes of the inadequate functioning of PMS in the municipality which include, amongst others, high vacancy rates – especially at management level, poor communication between the community and the municipality, lack of support from provincial and national spheres of government and other human resource management challenges. If the challenges that emerged from the study are addressed, it is expected that this will improve the functioning of performance management and ultimately the delivery of services within the municipality.

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Chapter 1: Study Overview

1.1 Introduction

Municipalities are tasked with the responsibility of delivering services to their communities as required of them by the South African Constitution (Republic of South Africa, 1996), but often this obligation is not fulfilled. In order to achieve the strategic objectives of the municipality, it is necessary to manage the performance of the officials who are employed within the municipality. The introduction of a Performance Management System (PMS) into the South African local government structures was done with a view to enhance the accomplishment of service delivery targets and accelerate the delivery of services in the public sector. Mubangizi (2013:5) notes that South Africa consists of “a citizenry that is mindful of its right to public services and one which does not seem to shy away from public protests and riots to make its voice heard.” The apparent increase in the number of public protests in Maphumulo, for instance, displays the concerns community members have over the delivery of services.

This study seeks to evaluate if the Performance Management System translates into the accomplishment of service delivery targets within the Maphumulo Local Municipality. The study will follow a qualitative approach and the sample group will consist of participants who have a direct input into the implementation of the system within the municipality. In addition, information such as minutes of the municipality’s EXCO, the full council minutes, the performance management monthly reports, the annual reports and the oversight report of the portfolio committee will be collected for document analysis. These documents will form the major part of the secondary data collection. The study is intended to assist in identifying loopholes in the implementation of the system and to help the municipality to improve the quality of its delivery of services.

1.2 Background to the study

The Performance Management System (PMS) used within the sphere of local government was established in compliance with Section 38 of the Local Government: Municipal Systems Act (RSA, 2000), which states that it is incumbent upon a municipality to set up a PMS in line with its Integrated Development Plan (IDP). “A municipality's performance management system is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP” (COGTA, 2012:6). The PMS guides municipal management in discharging its responsibility to the community as envisaged by the 1996 Constitution. It is stipulated in the Municipal Performance Regulations (RSA, 2006) that performance agreements for all

managers within a municipality (that includes the municipal manager as well as all the managers who are directly answerable to them) should set out “objectives and targets defined and agreed with the employee and ... communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, service delivery, Budget Implementation Plan (SDBIP) and the budget of the municipality.” Duma and Mubangizi (2013:101) suggest that recent public service delivery protests highlight critical challenges in the South African public service and stress the need to boost institutional performance. This is especially relevant to municipalities.

In light of the broader service delivery concerns that exist in the public sector at large, this study aims to evaluate the effectiveness of PMS in accomplishing the service delivery targets established within the area of Maphumulo. “The Maphumulo Local Municipality (KZ294) is one of four local municipalities located within iLembe District Municipality (DC29). It is bounded to the north by the Tugela River and extends approximately 30 km to its southern boundary with Ndwedwe Local Municipality” (Maphumulo Local Municipality, 2014). In 2011 the population was recorded as 96 724 people (Census 2011). The approved organogram of the Maphumulo Local Municipality consists of five senior managers. At the time of this study, these 5 senior positions were filled by one Senior Manager and one acting Manager reporting to the acting Municipal Manager, and the other two senior positions were vacant. Reporting to the senior managers are four line managers who have been purposively selected to be participants (for purposes of the study) because of their roles in the PMS. It is hoped that this study will provide valuable insight in terms of possible gaps and the shortcomings pertaining to the PMS in this municipality.

1.3 Research Problem

“Local government is where service delivery begins. It is about what happens in our homes, in our streets and our communities” (Madue, 2013:37). The same author further contends that “achieving the targets of service delivery requires a combination of elements, ranging from sound financial management systems, to monitoring and evaluation mechanisms, to employing the right people with the right skills, to effectively holding the executive to account”. Municipalities are compelled to establish a PMS which is in line with the strategic objectives which have been agreed on. These prescriptions are contained in the Local Government: Municipal Systems Act 32 of 2000 (RSA, 2000). The Department of Co-operative Governance and Traditional Affairs describes PMS as a four step process, namely: Planning, Implementation, Monitoring and Evaluation. PMS as a tool to achieve excellence in

service delivery should be appropriately applied to achieve the desired strategic objectives, but to date the public sector has been failing in this regard.

Kolisa (2012) reports that in “South Africa approximately 1.8 million (11%) of households in formal and informal settlements still do not have access to sanitation services”. MacAdam and Walker (2003:877) go on to state that “the Balanced Scorecard (BSC) initially developed and refined by Kaplan and Norton, is a key local government service delivery monitoring tool which can be a multi-dimensional framework for describing, implementing and managing strategy at all levels, linking objectives, initiatives and measures to an organisation’s strategy and to its outcomes. The BSC framework provides a methodology to assess management decisions, and measures to gauge improvements”. Implementation of the PMS by the Maphumulo Local Municipality has experienced certain challenges ranging from the proper co-operation from officials in implementing the system to a lack of proper documentation to verify accomplishment of the system by municipal officials. The extent to which the PMS improves performance of employees and realising overall organisational objectives has been largely investigated by different authors with reference to the different spheres of government. These studies raised uncertainties about the effectiveness of the system in the public sector or rather the challenges associated with the system (The Presidency, 2009: 6). PMS is a pertinent public sector issue as highlighted by the minister in the presidency: “Government must be more effective in its actions. It must improve the quality of its services. Since 1994 we have successfully expanded access to services. The quality of services has, however, often been below standard. Increases in expenditure on services have not always brought the results we wanted or our people expected.” (The Presidency, 2009:6). The department further posits that: “Managing for outcomes requires attention to the Full Delivery Chain. The chain starts with the outcome desired and then defines the output measures that must be used to check if it is on track to deliver. The chain then describes the key activities that need to be successfully carried out to achieve the outputs and closes by listing the crucial inputs”. The researcher has therefore chosen to interrogate the effectiveness of PMS, in the accomplishment of service delivery targets, using the Maphumulo Local Municipality as a case study.

1.4 Research Questions

The guiding questions proposed for this study are as follows:

1. Who are the stakeholders in the PMS and do they understand their roles?
2. Is the PMS properly planned, implemented, evaluated, and monitored within the municipality?

3. Is the municipality's PMS in line with the guidelines from COGTA?
4. Does the PMS in the Maphumulo Local Municipality contribute to the accomplishment of service delivery targets?
5. What are the challenges facing the PMS in the Maphumulo Local Municipality?
6. Are the individual PMS targets for senior managers linked to the strategic objectives of the municipality?

1.5 Research objectives

The following research objectives are pertinent to this study:

1. To establish if the stakeholders understand their responsibilities as per the PMS;
2. To establish if the PMS prescriptions are being properly executed;
3. To investigate if the PMS contributes to the attainment of service delivery targets.
4. To establish if any challenges exist in the PMS system and what impact these could have in terms of basic service delivery;
5. To ascertain if the accomplishment of individual targets has an impact on the strategic objectives of the municipality; and
6. To propose certain recommendations based on the literature review and empirical study to enhance the PMS.

1.6 Literature Review

A Performance Management System (PMS) is a crucial requirement in the public sector. When commencing employment, all senior government officials are required to enter into a performance agreement. Numerous research projects have been undertaken on the importance of PMSs. Duma and Mubangizi (2013:101) examined the role of the Employee Performance Management and Development System (EPMDS) in improving employee performance, and interrogated the provincial link between employee performance and the achievement of the strategic goals of the Department of Sports and Recreation in KwaZulu-Natal. The study was undertaken in a different government sphere to the present study, and as such employee targets and objectives are very different to that of a municipality. However, it still offers valuable and relevant insight on the topic under discussion. In another study, Munzhedzi (2011) studied the Department of Local Government and Housing in the Limpopo province and investigated whether or not PMS in that context contributed to improved efficiency. The study also brought to the fore the difficulties that are experienced when a PMS is implemented.

The effectiveness of a PMS's contribution to motivating employees and meeting the targets set by municipalities and government, was another study undertaken by Kgantlapane (2009). The primary objective of the study was to research and analyse the impact of the PMS on the Ekurhuleni Metro Municipality. It interrogated the same issues as the current study but in a different demographic setting.

The powers of the local sphere of government are devolved to municipal councils, as set out in section 104 of the Constitution of the Republic of South Africa Act 108 of 1996 (RSA, 1996) and the Act further states that it is the right of a municipality to govern itself. Legislation plays an important role in the study to be undertaken and PMS is derived from the following Acts:

1.6.1 The Constitution of the Republic of South Africa, 1996.

“Section 152(1) of the Constitution sets out the goals and objectives of local government as follows:

- “to provide democratic and accountable government for local communities;
- to ensure the provision of services to local communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.”

Section 195 of the Constitution (RSA, 1996) highlights the basic tenets governing public administration, which include the following: “promoting and maintaining high standards of professional ethics; providing service impartially, fairly, equitably and without bias; and utilising resources economically, efficiently and effectively”.

1.6.2 The White Paper on Transforming Public Service Delivery, 1997 (The Batho Pele Principles).

The Batho Pele White Paper (RSA, 1997a) provides an approach to customer service which places the needs of citizens at the fore, thereby building a more responsive service delivery model. Using this approach, citizens who use municipal services are viewed as consumers. However, for this to proceed effectively with a resource-scarce environment, there must be a high level of commitment and sense of duty among all employees within the public service. This can only be achieved through them living the Batho-Pele principles and the new belief set of *"We belong, We care, We serve"*.

1.6.3 The Local Government: Municipal Systems Act 32 of 2000

The Local Government: Municipal Systems Act (RSA, 2000), chapter 6, deals specifically with issues relating to performance management. Section 38 states that a municipality is to “implement a PMS that is in line with the priorities, objectives, indicators and targets contained in its IDP”. Section 57 of the Act highlights the appointment of accountable municipal managers and accountable managers who are subjected to separate performance agreements. Section 67 places emphasis on the monitoring, measuring and evaluating of performance.

1.6.4 Department of Local Government Performance Management Guidelines (2001)

The Municipal Planning and Performance Management Regulations (RSA, 2001) deal in more detail with specific aspects of the PMS. It is within these regulations that the municipality’s cyclical process of performance planning, monitoring, measurement, evaluation, reporting and improvement is described and guidance is given as to how the process should be managed overall. It also ensures that all role-players have clearly defined roles. The necessity of clearly defined performance indicators and the involvement of the community in the process are also included in the regulations

1.6.5 The Local Government: Municipal Finance Management Act 56 of 2003

The above-mentioned Act prescribes that it is the responsibility of the mayor to coordinate the budgeting process as well as the IDP formulation. In addition, the mayor must ensure that measurable performance targets are developed for the budget. The accounting officer should present the performance report to the mayor as per Section 72 of the Act (RSA, 2003). Section 53 of the Act highlights that within the municipality's Service Delivery and Budget Implementation Plan (SDBIP), service delivery targets and quarterly performance measures must be clearly articulated. In addition, there must be a clear link between the annual performance agreements and the measurable performance objectives as per the approved budget. These in turn must be linked to the Service Delivery Budget Implementation Plan (SDBIP).

1.6.6 The Municipal Performance Regulations for Section 57 Employees, (RSA, 2006)

These regulations describe how to achieve uniformity in the evaluation of the performance of all municipal managers, nationally. The regulations cover the employment contracts of all

managers within the municipality as well as the performance agreements that are entered into between the various stakeholders. It is intended that these instruments should provide a clear basis for performance evaluation which will lead to ongoing improvement in local government.

1.6.7 The four stages of Performance Management System

The system is implemented in four stages: planning, implementation, monitoring and evaluation (COGTA GUIDE, 2012:5). These are discussed in more detail below.

1.6.7.1 Planning

Performance planning is understood to be the starting point of the performance management cycle. The planning process produces a performance agreement which is based on joint agreements relating to roles, objectives, performance standards and capability requirements. These agreements “set the direction and form the basis for measurement, feedback, assessment and development in the performance management process” (Armstrong, 2000: 23).

Planning is the first phase of an organisational performance management system and the key output is the development of the Integrated Development Plan (IDP). It is essential that, in order to meet the needs of the community and ensure future development, each municipality must develop an IDP. (COGTA GUIDE, 2012:7).

1.6.7.2 Implementation

“The actual implementation of the IDP over a single financial year is given effect through the Service Delivery Budget Implementation Plan (SDBIP), scorecards, the performance contracts of the Municipal Manager and the other S57 managers. The SDBIP is the implementation tool used to align the budget with the IDP. The focus of the SDBIP is both the financial and non-financial measurable performance objectives of the IDP in the form of service delivery targets and other performance indicators” (COGTA, 2012:8).

1.6.7.3 Monitoring

“The process of continuous assessment should be carried out by reference to agreed objectives and to work, development and improvement plans. Progress reviews can take place informally or through an existing system of team meetings, but there should be more formal interim reviews at predetermined points in the year, for example, at quarterly intervals. It is often said that if you can’t measure it, you can’t manage it, and that what gets measured gets

done. Certainly, you cannot improve performance until you know what present performance is” (Armstrong, 2000:23).

1.6.7.4 Evaluation

“Evaluation is a periodic, in-depth analysis of programme performance. It relies on data generated through monitoring activities as well as information obtained from other sources (for example, studies, research, in-depth interviews, focus-group discussions and surveys). Evaluations are often (but not always) conducted with the assistance of external evaluators” (Armstrong, 2000:24).

1.6.8 Objectives

“Performance management is largely about managing expectations. These are defined and agreed in the form of objectives, standards of performance, and behavioural requirements usually expressed as capabilities or competences. Many organisations use the SMART mnemonic to summarize the characteristics of good objectives” (Armstrong, 2000:24).

The SMART mnemonic

S = “*Specific/stretching*: clear, unambiguous, straightforward, understandable & challenging.

M = *Measurable*: quantity, quality, time, money.

A = *Achievable*: challenging, but within the reach of a competent and committed person.

R = *Relevant*: to the objectives of the organization so that the goal of the individual is aligned to corporate goals.

T = *Time-framed*: to be completed within an agreed timescale.”

Figure 1-1: The SMART Mnemonic (Armstrong, 2000: 23).

1.7 Significance of the study

Continuous improvement in the performance of an organisation can be achieved through the use of a PMS. In addition, the PMS can be a catalyst for change and lead to increased employee commitment and motivation. This is because within such a context, individuals are empowered through development of their skills and abilities and may therefore achieve their full potential (Armstrong & Baron, 2005:52). This study will interrogate whether the Constitutional responsibility of municipalities to deliver basic services to their communities is enhanced by the implementation of PMS and will contribute to the body of knowledge which might be used by the participating municipality and the community it serves.

1.8 Justification/Rationale for the study

The study will investigate possible causes for the apparent poor performance by the municipality in terms of basic service delivery and will propose certain recommendations to improve same. The role played by PMS in terms of enhancing the delivery of basic services, will also be interrogated by the researcher. Without this study the status-quo is likely to remain and the existing challenges pertaining to service delivery will not be addressed.

1.9 Research design

Durrheim (2004:29) describes “a research design as a strategic framework for action that serves as a bridge between research objectives, research questions and the execution or implementation of the research”. This topic will be investigated using a case-study research design. According to Yin (2009:16) “a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, and is particularly useful when the boundaries between the phenomenon and the context are not clearly evident”.

1.10 Research Methodology

This study will utilise a qualitative research methodology. Denzin and Lincoln (2003:4) define qualitative research as “a situated activity that locates the observer in the world. It consists of a set of interpretive material practices that make the world visible and then transform it. In addition, these practices turn the world into a series of representations including field notes, interviews, conversations, photographs, recordings and memos to the self”. This study will employ a qualitative research methodology for purposes of gathering ‘rich’ and relevant data from the participants.

1.10.1 The Study Site

“The study site is the physical place where the study is to be conducted so as to collect the desired data” (Simons, 2009). The study site is the Maphumulo Local Municipality, which covers an area of 896km². “Maphumulo Local Municipality is an administrative area in the iLembe District of the Province of KwaZulu-Natal. Maphumulo is an isiZulu name meaning ‘place of rest’. The municipality is predominantly rural, mostly comprising tribal land, which is administered by the Ingonyama Trust on behalf of local communities. Sugar cane cultivation is the predominant economic activity and land use in the municipality. Subsistence agricultural activities in the form of small cropping areas attached to traditional family units dominate land usage. The R74 Main Road provides access from KwaDukuza to the hinterland and then leads onto Kranskop and Greytown.” Local Government Handbook (nd).

1.10.2 Target Population

The target population for this study was officials and councillors in the Maphumulo Local Municipality. Two additional criteria were applied for the target population – the participants had to have a high degree of understanding of the PMS and also be directly involved in the implementation of the PMS.

1.10.3 Sampling strategies

Non-probability sampling is described as a sampling practice where the samples are grouped in a manner that organises individuals without equitable likelihood of being included in the study (Babbie, 2013). A non-probability sampling method was used to select participants for the sample. “Purposive sampling is a method where units or people are selected for inclusion in the sample by a researcher with a purpose in mind” (Rubin, 2008). Purposive sampling was used to select participants who are involved in the implementation of the PMS.

1.10.4 Sample size

The sample consists of the five municipal councillors and five municipal officials. The participants have been purposively selected because of their differing roles in the implementation of the system. The five councillors are:

- The **Deputy Mayor** who is a member of the Executive Committee whilst also being chairperson of the Technical and Housing Portfolio Committee. This committee refers targets for the Technical Services and Housing Department to the Executive Committee, which in turn recommends these targets for adoption in the municipal full council.
- The **speaker** who is an Ex-officio member of the Executive Committee that is accountable for monitoring of PMS in the municipality as well as presiding over the municipal full council that is responsible for adoption of all policies, including PMS.
- A **councillor** who is a member of the Executive Committee and chairperson of the **Finance & Planning Portfolio Committee** that is responsible for setting targets in the Planning and Finance Department and recommending to Executive Committee and full council.
- A **councillor** who is a chairperson of **Youth Affairs Sub-Committee** which is accountable for PMS issues within this sector and reports to executive committee and full council.

- A **councillor** who is a chairperson of **Local Economic Development** which is accountable for PMS issues within this sector and reports to the executive committee and full council.

In addition, the 5 officials contacted for inclusion in the study are:

- The **3 senior managers** required to sign performance agreements as per the Municipal Performance Regulations of 2006 for Section 57 Employees namely;
 - **Accounting officer** who has been delegated to administer the performance of the municipality and report to the mayor on the municipal performance;
 - **Chief Financial Officer** responsible for performance in the Budget and Treasury department;
 - **Executive Manager Corporate Service's** responsible performance in the Corporate Services Department.
- The **Performance Management System's Manager** who collects and reports on PMS data;
- The **Compliance Manager** who is required to ensure that all laws and regulations are complied with, especially those relating to the procurement of goods and services by the municipality.

1.11 Data collection methods

Semi-structured in-depth interviews will be used to gather information on issues relating to the implementation of PMS. This method of data collection is considered to be the most appropriate for this study in light of the political environment in which the participants function. A further justification for employing a qualitative approach is that the interviews should obtain 'rich' and relevant data.

The researcher will also undertake a review of relevant documents related to the study including official documents located on the intranet of the municipality and documents within the premises of the municipality.

1.12 Limitations of the study

It is possible that certain of the participants may conceal some of their weaknesses or problems in the implementation of the PMS by not fully answering certain of the questions during the interview sessions. However, the researcher will maintain a neutral and unbiased stance so as to not influence the respondents.

1.13 Delimitation of the study

The study will be limited to the Maphumulo Local Municipality, which is one of four local municipalities located within the jurisdiction of the iLembe District Municipality.

1.14 Ethical Protocols

According to Merriam (1998:201), validity and reliability in research involves conducting an investigation in an ethical manner. In order to comply with this requirement, the respondents will be encouraged to participate in this research voluntarily. The anonymity of participants will be respected and participants will be requested to give their written consent before participating in the interview processes. Furthermore, written permission will be obtained from the Maphumulo Local Municipality for the participants to partake in the interviews with informed consent forms signed by all participants in the study.

1.15 Chapter Outline

Chapter one will introduce the study. It will comprise of the background of the research study, the outline of the problem statement which promulgated the formulation of the aims and objectives of the study, an introduction to the literature which will be consulted as well as the methodology and ethical considerations for the study.

Chapter two will provide a literature review on PMS, in line with the topic under investigation.

Chapter three will review the research design and methodology employed.

Chapter four will present and analyse the data obtained from the interviews undertaken.

Chapter five will deal with the findings from the analysis of data and provide recommendations, conclusions and aspects that need to be considered for further research.

1.16 Conclusion

This first chapter has provided a comprehensive introductory overview of the various aspects of the study. It highlighted the background of the study and the research questions which will be addressed. It provided an introduction to the literature focus for the study and briefly explained the research methodology and ethical considerations taken for the study. The Chapter which follows will examine the literature related to this study in more detail.

Chapter 2: Literature Review on Performance Management Systems

2.1 Definition of a literature review

This chapter consists of a review of existing literature related to the area covered by the study. To begin with, it is important to define what a literature review is. Various authors have defined this concept, amongst others, Denney and Tewksbury (2013:218) who state that it as a broad overview of previous studies completed on a specific topic. This overview indicates what is already known about a topic, as well as what is not yet known thus providing an understanding about the topic or providing reasons for the need for an alternate investigation. This alternate study would be the one to which the literature is attached. Another definition is that of Slack (2004:31), who states that a review of the literature is a summary of knowledge regarding a subject area and which supports the exploration of clearly defined research questions. The review should also draw on and consider diverse sources, including books, web-based resources and academic journal articles. Knopt (2006:127) further elaborates that:

“It is an effort to review the existing state of knowledge about a topic and, in research proposals, to structure the proposed research's expected contribution to knowledge. Knowledge, in this situation, does not essentially mean ‘truth’ but rather beliefs, that some people have a degree of confidence in because of a study or relevant experience.”

Literature reviews are important in research because the review enables a writer to be informed on as much knowledge as possible pertaining to the chosen subject. This assists in the learning process, which will improve the writing by having an understanding of what has or has not been both studied and established as knowledge in prior research (Denney & Tewksbury, 2013:219). Slack (2004:32) contends that literature reviews are significant in:

- Identifying a research topic, question or hypothesis;
- Discovering how the study to be undertaken will make a contribution to what is known about a topic, and contextualising the research within the existing body of knowledge ;
- Understanding the terminology and theoretical concepts;
- Facilitating the building of a comprehensive reference list of consulted works;
- Identifying the research methods that may be useful; and,
- Analysing and interpreting results.

2.2 Definition of a performance management system

This study seeks to evaluate the effectiveness of performance management systems (PMS) in the provision of basic services with reference to the Maphumulo Municipality. A central concept to the study, therefore, is Performance Management Systems. PMS is defined as follows:

“... a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organization (municipality) in terms of indicators and targets for efficiency, effectiveness and impact. A PMS is also intended to assist the Council to improve service delivery by channelling its resources to meet performance targets and in doing so, ensure that the municipality achieves the strategic objectives contained in the IDP” (Maphumulo Municipality, 2014:165).

Armstrong (2000:4) defines PMS as being “centred on the agreement of objectives, knowledge, skills and capability (competence) requirements, performance improvement and personal development plans. It involves the joint and continuing review of performance against these objectives, requirements, plans, the agreement and implementation of improvement and further development plans.”

Human resources within an organisation are arguably the most valuable resource as without them the organisation cannot function. In order to ensure that they perform optimally their performance is managed through a process which seeks to measure and develop employees. In other words, the process seeks to determine how employees perform and then improve their performance, if required. “Correctly used, performance management is a systematic analysis and measurement of worker performance (including communicating the findings to the individual) that will be used to improve performance over time”. (Society for Human Resource Management. 2012).

“The actual process of performance management relates to intrinsically motivating employees through objective setting, performance reviews with constructive feedback, training and development; whereas the actual outcomes of performance management, the ‘tangible’ rewards of pay and recognition awards, relates to extrinsic motivation” (Houldsworth & Jirasinghe, 2006:30).

Thus PMS utilises both intrinsic and extrinsic motivation in an attempt to encourage workers to achieve their performance related targets.

Armstrong (2000:4) defines performance management as the outcomes of work because there is a strong link between the outcomes as a product of the PM process and the achievement of the organisational strategic goals, customer satisfactions and overall contribution to the economy.

Performance management (PM) can broadly be categorised into two dimensions: 'organisational' and 'human resource'. As such, PM not only focuses attention on the employees themselves, but on systems, processes and programmes covering the entire organisation. Organisational performance management therefore takes a broader viewpoint as far as input, processing, output and outcomes of public institutions go. It discusses an all-inclusive organised methodology which seeks to improve organisational performance, accomplish strategic aims and uphold the mission and values of the organisation (Van der Walt, 2012:219).

“A performance management system is the government’s way of engaging with its citizens as voters, consumers and users of municipal services. It is a systematic process: “PMS begins when a job position is defined as filled and ends when an employee leaves the organisation”. From a conceptual perspective, it consists of sub-systems linked to induction/probation, job descriptions, managing unsatisfactory performance, pay progression, incentive and reward systems, promotion, employee assistance programmes as well as training and development” (Sebashe & Mtapuri, 2011:1327).

“Performance management, originally developed for the private enterprise sector, consists of the practical strategy and management techniques for improving employee performance in order to pursue corporate performance” (Lin & Lee, 2011:84).

It is important to clarify what exactly is meant by 'performance' as without a clear definition it will be impossible to measure or manage the phenomenon.. Armstrong (2000:3) states that it “can be regarded as simply the record of the outcomes achieved. On an individual basis, it is a record of a person’s accomplishments”. Apart from focusing on the actual results produced in public sectors, the performance information of democratic countries can also be used to improve the outcomes of public organisations through the auditing and reviewing mechanism (Lin & Lee, 2011:84).

A performance management system is also seen as a practice in goal setting and periodically checking progress towards accomplishing those goals. It involves activities that ensure constant achievement of organisational goals, in an effective and efficient manner. The goal of PMS is to ensure that an entity and its subsystems (processes, departments and teams) are working optimally, in an organised manner, to accomplish the results desired by the organisation. (U. S. Department of Health and Human Services, 2011:3).

The White Paper on Human Resource Management in the Public Service of 1997 (RSA, 1997b) stresses how important performance management (PM) is in human resources management and organisational development strategy. The White Paper contends that PM is a continuous process, in which both parties, namely the employer and employee, endeavour to improve the employee's individual performance and input to the strategic objectives of the organisation continuously. Since an organisation comprises many human resources with critical roles to play, the attainment of the objectives of the organisation relies on the performance of every individual. It is for this reason that it is important that every employee's performance should be managed.

2.3 Factors contributing to satisfactory performance

The above definitions of PMS all point to the importance of maintaining satisfactory performance in the organisation in order to realise the identified strategic objectives. Literature highlights factors that contribute to satisfactory performance. Sebola and Manyaka (2012:302) point to the fact that employee and organisational performance are linked, with the performance of employees forming the basis of the organisational performance. Employees' performance can be defined as measuring, appraising, and improving the undertakings of individual employees or groups within an organisation and thereby ensure the achievement of organisational objectives. This implies that at an organisational level, the specific activities required from an individual employee in order to achieve organisational outcomes, need to be identified. Munzhedzi and Phago (2014:1084) indicate the importance of managing employees' performance in order to properly realise the organisational strategy and the strategic objectives of institutions in the public sector. From the above it is clear that improvement of the individual performance might translate to realisation of organisational strategy and improvement of organisation performance.

2.3.1 Linking compensation and rewards with performance

Joseph, Emmet and Louw-Potgieter (2012:2) suggest that pay for performance (PFP) is based on two components, namely measurement and pay. Measurement relates to formally assessing and rating managers with the intention of distinguishing acceptable from poor performance and also comparing past and future performance. The pay element relates to the reward-related pay made in a lump sum with the intention of improving performance and motivating employees. The above-mentioned authors further suggest that PFP is a two-fold process: performance management and performance development. The former is intended to set objectives and then measure the employee's performance against the set outcomes and the latter is meant to identify opportunities and improve the skills of employees for future performance.

Makamu and Mello (2014:107) mention that the linking of performance with rewards is a good way of motivating employees to perform at their optimum. Unfortunately, the greater the advancement, the greater the challenge. The instrument has its own challenges linked with merit pay, because it results in the employee's base pay increasing. The employee thereafter receives the additional increased amount each year and remains on the payroll, regardless of the level of performance. As a result, it becomes difficult to rationalise the merit pay increases.

The White Paper on Human Resource Management in the Public Service (RSA, 1997b) highlights the importance of recognising and rewarding employees who perform remarkably well, especially if their skills are sought after. This is encouraged in order to motivate them to maintain their level of performance, and to encourage others to go 'all-out' and improve their performance. It further states that the most apparent way of accomplishing this is by providing incremental salary increases. The public sector is introducing improvements in the remuneration system to provide for performance-based increments.

Manyaka and Sebola (2012:308) also agree that performance management aims in the public sector should be to develop and to reward. Development allows the public sector to operate effectively and efficiently by recognising, developing and training employees who underperform or whose performance does not meet the agreed upon standard, while rewarding ensures that exceptional performance is rewarded so that a high level of performance is maintained. From this ideal, it is clear that PM in the public sector aims to respond to poor performance and recognise outstanding performance.

Further, Munzhedzi & Phago (2014:1091) suggest that improving individual employee performance will result in increased productivity. The main motivator for improved performance is performance rewards, which include bonuses linked to performance and annual pay progression. . A respondent in the study undertaken by the above authors suggested that "...it motivates for better performance if you know that you will be rewarded for good work done; one would want to reach one's goals and work harder, thus increasing productivity" Munzhedzi & Phago (2014:1091). Thus both the employee and the employer stand to benefit from the PMS.

However, Hunt (2005) cautions that if objective measures are not available, then rewards will be at the hands of the appraiser. Subjective and possibly arbitrary rewards systems are not conducive to good relationships between workers and management. This situation will be exacerbated where there is a poor relationship between the appraisee and the appraiser. There will then be appeals against decisions, with all the waste of time and unhappiness they engender. Most people depend on the performance of others in order to perform their jobs well, whether that is other members of a team or department, or the way the work is managed. Performance can often only be seen as a collective process, and any rewards can be given in a collective manner.

The review of literature indicates that rewards play a major role in motivating employees to perform. Scott-Lennon and Barry (2008:80) suggest the following reasons why performance and pay should be linked:

- Rewarding individuals for achieving goals increases their engagement and effort in seeking to achieve these goals;
- Rewarding for performance increases performance;
- Differentiating rewards in line with performance is fair and equitable; and
- Rewarding high performance behaviours increase the likelihood that these behaviours will be repeated.

It would thus appear that linking pay incentives to adequate or exceptional performance of responsibilities is a strong motivating factor for employees to perform.

2.3.2 Job Satisfaction

Mafini, Surujlal and Dhurup (2013:14) argue that individuals in organisations that have high levels of job satisfaction are less likely to leave these organisations and are more productive.

The employees tend to be more dedicated to their work, work harder, and provide better quality services. Job satisfaction positively affects individual performance and organisational commitment and success is difficult without satisfied employees. They also suggest that job satisfaction comprises two factors: intrinsic (for example, responsibility and advancement, recognition and the employee's desire for achievement,) and extrinsic (for example, remuneration, working conditions, supervision, and organisational policies and procedures).

Cascio (2012:60) concurs that employee satisfaction, engagement and commitment affect performance through employee behaviours. Employees with a negative attitude towards work will be late, absent or may quit more easily and show less interest in customer satisfaction than their counterparts with more positive attitudes. Cascio (2012) further contends that factors such as support, training, performance feedback and employee engagement determine the service climate, which in turn predicts employees' performances and ultimately customer loyalty. Additionally, Mafini (2014:119) proposes that job satisfaction is critical in improving performance and quality of life and notes that there is a positive correlation between job satisfaction and life satisfaction.

It can thus be seen that the above authors concur that increased job satisfaction among employees is likely to lead to improved performance and also stimulate service delivery in the public sector.

2.4 Challenges in PMS

There are of course several challenges that have been experienced with the implementation of Performance Management Systems. In order to fully understand the environment in which the study is located it is necessary to understand what challenges have already been well documented.

2.4.1 Lack of managerial commitment

Sebola and Manyaka (2012:304) suggest that there is a general lack of commitment by managers to manage performance in the public sector. They suggest that this is evident in the 'pass-one-pass-all' approach and lack of feedback on the performance of employees. This highlights the fact that leadership is critical to the success of PMS. Seotlela and Miruka (2014:180) agree that the challenges of PMS rests with management execution and engagement. They propose that PMS should not be seen as a function of the Human Resources Department but rather that of line managers and management in general should lead by example for employees to take PMS seriously.

2.4.2 Lack of performance feedback

It is important to provide feedback when employees have not adequately performed or even in cases of outstanding performance (Joseph, Emmett & Louw-Potgieter, and 2012:4). Sebola & Manyaka (2012:306) concur with the importance of providing timeous and continuous feedback to employees on how they perform throughout the year rather than yearly performance reviews as this will help identify employees whose performance is below the expected standards early. Ngcamu (2013:317) also agrees that performance management success increases when there is ongoing communication between employee and employer on the performance result. Not only should there be communication but that communication should be effective which means that it must encourage feedback, dialogue and participation. The manager and employee thus have the responsibility to have a two- way communication process for the feedback process to work. Over and above providing feedback when outstanding or ineffectual performance is identified, giving periodic feedback on a daily basis on accomplishments and contributions is essential for performance management to be effective (American National Standard for Human Resource Management, 2012:20).

2.4.3 Lack of clear goals and objectives

Ngcamu (2013: 317) contends that failure to align job descriptions to departmental strategic objectives and that of the organisation has the potential to lead to under-performance. This is because job descriptions explain clearly what is expected of employees and the accepted performance thereof. Sebola and Manyaka (2012: 306) point to the fact the organisations with employees who clearly understand their mission, strategies and objectives tend to be high-performing organisations. They further add that unclear organisational goals and objectives indicate a lack of commitment by management to cascade organisational goals downwards.

In an empirical study conducted by Duma and Mubangizi (2013:101), it was discovered that strategic objectives of the department were not aligned with individual performance agreements. In that study the authors examined the link between the performance assessment of employees and the departmental strategic objectives. During the research it was established that respondents did not know what the strategic objectives of the department were, giving an indication that it is unlikely that individual performance and departmental objectives were aligned in practice. This view was supported by shop-floor evidence that performance agreements take only job descriptions, and not strategic departmental objectives, into account.

2.4.4 Evaluating Performance

Seotlela and Miruka (2014:180) propose that the process of evaluating performance is one of the most challenging aspects of performance management because managers feel less comfortable deliberating and giving feedback on behaviours, and also because behaviours are more subjective and not quantifiable as objectives. The above-mentioned authors further add that because performance evaluations are a yearly or half-yearly event, they are seen as routine and unimportant. Sebola and Manyaka (2012:303) further contend that a more popular approach managers use to avoid dealing with poor performance is the allocation of average performance ratings when conducting evaluations, which is not a true account of the individual's performance. They suggest that this approach has the potential to further increase the challenges of poor performance. The other approach that perpetuates poor performance is the "pass-one-pass-all" approach that is employed in most government departments when undertaking annual performance evaluations (Sebola and Manyaka, 2012:306).

The White Paper on Human Resources Management in the Public Service (1997b) highlights the fact that individual employees' performance should be evaluated based on a work-plan covering a specified timeframe and clearly stating the employee's responsibilities and objectives to be achieved. It further states that the terms of the work plan should be based on mutually agreed terms. It is critical that performance evaluation information is credible and reliable because this information is used to make decisions concerning employee performance. Questions that need to be answered are the following:

- Is there need for performance improvement?
- Is the level of performance satisfactory/unsatisfactory?
- Is the employee ready for promotion to a new role?

In order to make fair and sound decisions regarding the performance of an employee, it is critical that performance evaluation data is available to the assessors. It is only with reliable data that one can determine the need for performance improvement, transfer or promotion. A simple scale such as 'Not yet met', 'Met' and 'Exceeds expectations' can be used to assess performance of workers. The measurement scale whether descriptive or numerical must provide information or rating levels that differentiate performance amongst employees within an organisation (Society for Human Resource Management. 2012:19).

It can thus be seen that evaluating performance, which effectively means evaluating the work behaviours of employees, is not a simple task. The subjective nature of evaluations makes this a challenge for which, the literature seems to indicate, managers are generally not well prepared.

2.4.5 Lack of resources to perform

Sebola and Manyaka (2012:306) argue that a lack of resources is a contributing factor to PMS challenges and make the point that the provision of the right tools for the job is critical if the organisation wants to implement PMS successfully. Without the necessary tools and resources to the job, it is unlikely that employees will meet their targets. The tools are not limited to but include the following: technological equipment such as computers; training of employees; and management support. The other contributing factor is the delay in filling vacancies of employees who have left the organisation due to resignations, transfers, death or any other reasons (Sebola and Manyaka, 2012:306).

2.5 Legislative Framework

The transformation of the South African government was promoted and institutionalised specifically to ensure that public services are accessed by most communities. To ensure this, the public sector established legislation and adopted policies that have provided a solid foundation for the implementation of performance management systems (Sebola and Manyaka, 2012:299). The following Acts and policies are of particular importance in this regard:

- The Constitution of the Republic of South Africa (RSA, 1996);
- The White Paper on Transforming Public Service Delivery (RSA, 1997a) (The Batho Pele Principles);
- The Local Government: Municipal Systems Act (Act 32) (RSA, 2000);
- Department of Local Government Performance Management Guidelines (2001);
- The Local Government: Municipal Finance Management Act (Act 56) (RSA, 2003); and
- The White Paper on Human Resource Management in the Public Service (RSA, 1997b).

2.5.1 The 1996 Constitution of the Republic of South Africa

The 1996 Constitution is the supreme law of the country and makes provision for the formation of PMS in the public sector. Section 195 provides the principles that govern public

administration. These principles govern all public institutions, including municipalities, and provide for the advancement of a high standard of professional ethics; the use of state resources in an efficient, economic and effective manner; a development-oriented public administration; the provision of services in an impartial, fair and equitable manner and without bias and for public administration to be accountable.

Sections 152 and 153 highlight the objectives of local government which are “the provision of a democratic and accountable government for local communities; to ensure the provision of services to communities in a sustainable manner; the promotion of social and economic development; the promotion of a safe and healthy environment; and to encourage the involvement of communities and community organisations in the matters of local government”. All these objectives are important in setting performance targets for municipalities because these objectives are what municipalities are mandated to do.

2.5.2 The Local Government: Municipal Systems Act 32 of 2000

The Municipal Systems Act (RSA, 2000) provides for the development of a municipality’s performance management system in the interest of efficient and effective management. The Act accords the community significant responsibility in the formation, execution and evaluation of a municipality’s performance management system. They are further encouraged to play an active role in the development, implementation and review of a municipality’s Integrated Development Plan, and to participate in discussions about the provision of municipal services. The Act provides for notifying the public about municipal performance measures and targets which have been set, the purposes of the PMS and the annual publication of a performance report which highlights the performance of the municipality for the year under review. The Act further provides for the auditing of the PMS by the Auditor-General.

2.5.3 The White Paper on Local Government (1998)

The White Paper on Local Government (RSA, 1998) provides for the establishment of systems which manage performance in local government in order to promote local government which is development focussed. The White Paper suggests three approaches through which this can be achieved: performance management; integrated development planning and budgeting and working together with the local community and relevant stakeholders. The White Paper envisions the participation of local communities in the local government affairs which include planning, implementation and performance reviews, and thereby making municipalities more accountable to the public. It further provides for the integration of local, provincial and national programmes and policies. The arrangement

ensures that the objectives identified in the IDP can be achieved through purposeful alignment of resources and capacity within the municipality.

Van de Walt (2006:135) contends that the White Paper on Local Government (RSA, 1998) suggests implementing PMS in municipalities, as an instrument to ensure developmental local government. The White Paper further proposes that “Integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives.”

The White Paper envisions a process wherein governance matters of local government such as planning, implementation and performance monitoring and review, will include input from the public. In playing this role the public will be able to identify their primary needs, thus be in a position to set performance indicators and targets and hold municipal authorities accountable for the delivery of services.

2.5.4 Skills Development Act 97 of 1998 (RSA, 1998)

The above-mentioned Act stipulates that at least 1 per cent of every employee’s salary for training and education, effective as from 1 April 2000. This training and development of employees is associated with the components of PM which seek to address poor performance in individual development plans.

2.5.5 Performance Management Regulation for Municipal Managers & Section 57 Managers (2006)

These regulations describe how to achieve uniformity in the evaluation of the performance of all municipal managers, nationally. The regulations cover the employment contracts of all managers within the municipality as well as the performance agreements that are entered into between the various stakeholders. It is intended that these instruments should provide a clear basis for performance evaluation which will lead to ongoing improvement in local government.

2.6 New Public Management

Performance management in the public sector can be traced back to the origins of the new public management initiative (NPM). Dassah (2013:16) contends that the NPM mirrors structural, managerial and organisational reforms that were undertaken by countries in the Western part of the world during the 1970s, by introducing private sector concepts into the public sector, indicating a shift from public administration to public management. Dassah (2013) adds further that the NPM comprises two related aspects, being firstly, a managerial and organisational improvement with a focus on decentralisation, and secondly, a markets- and competition-oriented aspect. Rubakula (2014:85) adds that the new public management approach / paradigm has the following benefits:

- “Establishment of internal competition amongst various public units as per performance contracts;
- Emphasis on efficiency for public services;
- Emphasis on result-based management; and
- For contestable provision of public service, preference is on private sector through means such as downsizing, outsourcing and partnership”.

The application of the NPM in the African public sector has been limited to management decentralisation, downsizing of public services and disaggregation, public services being contracted out to give way to markets and private sector, the introduction of user fees and performance management (Dassah 2013:19).

Rubakula (2014:85) proposes that the NPM, however, became a topical issue in the African public sector in late 1980s. It was then that contemporary concepts and practices affecting public sector reform were discussed and the NPM became a proposed solution to inefficient, slow, hierarchal, costly and irresponsive effects associated with the traditional bureaucratic model of administration. However, change was witnessed in the 1990s, accelerated by poverty, huge debt burdens, massive disease and instability affecting the African region. Sebola and Manyaka (2012:301) add further that the global reforms provided a stimulus for the emergence of performance management and the beginning of the 1990s saw performance management gaining impetus around the world. Performance management served as an important component of reforms in the global public sector.

Chengedzai and Mafini (2014:116) contend that the new democratic dispensation saw underperformance become a very topical matter for concern amongst South African citizens in the public sector. The authors mention further, that poor performance continues unabated, despite several interventions undertaken to turn this around. There continues to be a growing sense of frustration in the public sector because initiatives and programmes are not achieving the desired result (Chengedzai & Mafini, 2014:116).

Van Der Waldt (2012:219) postulates that the practice of managing employee performance, although initially used primarily in the private sector, was implemented in the public sector in an attempt to ensure improved service delivery. The reason why PM became popular in the public sector was because of the emergence of the new public management paradigm and 'managerialism' - the amount of pressure on government made performance management appear more beneficial.

Sebola and Manyaka (2012:301) hold the view that the South African public sector did not escape the 'global wave' of public sector reforms and in 1994, when the first democratically elected government came to power, the transformation of the public sector became an important area of focus for this new government. With the new government came a number of new legislation and policies which laid the foundation for a performance management approach.

Munzhedzi and Phago (2014:1083) highlight the fact that, in order to improve quality and productivity in the public service, the following were introduced:

- Public Service Regulations of 2001;
- White Paper on Human Resource Management of 1997;
- White Paper on Transforming Public Service Delivery in the Public Service of 1997;
- Framework on Public Service Management of 1999; and
- Public Management and Development System Policy of 2005.

Sebashe and Mtapuri (2011:1325) state that "...the Constitution of the Republic of South Africa (1996) plays a crucial role by setting basic values and principles governing public administration." Chapter 6 of the Local Government: Municipal Systems Act 32 of 2000 (RSA, 2000), accords municipalities the responsibility to develop a performance management system, and set targets that are monitored and review performance based on indicators linked to the integrated development plan. Regarding performance management, Section 19 of the Local Government: Municipal Structures Act 117 of 1998 (RSA, 1998), requires a

municipality to annually review the needs of the community, its priorities to meet those needs, its processes for involving the community, its organisational and delivery mechanisms for meeting the needs of the community and its overall performance in achieving the objectives of local councils. The Local Government: Municipal Finance Management Act 56 of 2003 (RSA, 2003), gives the mayor of a municipality the authority to co-ordinate the annual revision of the integrated development plan in terms of Section 34 of the Municipal Systems Act.

2.7 Studies on PMS

Sebashe (2010) in his dissertation titled “Evaluation of the implementation of a Performance Management System: Case Study” investigated the implementation of a performance management system in the Ba-Phalaborwa Municipality. One of the researcher’s objectives was to assess whether the performance management system of the municipality was being implemented in compliance with the relevant legislation and to make possible recommendations to improve the implementation of the PMS. The researcher noted in his findings that a small number of respondents did not know whether there was a PMS policy within the municipality even though they were part of the implementation of the system. Additionally, two-thirds of the respondents were not aware of the frequency of evaluations in a financial year. The findings by the researcher indicated a lack of awareness of the relevant legislation and other policy documents related to the implementation of the PMS, which the stakeholders were exposed to. Sebashe (2010) recommended that employees be provided with the PMS policy and that workshops be conducted pertaining to the PMS documents. The involvement of all stakeholders was also recommended so that they are aware of evaluation timeframes and are adequately prepared for the time frames, understand what is expected of the employees (performance targets) and to agree on the set targets.

Munzhedzi (2011) undertook a study titled “Performance Management System and improved productivity: A case study of the Department of Local Government And Housing in The Limpopo Province”. The objective of the research was to explore whether the PMS in the Department of Local Government and Housing contributes to the improvement of productivity as intended. The researcher in his findings noted that the PMS contributes to improved individual performance which translates to improved productivity overall and further noted that:

“...most employees are encouraged to perform better because of the performance rewards (performance bonuses and salary/pay progression) that are received annually but these

should not be the only reason for good performance. Although most employees seem to perform based on the fact that they will be rewarded” Munzhedzi (2011; 74).

The participants in the study mentioned that the overall institutional performance is said to have improved because the department received an unqualified audit report from the Auditor-General in the period under review.

A similar topic was also undertaken by Kgantlapane in 2009. One of the objectives of the study was to determine whether good performance is rewarded through the PMS. The study investigated, *inter alia*, guiding section 57 employees and excellence awards focusing on other categories of employees. In his findings the researcher noted that 40 per cent of employees who were interviewed did not agree that good performance is rewarded whilst the majority of directors and executive directors agreed that performance is rewarded. However, the directors and executive directors were not entirely satisfied with the amount of performance bonuses linked to achieving PMS targets.

2.8 A Local Government Performance Management System

The KwaZulu Natal Department of Co-operative Governance and Traditional Affairs which regulates the functioning of municipalities, published a performance management guide. The purpose was to create a monitoring and evaluation framework which puts in place a results-based performance measurement tool to review performance, track progress in achieving desired outcomes and ensure the following:

- Greater accountability in the use of resources;
- Ongoing focus and review on the achievement of results;
- An effective tool for decision-making;
- Timely interventions and corrective actions;
- Strengthening of governance;
- Promotion of institutional learning and knowledge sharing; and
- An effective and timely reporting process.

Government institutions are required to maintain transparency and accountability to their stakeholders with a view to achieving better governance and results. They are therefore increasingly open to scrutiny (COGTA 2010:14). The Department of Co-operative Governance and Traditional Affairs proposes that the PMS is broken down into the following four phases: Planning, Implementation, Monitoring and Evaluation.

2.8.1 Planning

Planning for performance in the local government context comprises the following elements: Pre-Planning, Public Participation Development Planning and the Adoption of the Integrated Development Plan, and submission thereof to the Department of Co-operative Governance and Traditional Affairs.

2.8.1.1 Pre-planning

Pre-planning involves two steps: firstly, the development of data collection and storage tools and secondly, identifying, gathering and evaluating the relevant inputs for the Integrated Development Plan and developing a prioritisation model (COGTA, 2010:16).

Step 1: Identification of key stakeholders and the analysis of their information needs. A desktop exercise is used to identify the stakeholders and the reason for and extent of their involvement. The stakeholders will be community members, various government departments, private sectors personnel and key personnel in the community which includes chiefs. Once the stakeholders have been identified relevant data collection options must be explored to gather information which includes amongst others, a review of documents, questionnaires and a survey. The chosen tools to collect data must be cost-effective by considering the cost-benefit analysis. The means of storing the data must be in compliance with National and Provincial Treasury regulations and as well as those of other relevant stakeholders (COGTA, 2010; 19).

Step 2: Identification, collection and review of relevant inputs for the Integrated Development Plan and developing a prioritisation model. This is explained in Table 2-1 below.

Table 2-1: Description of pre-planning two-step process (COGTA, 2010)

ACTIVITIES		HELPFUL HINTS	
STEP 2. Identify, collect and review relevant inputs for the IDP and develop a Prioritisation Model.			
	National Key Performance Areas	Strategic Issues	
	5. Financial Viability and Management	5.1	Budgeting and Reporting
		5.2	Revenue Enhancement
		5.3	Expenditure Control
		5.4	Financial Management
	6. Community and Social Development Services (optional)	6.1	Education
		6.2	Health
		6.3	Social Security
		6.4	Community Safety
		6.5	Disaster Management
		6.6	Gender, youth and people with disabilities
		6.7	Sports and Recreation
		6.8	HIV and Aids
		6.9	Community and Public Facilities
		6.10	Land Reform
		6.11	Environmental Sustainability
		6.12	Arts and Culture
		6.13	Cemeteries and Crematoria
Obtain the information for the relevant election period and the year for the IDP review.	<ul style="list-style-type: none">Local government does not operate in isolation. It consults with different stakeholders including the community and sector departments and it must align its service delivery programmes to the following key priorities:<ul style="list-style-type: none">~ Legal mandates~ Millennium Development Goals~ Apex Priorities~ State of the Nation Address~ State of the Province Address~ Provincial Growth and Development Strategy~ District Plans~ Spatial Development Frameworks~ Previous IDP's and Annual Reports~ Situational Analysis~ Sectoral Involvement~ Baseline Studies~ Community Surveys~ Etc.At the start of the planning process, the Municipality must identify the different sources of information that will provide input into identifying its development priorities in each election cycle.		
		1.8	Housing
		1.9	Land use management systems
	2. Local Economic Development	2.1	Local Economic Development
		2.2	Tourism Planning
		2.3	Agricultural Development
		2.4	Cooperatives and SMME's
		2.5	Public Private Partnerships
		2.6	Business Support and Development
	3. Institutional Development and Transformation	3.1	Batho Pele
		3.2	Performance Management
		3.3	Human Resources
		3.4	Information Technology
		3.5	Administration
	4. Good Governance and Public Participation	4.1	Integrated Development Planning
		4.2	Policy Development
		4.3	Public Participation
		4.4	Internal Audit
		4.5	Anti-Corruption Strategy

2.8.1.2 Public Participation

The Draft National Policy for Public Participation (2005) defines public participation as:

“...an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. Public consultation is structured to enhance the values of good governance and human rights. It also acknowledged as a vital right of citizens to participate in the governance system as also articulated in the King Report 3. The process of public participation further narrows the social and economic distance between the electorate and elected institutions”.

The aim of the scheduling and hosting of local government public participation meetings is to, *inter alia*, update the Draft Integrated Development Plan for the purposes of performance planning.

2.8.1.3 Development Planning

Development planning involves the holding of an Annual Strategic Planning Workshop and the completion of the IDP. The Maphumulo IDP (2014:16) notes that the municipality held its strategic planning meeting from 12 to 16 May 2014 at the Mount Aux Sources Hotel in the Drakensberg.

2.8.1.4 Adoption of the IDP and Submission to COGTA

This step involves the adoption of the IDP and the submission thereof to the MEC of the Department of Co-operative Governance and Traditional Affairs as required by the Municipal Systems Act, 32 of 2000, in sections 28 and 32 (RSA, 2000).

The planning stage is therefore inclusive of the above-mentioned steps and gives way to the second step of the process which is implementation. The planning period should begin fifteen (15) months prior to the commencement of the year in which implementation takes place to ensure that all participants are involved in the planning processes for transparency and accountability. The stages in the planning process are depicted in Figure 2-1 below:

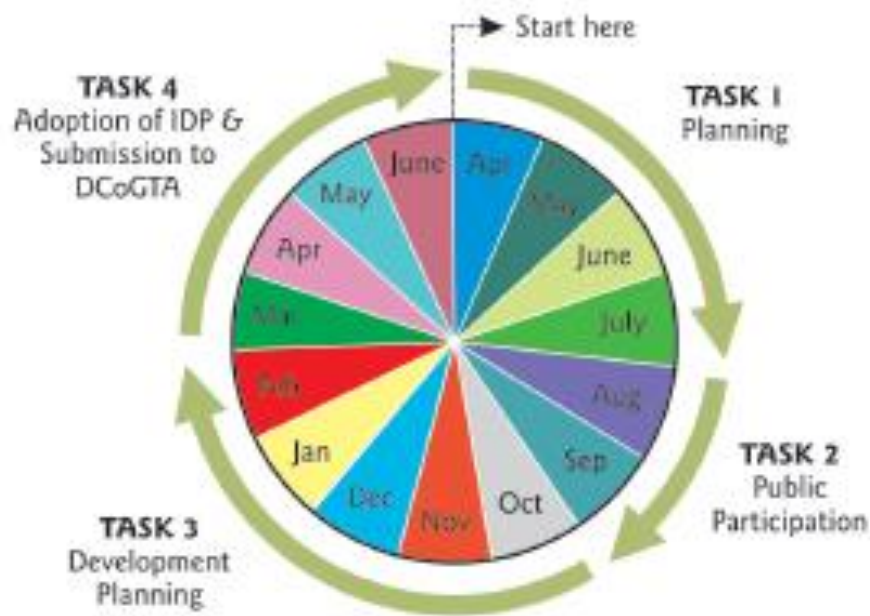


Figure 2-1: Description of stages in the planning process (COGTA, 2010)

2.8.2 Implementation

PMS implementation involves the creation of an organisational scorecard, the preparation of a service delivery budget implementation plan, preparation for the annual performance plans, performance agreements, the personal development plans of all managers, and lastly, the compilation of portfolios of evidence (COGTA 2010:49).

2.8.2.1 Creation of Organisational Scorecard

The organisational performance management system is a guiding tool in monitoring progress being made towards the realisation of community needs as contained in the IDP document. As part of the system, the organisational scorecard will be used to evaluate the agreed performance targets set per municipality (Maphumulo Municipality, 2014).

Johnson and Scholes (2002:437; Olive *et al.* 1999:6; and Niven 2003:149-156), contend that the balanced scorecard (BSC) which was originally intended for the private sector and later adapted by the public sector, provides for the accomplishment of “strategic balance” in performance management planning and measurement. This balance should be achieved in the following five components of the entity:

1. Finance,
2. Internal learning and growth,

3. Customer engagement,
4. Internal business processes; and
5. Strategy.

Each of the above components is given a set of key performance indicators which are monitored and evaluated.

Figure 2-2 below indicates the balanced score card consisting of the components created by the Procurement Executive Association. It provides an explanation of what each of the four components should ideally comprise:

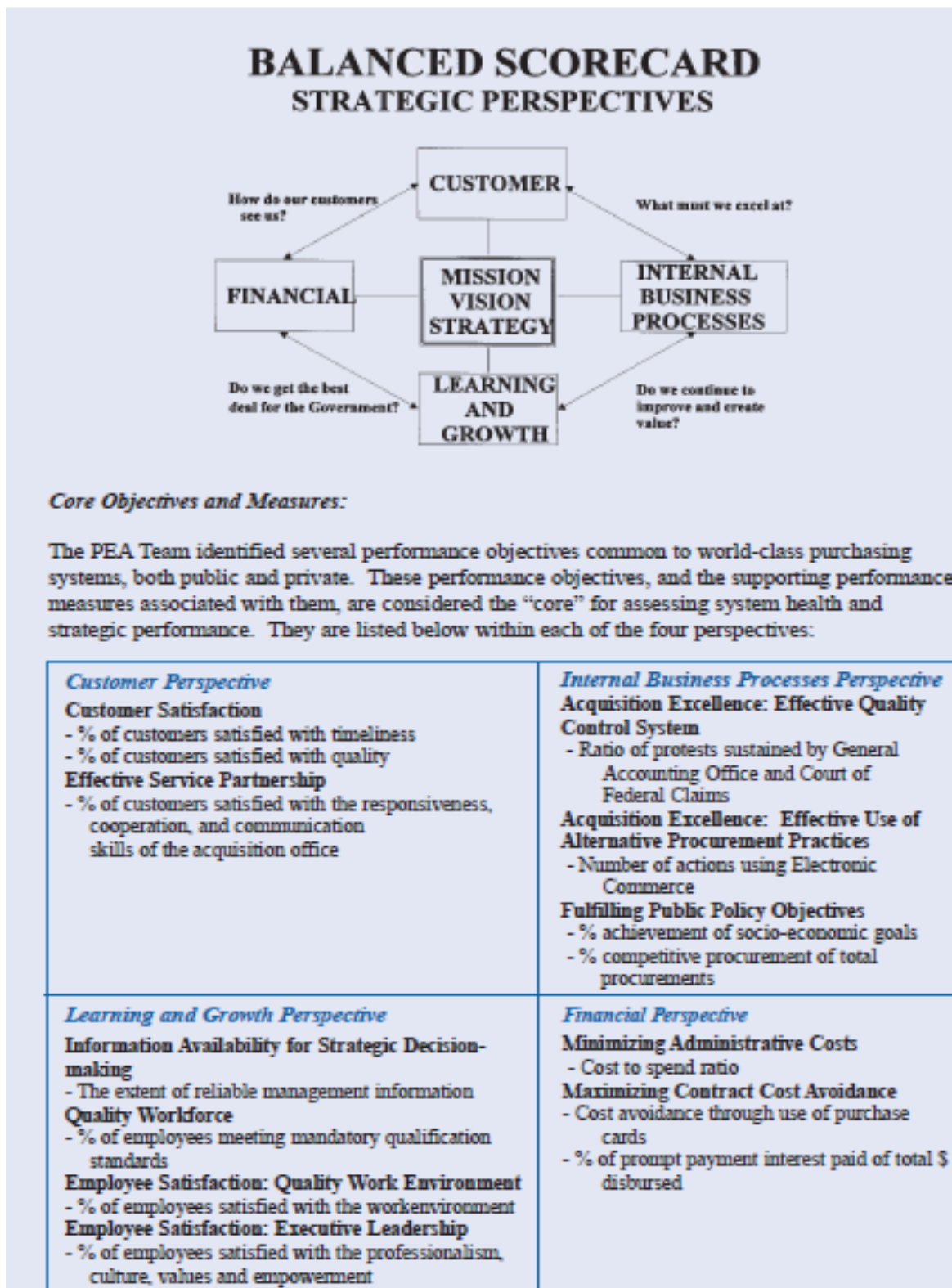


Figure 2-2: Guide to a Balanced Scorecard Performance Methodology (Procurement Executive Association: nd)

This scorecard allows for council to monitor the performance of the entire municipality and allows for responsibility to cascade down from the municipal manager to the managers below him/her. These managers will formulate a more thorough implementation plan through the service delivery budget implementation plan and the performance plan which appraises their performance agreements (COGTA, 2010:50). This process allows for the alignment of the IDP, the organisational scorecard, the Service Delivery Budget Implementation Plan and performance plans of municipal managers and managers accountable to the municipal manager.

2.8.2.2 Preparation of Service Delivery Budget Implementation Plan

The Service Delivery Budget Implementation Plan functions as a tool to monitor the management and implementation of set targets. It provides valuable in-year report information such as quarterly service delivery targets. In addition it ensures that there is alignment between the municipal budget and each identified service delivery output target. As a result the SDBIP provides reliable management information as well as a detailed plan of the manner in which services will be provided by the municipality. It also clearly states the inputs that will be needed and the financial resources required in order to achieve the goals. (COGTA, 2010:53). The plan allows for the proper monitoring of performance where the municipal manager monitors the executive managers; the mayor monitors the performance of the municipal manager and the public monitors the performance of the municipality (COGTA, 2010:53). Figure 2-3 below refers in this regard.

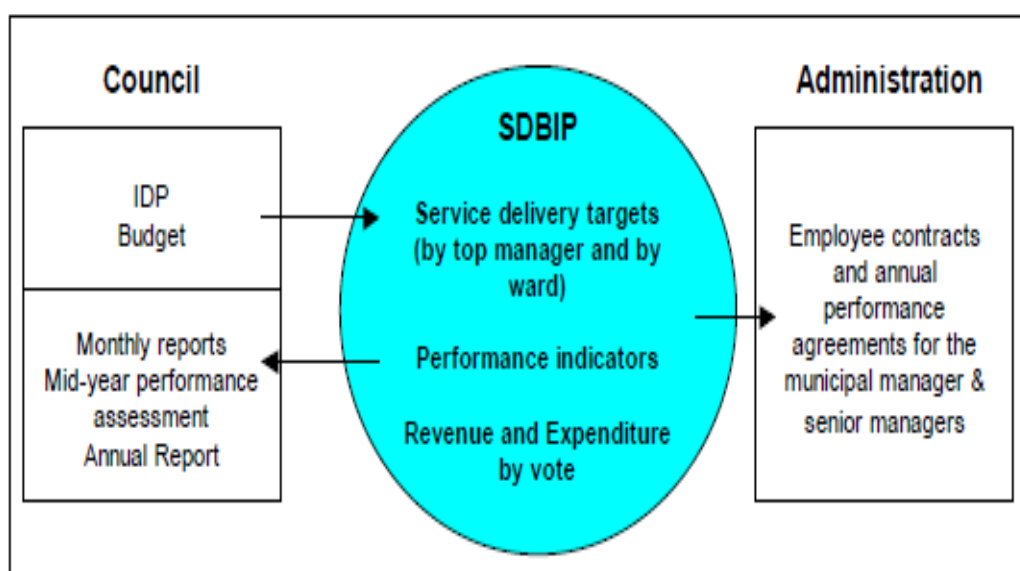


Figure 2-3: Description of PMS process (National Treasury: N/D)

It therefore goes without saying that the SDBIP should be aligned with the performance agreements. There must be alignment between the targets of the municipal manager and the mayor, as well as between the municipal manager and senior managers. The plan provides a critical linkage between the mayor, council, and the administration, and ensures that management is accountable for its performance as depicted in Figure 2-3 above.

2.8.2.3 Preparation of Performance Agreements, Annual Performance Plans and Personal Development Plans

Performance agreements, annual performance plans and personal development plans are formulated for the municipal manager and the managers accountable to the municipal managers to effect the implementation of the PMS (COGTA, 2010:65).

2.8.3 Monitoring

The monitoring elements of PMS comprises of the following three main aspects:

- Measuring performance;
- Drawing up of quarterly performance reports for the respective departments, which is done by municipal manager and senior managers; and
- The drawing up of consolidated quarterly, half-yearly and annual performance reports for the entire municipality. The steps are depicted in Figure 2-4 below.

These reports are then submitted to the performance manager, performance officer or any officials responsible for organisational and individual performance management systems. The individual employee's performance is monitored during the financial year (COGTA, 2010:77).

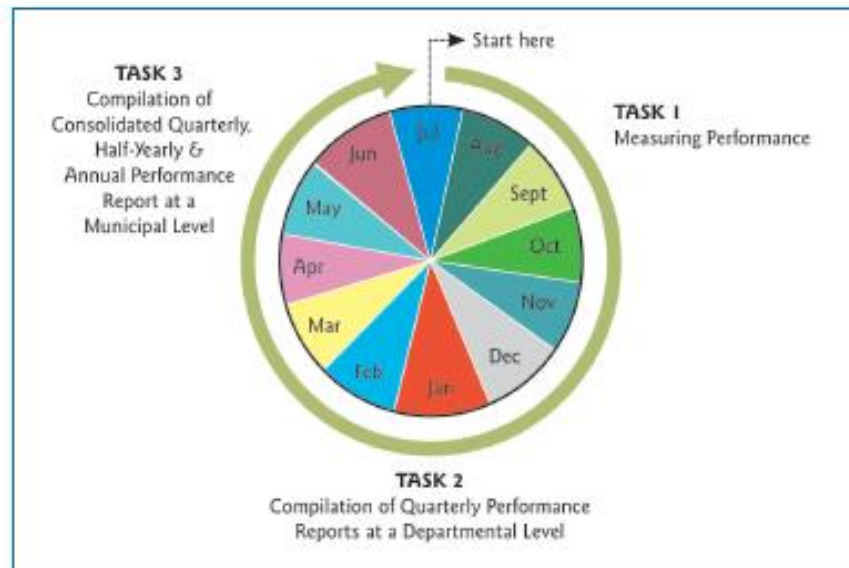


Figure 2-4: Description of Measuring Performance (COGTA, 2010)

The Department of Planning Monitoring and Evaluation (DPME) (2014:10) suggests that internal monitoring is fundamental to the management process. It is thus suggested that municipal managers and heads of departments should allocate an individual employee or monitoring and evaluation unit with the responsibility of ensuring that monitoring and evaluation guidelines and policies are implemented. This individual / unit will function as a controller and integrator of monitoring and evaluation information plus champion Monitoring and Evaluation (M&E) practices, norms and standards in government institutions. The department adds further that as much as they may be monitoring and evaluating employees and units in government institutions, the responsibility of monitoring performance is still the primary function of the line managers and municipal managers. Heads of department need to put this point across that managers and their respective subordinates are responsible for M&E in their areas of work. Monitoring should therefore form part of managers' performance agreements or performance contracts (DPME, 2014:10).

In addition, government institutions must scrutinise monitoring information that is gathered from the public and other stakeholders with a view to improving the delivery of services. These institutional representatives should provide feedback to the public and stakeholders regarding remedial actions which have been or will be taken to resolve the issues that they have raised (DPME, 2014:10).

The DPME (2014:3) highlights the function of parliament in monitoring and evaluation and makes the case that committees, in particular portfolio committees, should use M&E data to enhance oversight over the executive. The portfolio committees can obtain the data from the following sources, amongst others:

- Public Service Commission (PSC);
- Chapter 9 institutions, (Auditor-General South Africa, Public Protector, South African Human Rights Commission etc.);
- National Treasury and the Provincial Treasury;
- Department of Public Service and Administration;
- Department of Planning Monitoring and Evaluation;
- Line function departments; and
- Non-state bodies.

This information will give the portfolio committees a greater understanding of performance in their different sectors, and the good and bad performances in the different sectors.

2.8.4 Evaluation

Evaluation includes defining the evaluation goals, assessment of data collected during monitoring, document findings and formulating recommendations. Evaluation is a periodic, in-depth analysis of programme performance. It relies on information gathered through monitoring activities and from other sources such as studies, in-depth interviews, research, surveys, and focus group discussions (COGTA, 2010:96).

Performance reviews provide feedback to employees on how they are performing in an organisation. Performance evaluation should therefore be held at regular intervals in a performance cycle. This will help employees identify areas which need improvement and which can be worked on during the review period. Performance evaluation must be tailor-made to suit the institution. However, the following information must be included (Erasmus *et al*, 2005:286):

- Personal particulars;
- Details of deployability / transferability;
- Action points from performance review discussions;
- Assessment against work plan; and
- Signatures of both supervisor and subordinate.

Measuring performance is broken down into two steps, namely: performance reviews and annual performance appraisals / evaluations. Whilst many feel that performance appraisals can easily result in an employee feeling over-managed, inadequate appraisal may result in an employee feeling ignored (Erasmus *et al*, 2005:286).

“Evaluating performance includes consideration of the full array of factors associated with employee performance success. These address the knowledge, skills, abilities and personal characteristics possessed by the employee as they are related to the technical, interpersonal and leadership requirements of the role in question. Job descriptions, role profiles, competency models and other organisational documentation provide a foundation for understanding the demands of particular job positions”. (Society for Human Resource Management. 2012:19).

Evaluation information should be used mainly for performance improvement, accountability, and learning to make decisions. All-important policies, plans and programmes should be periodically evaluated, with evaluations occurring at different phases of a project / programme or before the planning phase, during the implementation phase, or after the implementation phase. The Department of Planning Monitoring and Evaluation (DPME) highlights the fact that evaluation requires more specialist skills than monitoring, because it involves the use of the relevant research methodologies to help understand how policies, plans, programmes, projects or the institution are working and their relevant impacts. The above-mentioned department indicates the following key principles to consider when undertaking evaluations:

- Evaluations must be undertaken in accordance with the National Evaluation Policy Framework and supporting guidelines and tools;
- The outcomes of evaluations should form the basis of planning and budgeting and should inform the formulation of new policies and programmes;
- Evaluations should be conducted in a demand-driven manner. This should ensure that managers of the programme being evaluated are accountable and take ownership of the evaluation and adhere to the recommendations highlighted in the evaluation report;
- Institutions need to ease the degree of tensions between “ownership” and “credibility” when undertaking evaluations. The former is highest when evaluation is conducted internally whilst the latter is highest when the evaluation is conducted by an independent and reliable body from outside the institution. DPME aims to strike a balance between the two tensions, with most appraisals being undertaken by external and independent evaluators, but with more of a level of involvement by managers of the programme under evaluation.
- Government organisations must recognise and prioritise their programmes which should be evaluated, and a budget should be set aside for evaluations to be

undertaken. These measures encourage managers to take ownership of the evaluation process (DPME, 2014:11-12).

2.9 Conclusion

The chapter incorporated a review of literature pertaining to performance management systems. The literature review and PMS have been defined in this chapter with the former identified as having the ability to provide a better understanding of the topic in question by looking at past documents, web sites, books and articles. The latter identified PMS as a critical component in achieving organisational success. It has been established through the literature review that PMS originated in the private sector and was later adopted by the public sector as a result of public sector reforms that started in western countries and later found their way to Africa and South Africa.

Performance management systems are now seen as possible solutions to the challenges being experienced in the public sector because of its ability to bring about efficiency and effectiveness in the provision of services, if correctly applied. The South African government has formulated legislation to ensure the success of PMS in the public sector and this concept has its roots firmly embedded in the 1996 Constitution and public service which also gives effect to a number of other pieces of legislation and policies. Literature has revealed some of the challenges of PMS and factors that have contributed to its success and has described the roles of the various stakeholders in the process.

The chapter which follows will describe the design of the study in more detail. The methodology used to collect and analyse data will be described as well as the various ethical considerations employed during the study.

Chapter 3: Research Design and Methods

3.1 Introduction

The previous chapter focused on a review of relevant literature, highlighting the concept of a Performance Management System, and understood its history from inception in the late 1970s in the private sector to its later adoption by the South African public sector in the 1990s with the main objective of improving service delivery. This chapter will look at the research design employed for purposes of this study with the main focal points being on research methodology, research design, sampling procedures, data collection methods and ethical considerations. The chapter thus outlines the manner in which the study proceeded in order to understand the relationship between performance management systems and service delivery in the Maphumulo Municipality.

3.2 Research design

In order to conduct a successful study, it is necessary for the researcher to first design an appropriate plan which ensured that the data collected and analysed during the study answered the stipulated research questions. Research design is defined as a broad plan for collecting data in an empirical research project and is the plan that forms a 'blueprint' for empirical research. The design can therefore be seen as critical to the research endeavour. The objective of research is finding answers to research questions or the testing of specific hypotheses, and it has been suggested that it should ideally include the three following processes: (1) process for collecting data, (2) the instrument development process, and (3) sampling procedure (Bhattacharjee, 2012:35).

Considering the focus of this study, a number of empirical research designs could have been used. These include participant observation, participatory action research, surveys and case study. Hofstee (2006) advises that the researcher should weigh up the pros and cons of various factors when considering the most suitable design for a particular study. These include factors such as how well the design will cover the research questions, how well it will test the hypothesis, how reliable the data will be, how difficult it may be to collect the data using the design and whether it is affordable (Hofstee, 2006:110). After due consideration, it was deemed fitting for the purposes of this study to use a case-study research design.

According to Yin (2014: 16) "...a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, and is particularly useful when the boundaries between the phenomenon and the context are not clearly evident". Further,

Mouton (2001:150) posits that the strengths of a case study approach are that it focuses on a small number of cases but provides an in-depth description.. Because this study sought a detailed understanding of the PMS phenomenon and how it relates to service delivery in a particular context (Maphumulo Municipality), the case study approach was deemed appropriate. In addition, a case study approach provides rich data to enable the researcher to answer the stated research questions within financial and time constraints. Mouton (2001:150) also suggests that one of the draw-backs of the using a case study design is that it cannot be generalised due to the narrow focus. This was not seen as problematic for this study since the purpose was not to generalise the findings but rather to understand the specific case.

3.3 Research Methodology

The approach to the case study for this research was a qualitative one. Creswell (2014:4) describes qualitative research as a methodology of exploring and understanding the meaning people or groups accredited to a societal or human problem. It is suggested that the procedure of conducting research should ideally consist of the following:

“(i) Emerging questions and procedures; (ii) Data typically collected in the participants setting and (iii) Data analysis inductively building from particular to general themes, and the researcher making interpretations of the meaning of the data.” This procedure will be adopted for this study.

In addition, qualitative research commonly has a flexible structure to embrace the complexity of the study being conducted. Researchers who undertake this type of study approach it with an inductive style, focusing on specific significance, and more importantly, understanding the complexity of a situation (Creswell 2014:4). This study seeks to evaluate the effectiveness of PMS in the delivery of services at the identified municipality and will utilise qualitative techniques to inductively establish significant factors associated with the topic being researched. In this way, data was obtained and analysed which assisted the researcher to find answers to the research questions posed in Chapter 1.

3.4 The Study Site

The case under study was that of the Maphumulo Municipality. This municipality is one of four local municipalities located within the iLembe District municipality in KwaZulu-Natal. The northern boundary of Maphumulo Municipality is marked by the Tugela River and spreads about 30 kilometres to its southern boundary. The municipality is positioned on the R74 Road which stretches from KwaDukuza to Kranskop. The Municipality’s administrative hub is in the town of Maphumulo. (Maphumulo Municipality, 2014:11).

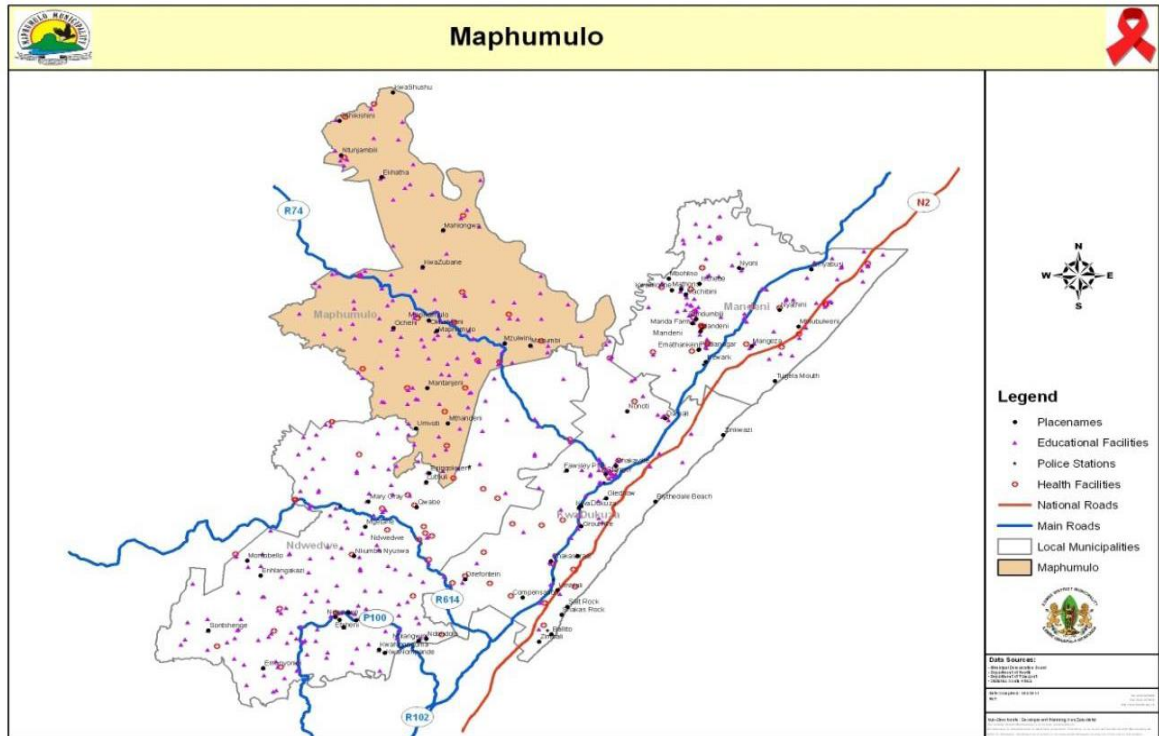


Figure 3-1: Map of Maphumulo in the iLembe District

The site was chosen for several reasons. These include researcher access to the relevant role players within the municipality and the fact that the area has seen a high number of service delivery protests in recent times. In addition, this study sought to understand the nature of the relationship between service delivery and performance management systems within a rural municipality and the Maphumulo Municipality was therefore deemed the most suitable case for purposes of the study.

3.5 Target Population

In qualitative research it is important that the researcher has a clear understanding of the specific population to be included in the study. Walliman (2011:94) defines populations as the entire quantity of things or cases of the same type which are the subject of the study you intend to pursue. Therefore a population can be a variety of things, namely: people, objects, organisations or even events. Within a population there will be a defined group that will be of interest to the researcher because of the study's intended aims and objectives. This could be the number of school buildings in an urban area if the population was schools, or only small companies, if the population was of all limited companies. This group is called a sampling frame (Walliman 2011:94).

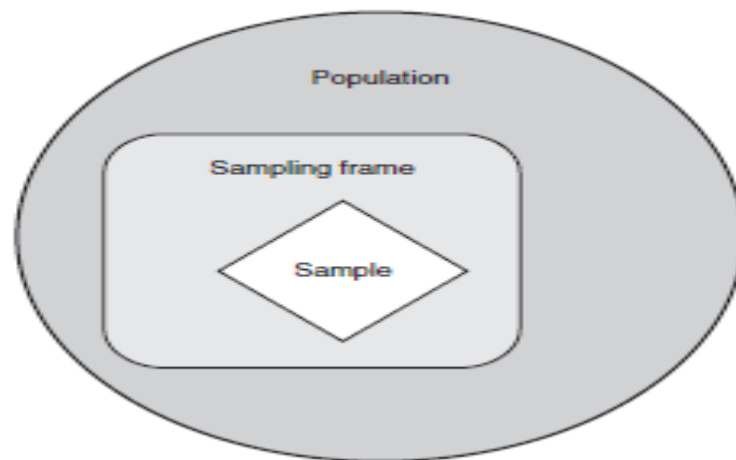


Figure 3-2: Sampling frame in relation to population and sample (Walliman, 2011)

The relationship between a population, sampling frame and sample is depicted in Figure 3-2 above. Bhattacharjee (2012:66) adds that a sampling frame is an accessible part of the target population, “usually a list with contact information.” A sample is drawn from this group.

For the purpose of this study, the sample was chosen from two categories of role-players in the municipality (the sample frame), namely the councillors and officials.

The sample consisted of five municipal councillors and five municipal officials. The participants were purposively selected because of their differing roles in the implementation of the PM system. The five councillors (participants) are:

- The **Deputy Mayor** who is a member of the Executive Committee whilst also being chairperson of the Technical and Housing Portfolio Committee. This committee refers targets for the Technical Services and Housing Department to the Executive Committee, which in turn recommends these targets for adoption in the municipal full council.
- The **speaker** who is an Ex-officio member of the Executive Committee that is accountable for monitoring of PMS in the municipality as well as presiding over the municipal full council that is responsible for adoption of all policies, including PMS.
- A **councillor** who is a member of the Executive Committee and chairperson of the **Finance & Planning Portfolio Committee** that is responsible for setting targets in the Planning and Finance Department and recommending to Executive Committee and full council.

- A **councillor** who is a chairperson of **Youth Affairs Sub-Committee** which is accountable for PMS issues within this sector and reports to executive committee and full council.
- A **councillor** who is a chairperson of **Local Economic Development** which is accountable for PMS issues within this sector and reports to the executive committee and full council.

In addition, the 5 officials who participated in the study were:

- The **3 senior managers** required to sign performance agreements as per the Municipal Performance Regulations of 2006 for Section 57 Employees namely;
 - **Accounting officer** who has been delegated to administer the performance of the municipality and report to the mayor on the municipal performance;
 - **Chief Financial Officer** responsible for performance in the Budget and Treasury department;
 - **Executive Manager Corporate Service's** responsible performance in the Corporate Services Department.
- The **Performance Management System's Manager** who collects and reports on PMS data;
- The **Compliance Manager** who is required to ensure that all laws and regulations are complied with, especially those relating to the procurement of goods and services by the municipality.

Figure 3-3 below indicates the target population, sample frame and sample that was utilised in the study.

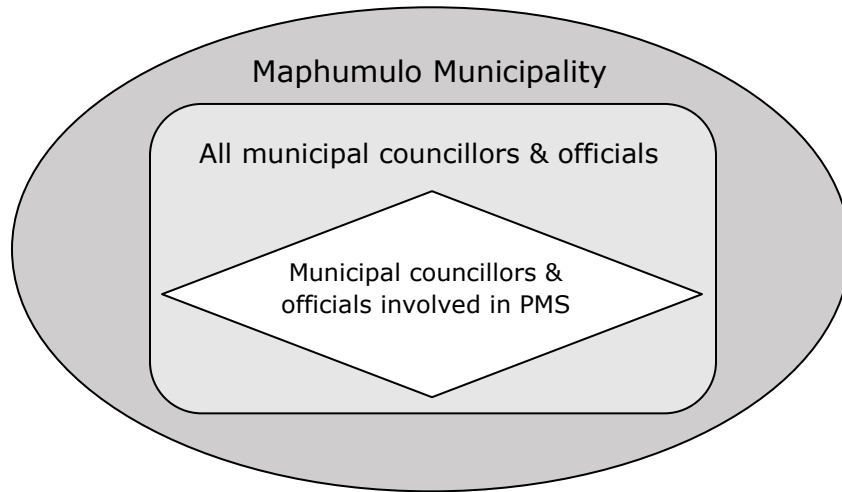


Figure 3-3: Target population, sample frame and sample used in this study

For this study the sample targeted from the sample frame was only the councillors and officials directly involved in the performance management system of the Municipality. The specific strategies employed are detailed in 3.6 below.

3.6 Sampling Strategies

“Sampling is the statistical process of selecting a subset (called a “sample”) of a population of interest for purposes of making observations and statistical inferences about that population” (Bhattacharjee, 2012:65).

Walliman (2011:97) points to the fact that non-probability sampling is the selection of elements for the study by non-random means. This is ideal for situations where access to the total population is difficult or in quick surveys. The disadvantage of using this method is that it does not provide a strong basis for generalisation. This type of sampling was deemed suited to the study since it was necessary to include only persons directly involved with performance management processes in the municipality in the data collection. Further, the study did not seek to generate generalisable conclusions.

The targeted selection of participants is described further by Rubin (2008) who adds that “Purposive sampling is a method where units or people are selected for inclusion in the sample by a researcher with a purpose in mind”. The study accordingly employed purposive sampling to select the participants for inclusion in the study. Thus only councillors and

officials who are directly involved in the implementation of the PMS at the identified municipality were selected for inclusion in the study.

3.6.1 Sample Size

The sample consisted of the Mayor, Deputy Mayor, Speaker, and two chairpersons of portfolio committees (selected from the category of councillors), three senior managers and two line managers. The participants were purposively selected because of their differing roles in the implementation of the Performance Management System. The entire sample for the study comprised of 10 participants.

3.7 Data Collection

Once the target population and sample are decided upon, it is necessary to consider what data is needed and how one will collect data which will assist the researcher to answer the research questions. William (2011:71) contends that data comes in two major categories depending on one's closeness to the situation / event being observed. The data that is gathered where one is closest to the truth and is discovered through observation, experiences and recording is called primary data and this information is more reliable because of its proximity to the situation. Secondary data, on the other hand, is less reliable data gathered from written sources that write up on information uncovered from primary data (William, 2011:71).

Initially, it was planned that both primary and secondary data would be used for this study. However, due to requests for some of the secondary data being disregarded, the study focused primarily on the primary data obtained through interviews. Publically available secondary data such as policies and reports were also accessed. Although the additional secondary data would have possibly provided additional depth to the study, the rich primary data and limited secondary data was deemed to be adequate in depth, complexity and variety to ensure that the research questions were answered.

.Bhattacharjee (2012:95) mentions that structured, unstructured, and open-ended interviews and focus groups are the more commonly used methods of collecting data in a case study research approach. Other methods can be explored to supplement interviews such as the following (Bhattacharjee 2012:95):

- Direct observation through attending management meetings, briefing sessions, and planning meetings;

- Documentation analyses of internal reports (policies reports or memoranda), external publishing (newspapers), and archival records (financial records or organisation charts); and
- Physical artefacts (for example, devices, outputs and tools).

In this study, to gather primary data the researcher used semi-structured, in-depth interviews and this technique is particularly appropriate given the political setting in which the participants function. This was supplemented by a review of a limited number of relevant documents, both internal and external to the municipality. These were largely policies and reports which are publically available..

3.8 Data Analysis

The data which were collected during interviews was analysed using content analysis techniques. Content analysis is defined by Du Plooy-Cilliers *et al.* (2014) as a method used to “understand symbolic content such as words.” They however, focus primarily on the quantitative uses of content analysis – essentially just a description of the denotative meaning of texts. Hsieh and Shannon (2005) highlight that content analysis can be used for quantitative studies as well as qualitative ones. They concur with Du Plooy-Cilliers *et al.* (2014), in that the focus of content analysis is analysis of text data. However, they see the use of this method as “subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes and patterns” (Hsieh & Shannon, 2005:1278).

Thus, content analysis can be used to produce both qualitative and quantitative results depending on the focus of the study. In this study a mixture of both was used. The text data obtained from interviews were analysed and coded through the identification of unique responses and themes from the participants. This was done by reading through the transcriptions of the interviews and highlighting relevant aspects of the responses to each question. Through an iterative process of rereading and consolidating the categories that emerged from the responses, broad categories or themes were identified. These were then expressed numerically and analysed statistically to provide some quantitative perspective. At times narrative analysis was also used in making sense of the data. This was done when there was not a clear, repeated theme, but where interesting observations were made in relation to responses of interviewees.

While the quantitative approach to content analysis provided frequency of occurrence of responses, the qualitative approach subjectively revealed underlying messages and possible reasons for the responses obtained.

3.9 Ethical Protocols

Ethics is defined as distinguishing between what is wrong and what is right, but that which is unethical might not be essentially illegal (Bhattacharjee, 2012:137).

“If a scientist’s conduct falls within the grey zone between ethics and law, she/he may not be culpable in the eyes of the law, but may still be ostracised in her/his professional community, face severe damage to professional reputation, and may even lose her/his job on grounds of professional misconduct. These ethical norms may vary from one society to another, and here, we refer to ethical standards as applied to scientific research in Western countries” (Bhattacharjee, 2012:137).

Pera and Van Tonder (1996:4) relate ethics to two groups of people in research; (i) the group undertaking the research must be aware of their responsibilities and obligations, and (ii) the individuals who are being researched must have their basic rights protected. The research must be conducted in a manner that is fair, impartial and ensures all potential risks are eliminated.

Brink and Wood (1998:200) propose that the participants to the study must be fully aware of their rights and must ensure all ethical protocols are adhered to and the respondents must be subjected to the right to privacy, anonymity, justice, beneficence, respect and informed consent. In this regard the researcher is obliged to strictly adhere to all prescribed ethical protocols.

In undertaking the study, the anonymity of participants was respected at all times and participants were requested to give their written consent before they participated in the interview processes. Codes were assigned to interviewees for data analysis, interpretation and write-up purposes and in the case of future reports or publications, codes or pseudonyms will be used, not the actual names of participants. Furthermore, permission was obtained from the Maphumulo Local Municipality for the participants to partake in the study (see Appendix 3) and participants were informed that they were free to withdraw from the study at any time and were under no obligation to participate. A copy of the consent form is attached as Appendix 1. This was explained to all participants and signed voluntarily by them.

The University of KwaZulu-Natal Humanities Research Ethics committee granted the researcher full approval for the study to go ahead in the manner described above. The ethical clearance letter confirming this is attached as Appendix 5.

3.10 Conclusion

This chapter focused on research design and methodology, defining these concepts and highlighting the fact that this study used a case study approach. A detailed account of the data collection method was highlighted, outlining the fact that data were collected through in-depth semi-structure interviews and limited document analysis. The chapter ended with an examination of ethical protocols which are important in protecting as well as respecting the rights of stakeholders in the study, but more especially that of the participants.

Chapter 4: Data Presentation and Analysis

4.1 Introduction

The previous chapter concentrated on research design and methodologies used to collect data. This chapter will focus on the analysis and interpretation of the data obtained in 10 semi structured interviews. The interpretation and discussions in this chapter are in line with the purpose of the study as explained in Chapter 1. The content analysis, as described in Chapter 3, is based on the in depth interviews that were undertaken with participants involved directly with Performance Management within the Maphumulo local municipality.

4.2 Data analysis

During data collection, 10 interviews were conducted with various officials and politicians within the local government sector who are in one way or another responsible for aspects of performance management. As explained in Chapter 3, the content analysis used to analyse data can provide both qualitative and quantitative results. The data set is rich for qualitative content analysis and will be described in detail. A statistical analysis of the results of the responses showed that there were no statistically significant responses and thus generalising those results to the entire population of persons responsible for performance management cannot be done. However, as previously described, this study does not seek to find generalizable truths but to rather understand in detail the particular situation in Maphumulo Local Municipality with respect to performance management. Thus while numerical accounts of the occurrence of certain responses during the interviews are highlighted, these are offered as a starting point for further subjective analysis of the texts. From the qualitative analysis emerging themes related to the Performance Management System were identified and these may provide guidance for future research too.

4.2.1 Understanding performance management: Roles and Stages

At the outset, interviewees were asked questions to ascertain their understanding of the significant people within the municipality involved in performance management and their roles in the process, as well as their understanding of the process itself.

Since the target audience and sample were purposefully selected because of their direct involvement in PMS, individuals were asked to define their role in relation to Performance Management first. No defined answers were supplied and thus the responses indicate the personal understanding of participants as to what their role is within the system.

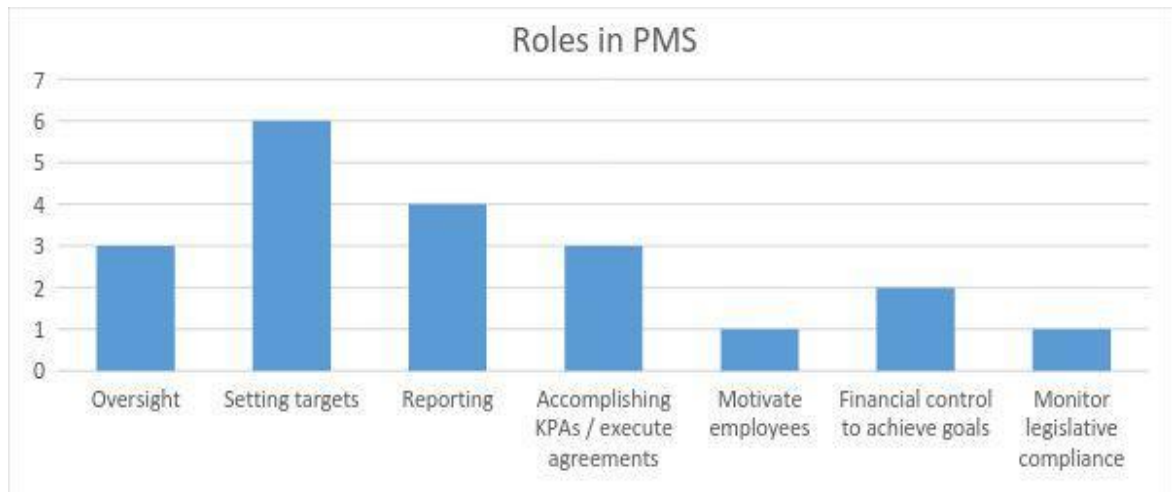


Figure 4-1: Identified roles within the performance management system

The U. S. Department of Health and Human Services Health Resources and Services Administration (2011:3) argues that setting goals is one of the fundamental elements of PMS and interestingly 6 of the 10 respondents identified setting of performance targets as one of their central roles confirming that the list of specified targets to be met seems to be a major part of role fulfilment in the PMS. Of great interest too is that only one respondent mentioned that motivating employees was part of their role. This was the only mention of a ‘soft skill’ associated with performance management with Scott-Lennon and Barry (2008:80) highlighting that motivated employees tend to increase their effort in achieving organisational goals. This is an aspect that the municipality will miss out on by having an unmotivated workforce.

It would appear therefore that performance management is understood by the participants as more associated with evidence driven paper trails than inter-personal connections and development of soft skills. This is in line with the literature presented in Chapter 2 – there is far more emphasis on systems, methods, policies and procedures related to PMS than the intrinsic value of the process for individual employees.

Thereafter, participants were asked to identify who else they felt were critical role players in the Performance Management system and to expand on what the role of each of these individuals with respect to PMS would be. In Table 4-1 below it can be seen that broadly, five groups of participants were identified: politicians, municipal officials, departments, committees and the community. The frequency with which each role player was mentioned as critical to Performance Management is also noted. More detail is also provided as to the specific titles of those who are seen as critical roles players.

Table 4-1: Critical role players in PMS

Politicians	19	Council	6
		Mayor	6
		Councillors	2
		Exco	5
Municipal Officials	11	Municipal manager	5
		Senior managers	3
		Municipal employees	1
		PMS Manager	1
		Management Team	1
Departments	9	COGTA	3
		National Treasury	3
		Department of Energy	3
Committees	5	Portfolio committees	2
		Ward committees	3
Community	3		

What is interesting to note is that the greatest number of respondents indicated that the critical role players are political appointees. It is also significant that only 3 participants mentioned that the community is a critical role player and that there was no mention of the importance of traditional authorities and community leaders in the PMS process as mentioned by COGTA (2010:19). The requirement of public participation in the pre-planning stage of PMS was highlighted, and identified as a key element of the initiation of effective performance management. The low number of responses identifying the community as a critical role player is therefore of concern.

In order to determine whether participants understood the stages of PMS, they were asked to describe the process. As described in Chapter Two, COGTA states that performance management systems follow a four stage process of Planning, Implementation, Monitoring and Evaluation. From descriptive responses given, the level of understanding of the four stages of PMS was determined. The responses were analysed in terms of general understanding of the stages, rather than in-depth, in order to compile Figure 4-2 below.

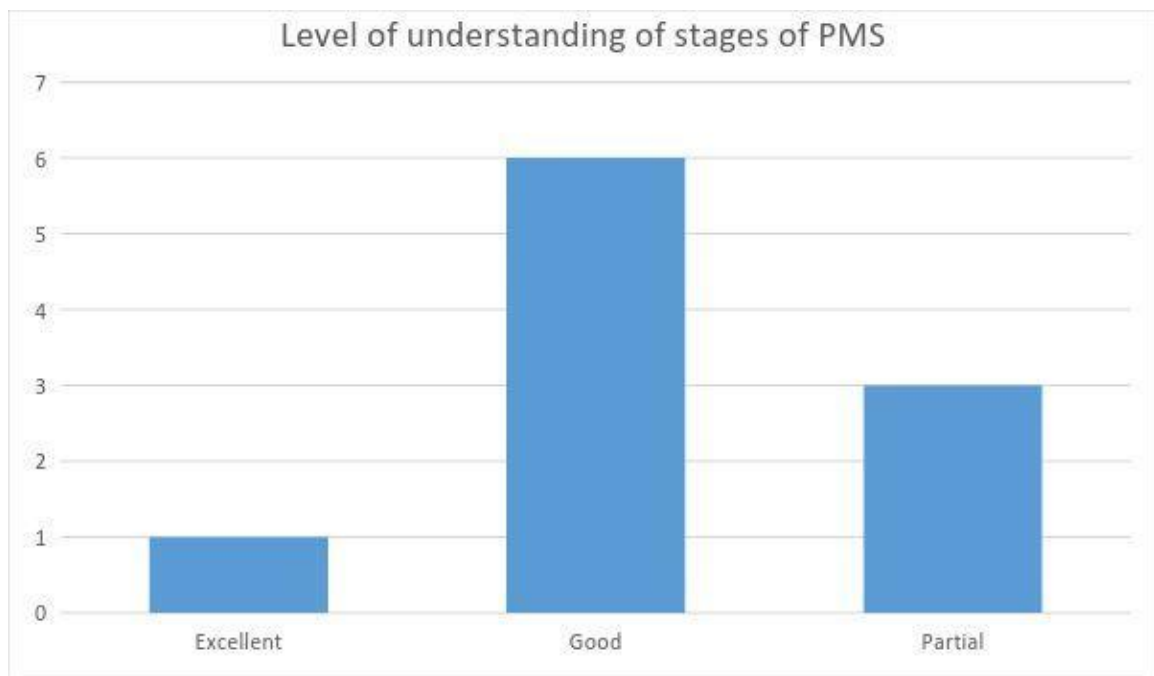


Figure 4-2: Individual respondents' level of understanding of each stage of the PMS

The results indicate is that at a generic level, there is a greater proportion of those who display an excellent or good understanding of the processes than those who display gaps in their understanding.

COGTA (2010:14) suggests that PMS follow a four stage process of Planning Implementation Monitoring and Evaluation. To test whether the participants had a more detailed understanding of the 4 stages, essential elements of each stage of the PMS process were extracted from the form. The responses of all the participants were then analysed with respect to overt mention of these elements to determine their depth of understanding of each stage. The key elements of each stage and the respondents who mentioned each of these are displayed in Table 4-2 which is read across the row.

Table 4-2: Breakdown of mention of essential elements of each stage of PMS

PLANNING	<i>IDP</i>	<i>Public participation</i>
	PM2, PM3, PM7, PM10	PM3, PC6, PC9, PM10
IMPLEMENTATION	<i>Service delivery budget implementation plan (SDBIP)</i>	<i>Performance agreements</i>
	PM2, PM3, PM4, PC6, PM7, PC9, PM10	PM4, PC6, PM7, PC8
MONITORING	<i>Measure performance</i>	<i>PoE</i>
	PM2, PM3, PM4, PC5, PC6, PC9, PM10	PM10
EVALUATION	<i>Over-arching</i>	<i>External</i>
	Not mentioned at all	PM7

From Table 4-2 it can be seen that two aspects, the development of the SDBIP (Implementation) and performance measurement (monitoring) were most mentioned during an unstructured discussion on the stages of PMS, and one can therefore assume that these are likely to be the focus areas of those involved in the PMS in Maphumulo. What became clear though, is that the distinction between monitoring and evaluation is not well understood by participants (in some cases conflating the two into one process) and that the role of evidence based reporting and portfolios of evidence is not foremost in the participants' minds.

What was clear from the interviews is that while a superficial understanding of the roles and stages of the performance management system and its associated processes is present, there is a lack of detailed understanding of critical aspects of the system. This may well impact on the efficacy of the system in the Maphumulo Local Municipality.

4.2.2 PMS: Legislation and implementation

As with all public management processes and systems, the Performance Management System is governed by legislation and should be implemented according to the stipulated requirements. The legislation and requirements of local government to implement it was described in The Local Government: Municipal Systems Act 32 of 2000. Since the performance management system is executed by the municipality to ensure that staff are fulfilling their mandate to the community, it was necessary, firstly, to check with the participants whether they perceived the municipality to be executing the PMS adequately. It is very interesting to note that there were equal numbers of people who responded that the municipality is not executing the process correctly as there were who said they are, with 40% of respondents saying that there are elements of the stages executed correctly.

Are the 4 stages of PMS properly managed and executed by the municipality?

Table 4-3: Chi-square goodness-of-fit test responses regarding municipal execution of stages of PMS.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	3	30.0	30.0	30.0
	Partially	4	40.0	40.0	70.0
	No	3	30.0	30.0	100.0
	Total	10	100.0	100.0	

When exploring spontaneous responses in which reasons for the answers in Table 4-3 were given, several respondents indicated that issues arise in monitoring and evaluation and because of various problems with managers. Some of the problems mentioned included poor attitude towards PMS, lack of skills to adequately execute PMS and in some cases, lack of personnel in senior management positions. It was interesting to note that in the narrative of the interviews, all the respondents indicated that there was some level of poor execution within the stages. Thus, the extent to which these problems affect the effective implementation of a PMS would be a valuable future study.

Performance Management Systems, especially in the public sector, need to conform to agreed legislation and regulations to ensure that service delivery is achieved. The legislative and

regulatory requirements which must be upheld, are described in The Local Government: Municipal Systems Act 32 of 2000 .For this study it was important to ascertain whether the participants felt that the current PMS within the municipality was conforming to these prescriptions, especially considering the common feeling that PMS is not being consistently well implemented currently.

When participants were presented with this question, half responded that they did not believe that the Municipality was complying with the legislated requirements. A further 30% (3/10) responded that the system was only partially conforming to the requirements and a mere 20% indicated that the system is indeed aligned with the requirements as stipulated in law and policy. This is indicated in Table 4-4 below.

Is the application of PMS by the Municipality in line with relevant legislation and regulations?

Table 4-4: Responses as to whether the PMS is aligned to law and regulations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	2	20.0	20.0	20.0
	Partially	3	30.0	30.0	50.0
	No	5	50.0	50.0	100.0
	Total	10	100.0	100.0	

It is nonetheless noteworthy that 8 out of 10 participants indicated that to a greater or lesser extent, the current PMS in Maphumulo is not aligned with the laws and policies established to govern it. The two respondents who felt that it is aligned were both political appointees to council and their responses may therefore be understood in light of the need to maintain a particular positive narrative about the ruling party in the municipality. Two of the highlighted concerns with respect to PMS alignment with legislation and policy were lack of alignment of SDBIP targets in departments and also the impact of vacant positions on the system. The issue of the high number of acting senior managers is a concern which was echoed in many responses through the interviews. These phenomenon need to be investigated further in terms of the impact that non-alignment may ultimately have on the ability to meet the service delivery targets set.

It may be argued that it is not solely the responsibility of the local municipality to ensure that PMS is successfully implemented though. The Constitution of the Republic of South Africa Act 108 of 1996 mandates that the provincial and national governments, must support and capacitate municipalities to perform its function and in pursuant of this act the Department of Cooperative Governance and Traditional Affairs (COGTA), are required to support local government in successfully implementing PMS. Further they are to provide support for monitoring and evaluation. Question 6 of the interview sought to determine the extent to which participants felt that they were supported by the provincial and national government. As can be seen in Table 4-5, half of the respondents felt that there is adequate support while 30% felt it was inadequate and 20% felt that partial support was available.

Do you consider the role of the Provincial and National Governments to be adequately supportive of the PMS introduced by the municipality?)

Table 4-5: responses regarding provincial and national government support of PMS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5	50.0	50.0	50.0
	Partially	2	20.0	20.0	70.0
	No	3	30.0	30.0	100.0
	Total	10	100.0	100.0	

The results show the variety of perspectives of the participants in their various positions within the PMS. Since the participants hold various positions, they similarly view the support from province and national differently. The spontaneous responses from participants seemed to differ in the kind of support that should be provided for PMS by the provincial and national structure of government with participants either pointing out problems or solutions depending on how they perceived the support to be. The delineation of problems and solutions in table 4-6 are drawn from literature and legislative and policy documents. If the problems and solutions were mentioned by respondents, the responses are highlighted by participant codes in table 4-6 below.

Table 4-6: Problems and Solutions proposed by participants

Problems	Solutions
Staff Turnover PC1	Retention
Lack of Monitoring and Support PC1,PM3,PM4	Monitor and Support Municipality
Reporting : Inconsistent Reporting Formats and ineffective reporting system PM2,PC5,PC6	Consolidated Reporting Format and Proper functioning of system
Incapacitated workforce	Provide Training and advice PC 8
Poor Time Management PM7	Effective Time Management
Poor Morale	Incentivise good performance PM10
Lack of Financial Resources	Provide Financial Support PC9

While there appear to be problems with the support for PMS and implementation of the system appears to be uncertain, PMS is nonetheless one of the primary tools purporting to ensure attainment of service delivery targets. It was thus necessary to determine whether identified role players within the municipality, who have a direct connection to the PMS system, believe that it is achieving what it is set out to achieve. In response to the question asking whether the Performance Management System has any effect on the achievement of service delivery targets, the participants were split exactly down the middle with 40% each saying yes or no and the other 20% saying that it contributed partially. The breakdown is indicated in Table 4-7 below.

In your view has the introduction of the PMS by the Maphumulo Local Municipality contributed to the accomplishment of service delivery targets?

Table 4-7: Responses as to whether the introduction of PMS in Maphumulo contributed to achieving service delivery targets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	4	40.0	40.0	40.0
	Partially	2	20.0	20.0	60.0
	No	4	40.0	40.0	100.0
	Total	10	100.0	100.0	

From the responses of those interviewed for this study, there is no sense that PMS either affects or does not affect the accomplishment of service delivery targets. In giving reasons for their answers, there was no strong theme that emerged from participants. There was mention that PMS motivates employees and holds managers accountable but almost as many respondents mentioned that targets are still not being achieved or only partially achieved due to lack of accountability. The data therefore showed very mixed responses to the effectiveness of PMS to assist in the achievement of service delivery targets. Responses from the above mentioned question was classified into responsibility and communication theme as indicated in the Table 4-8 below.

Table 4-8: Responsibility and Communication as themes

Responsibility	Communication
Lack of alignment PC1	Motivation PM3, PC5, PC8, PC10
Lack of accountability PC1	Objective Evaluation PC5, PC8, PC9
Poor Implementation PC1,PC6	Lack of understanding PM4
Unachieved targets PM2,PM7,PM10	Lack of leadership PM4
Fiscal shrewdness PC9	

One may assume that the PMS targets of senior managers should be aligned to the strategic plans of the municipality to assist in the attainment of the strategic goals. Participants were asked whether they felt that there was indeed correlation between PMS targets of senior managers and the strategic goals of the municipality. In Figure 4-3 below, the response rates are indicated.

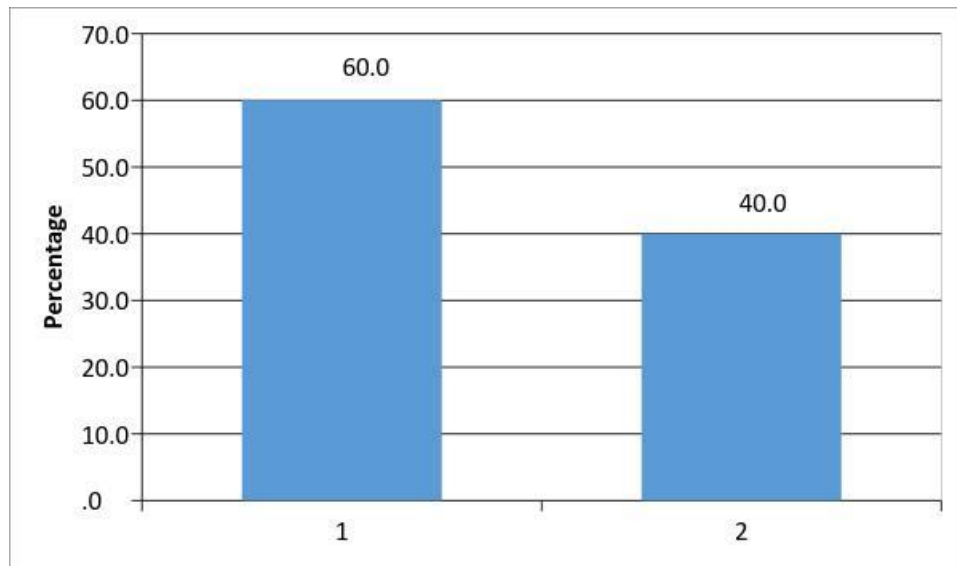


Figure 4-3: Responses to question regarding alignment between Managers' PMS targets and the municipal strategic objectives.

Ngcamu (2013:317) highlights that lack of alignment between job descriptions, departmental strategies and ultimately organisation objectives result in under-performance, 4 out of the 10 respondents noted that senior managers PMS targets are not aligned to municipal strategic objectives however what is significant to note in these responses is that none of the “no” responses came from senior managers. It can therefore be deduced that those closest to personal knowledge of the content under question feel that there is a good correlation between senior managers PMS targets and the strategic direction of the municipality. Of the 4 “no” responses, three were political appointees. This is interesting to note since it is the political office bearers who are responsible for the oversight of the PMS process as per the Local Government: Municipal Systems Act 32 of 2000 (RSA, 2000). If 3 of the 5 political officials interviewed felt that there is no alignment whereas all the senior managers felt that there is alignment between targets and municipal objectives, there is evidently varying understanding of what constitutes alignment. This requires further investigation to ascertain why such variation in responses exists.

Looking at all the previously described data from the interviews, one can see that underpinning all aspects of PMS is communication. If one considers the processes of public participation, developing an IDP, formulating performance agreements, compiling portfolios of evidence and providing oversight and evaluation, you can see clearly that clear communication is a fundamental requirement for all these to be completed successfully. The role of communication in the effective implementation of a PMS was established in chapter 2 in engaging with key stakeholders and public participation under planning stage of PMS. Participants were therefore asked to consider the communication practices when setting targets, both internally within the municipality and externally with the community was adequate. Not all respondents referred to both internal and external communication but generally the responses indicated that there were more who felt that communication practices overall are inadequate. The frequency of comment on each type of communication and the adequacy or not thereof is indicated in Figure 4-4 below.

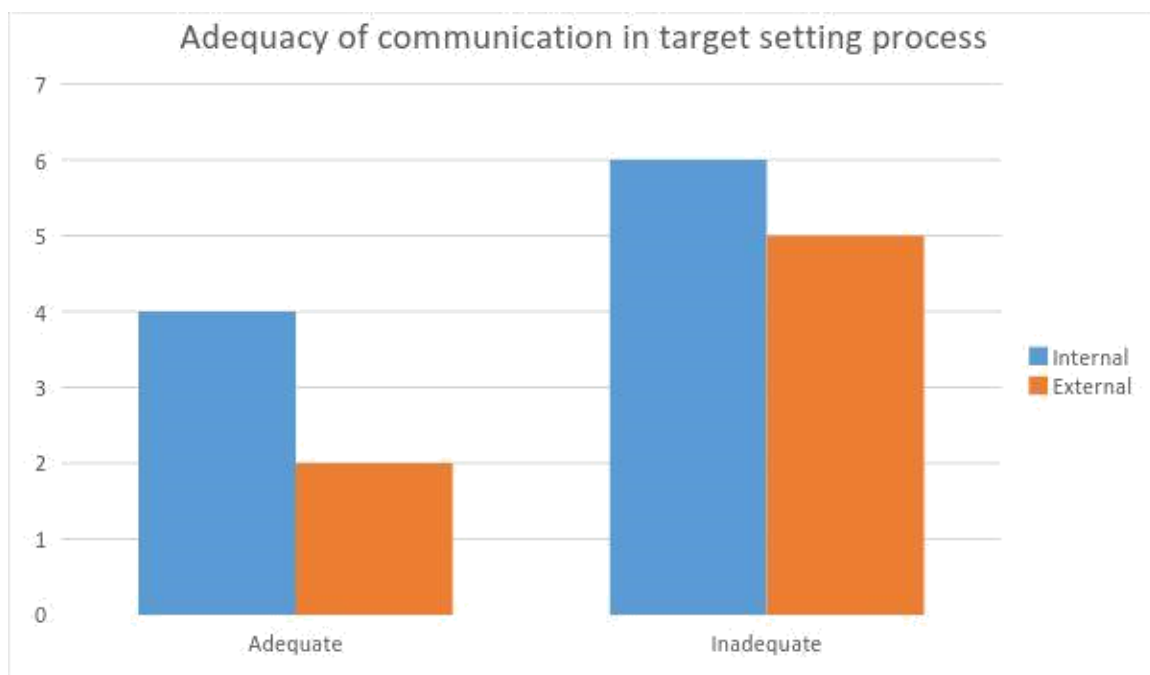


Figure 4-4: Responses concerning adequacy of communication process

As described previously, effective communication is central to ensuring that targets set are in line with community needs. This is likely to result in the actual community needs being addressed by the IDP and related plans. One may assume that the poor communication practices that are indicated by participant responses would lead to inadequacies in the target setting process and therefore the overall efficacy of the Performance Management System. The

responses thus indicate that communication remains an area of concern within the PMS, particularly in the setting of targets. This phenomenon should be explored further to ensure that service delivery is not compromised by communication failures.

4.2.3 Challenges of and improving PMS in Maphumulo Local Municipality.

In section 2.4 above, literature around the challenges experienced in the implementation of PMS was discussed. There, 5 major challenges facing performance management were identified; Lack of managerial commitment, lack of performance feedback, lack of clear goals and objectives, difficulties in evaluating performance and lack of resources. In order to establish whether the challenges in the Maphumulo municipality are in line with the literature, participants were asked what they perceived the major challenges of PMS to be.

There were 13 unique challenges received from 10 participants, 8 of these responses were challenges that were identified by only 1 or 2 respondents as shown in figure 4-5.

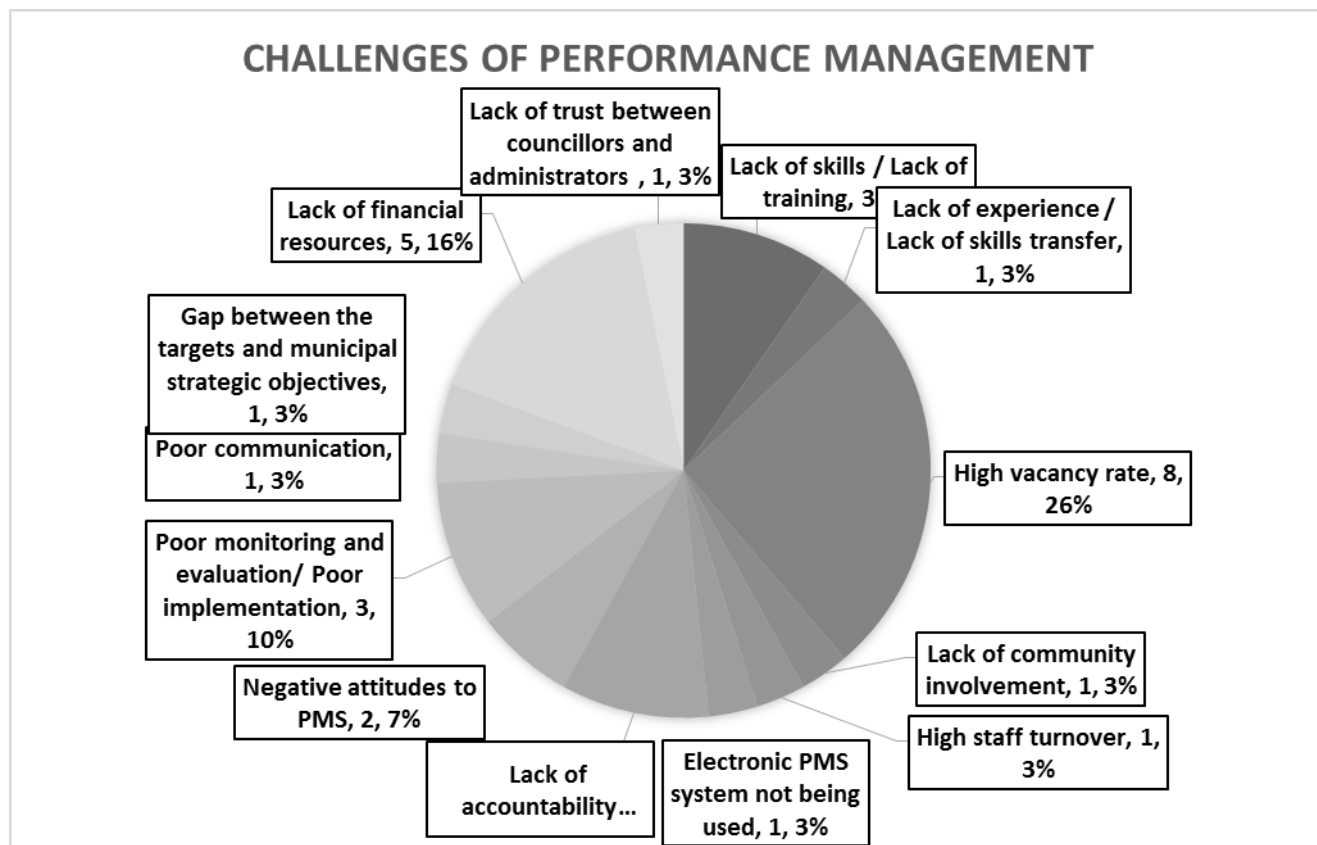


Figure 4-5: Challenges of Performance Management System

Van der Walt (2012:219) identifies PMS as a 'organisational' and 'human resource' dimensions focusing not only on workers but procedures, administration, systems, methods and policies. As can be seen from Figure 4-5 above, where all challenges of PMS pointed out the vast majority of the identified challenges relate directly to Human Resource functions as

classified in the Table 4-9 below.

Table 4-9: Human Resources Functions

Human Resource Management Functions	
RECRUITMENT	High vacancy rate
	PC12, PM3, PC5 PC8, PC9, PC10
	Lack of accountability (acting roles) PM2, PM3, PC6
STAFF DEVELOPMENT	Lack of skills Training and Experience PC1, PM4, PC9
STAFF RETENTION	Staff Turnover PM2
ORGANISATIONAL CULTURE	Negative attitudes to PMS PM3, PM4 Lack of trust between councillors and administrators PC9
SUPERVISION	Poor monitoring and evaluation/ Poor implementation PC5, PC6

While these were not an identified challenges in the literature, it may well speak to the context in which this study is taking place i.e. a rural, South African municipality. Seotlela and Miruka (2014:180) argue that the challenges of PMS rests with management execution and engagement highlighting the role of managers in leading by example to ensure success of the system and concurring with this statement the most mentioned challenge (8 out of 10 participants mentioned) is the high vacancy rate within the municipality, especially at the senior manager level. Indeed, a high vacancy rate at the higher levels, where the driving force of the system should come from, is likely to result in the system being inadequate or failing altogether. This would also exacerbate the challenges of managerial commitment and difficulties in evaluating performance that were identified in the literature, as a person who is only acting in a certain position is unlikely to be fully committed or attain all the necessary skills for the post.

In addition, half the participants (5 / 10) mentioned that the system faces challenges due to financial constraints and lack of resources. This is once again in line with the literature where

lack of resources to implement PMS was a threat to its successful implementation.

The challenges mentioned by participants need to be looked at more closely and understood so that they can be resolved. Such resolutions will result in fewer barriers to the effective implementation of the system. In order to get a sense from participants what they felt critical improvements for improving the system would be, they were finally asked what they consider critical to the success of PMS in the municipality.

As the interviews approached the end, many of the participants gave very short answers. Some participants had to leave to attend to other matters and some appeared tired. The quality of the responses for the last two questions concerning successful PMS introduction and how to improve the PMS plan was thus of some concern. Many of the suggestions had only one respondent and these will not be discussed here but can be seen in Appendix 4.

The only critical factor for successful PMS introduction that was mentioned by 5 of the 10 participants was the filling of vacant posts. This is in line with the most mentioned challenge above – that of the high vacancy rate. It is clear therefore that this is an area requiring revision in order for the PMS to work effectively towards improving service delivery.

When asked what changes should be made to improve the PMS there were two responses that were mentioned by 3 people each. These were:

- fill vacancies
- transform the negative attitude to PMS – use it for M&E and not merely for compliance

While the issue of vacancies can consistently be seen as a big concern, it is interesting to note that participants felt that the PMS system can be used for more than merely the compliance requirements. This is a notion which would be valuable to explore further.

4.3 Conclusion

This chapter has focussed on the presentation and analysis of the data obtained from interviews conducted with 10 targeted participants. These participants are all directly involved in the running of the Performance Management System within the Maphumulo Municipality. The responses from participants were analysed with reference to the relevant literature on PMS and the link to service delivery. The need for additional research in particular areas was highlighted. The chapter that follows will present the summary, findings and limitations of the study as well as present recommendations for further research.

Chapter 5: General Conclusion and Recommendations

5.1 Introduction

This study commenced with a discussion of existing theory around performance management systems and their implementation in the South African context. Legislation pertaining to service delivery, local government and performance management was highlighted. Thereafter, the type of study and the methodology used to conduct the research was described. The collected data was then described and analysed and sub-conclusions regarding the significance of these findings were noted. This chapter shall return the reader to the research hypothesis posed in Chapter 1 by providing a summary of the findings and drawing conclusions about the study.

5.2 Summary of the chapters

The study was presented in 5 chapters which are described in the following summaries:

Chapter 1 comprises of the background of the research study, the outline of the formulation of the problem statement which promulgated the formulation of the aims and objectives of the study. The structure of the research was also described in detail in this chapter.

Chapter 2 is an extensive literature review. The chapter focuses on literature on Performance Management Systems beginning with a definition of PMS and included aspects such as factors contributing to successful PMS, challenges, legislation on PMS in local government and how performance management began in the public sphere (New Public Management). The nature of the system and how it works was also explored.

After the literature established the theoretical framework, the research methodology used in this study was described in **Chapter 3**. The use of both qualitative and quantitative analysis was explained and the use of a case-study approach was justified. The use of content analysis to search for themes that emerged from the interviews was explained in detail and thereafter all ethical considerations taken into account while conducting the research with human subjects were highlighted.

In **Chapter 4**, the data obtained from the interviews was described and analysed and initial conclusions related to each question were presented.

In **Chapter 5** the findings of the research are presented, recommendations made, aspects for future research proposed and conclusions drawn.

5.3 Summary of the findings of the study

This study on Performance Management systems and their relationship to achieving service delivery targets has provided officials from local municipalities and academics in the field of Public Management with verifiable evidence regarding a possible cause of service delivery protest in a specific, rural local municipality. The study set out to test the hypothesis “The Performance Management System in use in the Maphumulo Municipality is ineffective in addressing their service delivery needs.”

Local government is the sphere of government that is closest to the community and is therefore largely responsible for the delivery of services to the people. It also means that the failures of this sphere of government are easily identified by society. A PMS mechanism is ostensibly put in place to address the service delivery challenges and to hold public officials accountable to the community they serve. It was therefore of concern that the study revealed that **very few participants interviewed recognised the importance of closely involving community members as key stakeholders** in the performance management system. In addition, a large number of participants agreed that **communication with the public is poor**. These are findings which could explain part of the reason why the PMS does not appear to be achieving the desired results in the municipality under study.

Another common challenge that was highlighted in the study is **the high vacancy rate** that exists within the management structures of the municipality. The system is designed such that councillors set targets and administration is tasked with the responsibility of achieving the targets. Clearly a chronic shortage of staff in leadership positions will have an adverse effect on PMS and ultimately service delivery itself.

As explained in Chapter Two, PMS is a human resources phenomenon. An **array of HR challenges** were identified as impeding on the success of the system ranging from **recruitment, staff development, staff retention, organisational culture and supervision** which were adding on to the many already identified challenges. Since it is human assets which are required to run the PMS, any human resource problems will severely negatively affect the efficacy of the system.

Additionally, the **lack of application of PMS in line with legislation** was noted in the responses of a number of participants. In particular, it was noted that PMS was most associated with the development of the SDBIP and performance measurement (check lists) and that the distinction between Monitoring and Evaluation was not well understood. Furthermore, evidence-based reporting and portfolios of evidence were hardly mentioned at all. The

responses overall indicate that the **emphasis is currently more on ensuring there is a paper-trail of evidence of target setting than focussing on its intrinsic, developmental value.**

Some participants mentioned that **lack of support from other spheres of government** was a problem. However, not all participants were in agreement on what support was needed from these spheres and this may present a further problem. If the kind of support needed is not clearly understood or agreed upon by all municipal officials, it is likely to be difficult to request any support from the upper spheres of government.

The **negative attitude towards the system** is another cause for concern. Participants appeared to have a sense that they are custodians of the system and that there are watchdogs observing their every move with respect to submission deadlines, POEs etc. The PMS it seems is therefore done as a matter of compliance for the fear of reprimand and not as a developmental tool to ensure service delivery is optimised.

While the above findings were obtained from the responses of the participants, another significant finding was that **no strong theme related to efficacy of the PMS to address service delivery issues** was evident. It may be assumed that this is due to the many problems with the system that were identified and that there has been no real opportunity to consider the relationship between the two.

5.4 Recommendations

The input received from the participants in this study highlighted several areas of concern in the effectiveness of the Performance Management System in Maphumulo Local Municipality. These were described in detail in Chapter 4 and summarised in 5.3 above. These concerns fall into four broad categories; communication, understanding of PMS, attitude towards the system and HR issues. Recommendations related to these findings will now be presented. These recommendations are made as suggestions on how to make sure that the PMS system in Maphumulo Local Municipality is more effective in ensuring effective service delivery.

5.4.1 Improving understanding of PMS

As was mentioned above, many of the responses received during the interviews indicated a poor or incomplete understanding of PMS. Since all those interviewed are in some way directly involved with the Performance Management System, this finding was concerning. It is thus recommended that **staff development** be designed which will **empower and educate all those involved in PMS** (in all aspects of the cycle). The training should **orientate them to the theory of PMS as well as the practical “how to”** so that they understand the intrinsic value of the process. The training should **include both administrative staff as well as Councillors** and their roles and responsibilities within the system need to be made clear.

In addition to training, management needs to ensure that **timeous updates on the progress made in accomplishment of the set targets are made available to councillors on a monthly basis** in the form of Monthly performance Reports.

It is also recommended that greater attention is given to **ensuring that the IDP, Budget and SDBIP are properly aligned**. These are important planning documents for PMS and play a vital role in driving PMS forward. A **periodic review of the documents must be done** to ensure they align to one another and also that they are in line with the applicable legislation. This is likely to assist in ensuring that the plans are carried out effectively.

5.4.2 High vacancy rates

The role of senior management in any institution is important as far as fulfilling its mandate goes. In order to ensure that the PMS works more effectively in the Maphumulo Local Municipality, it is essential that **key senior management are permanently filled**. In addition, **those who are appointed need to be suitably qualified and experienced** in the role to avoid constant staff turnover and the need to frequently appoint acting managers. Since it is the senior managers who are ultimately responsible for the effective implementation of the system, stability and professionalism in these posts is essential to ensure efficacy of PMS.

5.4.3 Community involvement

Communication and a consultative process with the community is a mandatory requirement for the municipality to undertake during the Performance Management cycle. However, the study discovered this is an area where the municipality not functioning as it should and this is indicative of a significant flaw in the system since this is where the system begins. There is a strong **need to improve communication and consultative processes with the community** but also **make the community aware of their role as far as PMS goes**. Furthermore, **access to PMS information needs to be readily available to the public in the form of updated websites** so that the wider community has access to this information and can become active and informed central role players in the PMS.

5.4.4 Human resource development

PMS has its origin in the Human Resource department so it was not surprising that most of the challenges identified by participants emerged from this sphere. This indicates a **need to have a strong human resources unit with the relevant Human Resources elements in place to**

address these challenges. In particular, staff in the HR department need to be sufficiently skilled and knowledgeable in the following areas:

- **Recruitment**, specifically of key personnel with the right skills and experience within the municipality.
- **Retention** of key personnel with the right skills and experience within the municipality to limit staff turnover and vacant posts.
- **Staff Development** so that employees are capacitated sufficiently to achieve the targets set by the municipality.
- **Supervision** so that employees are working progressively towards the accomplishment of municipal targets and have the necessary oversight and support.

5.4.5 Focus on the intrinsic value of PMS

The PMS is essentially premised on interpersonal qualities. However, paper trails, policies, systems, procedures, deadlines and portfolios of evidence often create animosity between the stakeholders with each party demanding input from others. In the findings it was noted that there is a negative image of the PMS, lack of trust between stakeholders, lack of employee motivation and a tendency to see PMS tasks as necessary for compliance and little else.

It is therefore suggested that parties aim **to create an environment of trust between municipal officials and councillors** so that the tasks of setting and accomplishing targets is harmonised through team building exercises or social gatherings. In order to prevent the animosity towards others and the system itself, it is necessary to **create a positive image around PMS and motivating staff members**. In so doing, the system can be perceived by managers as a tool to assist them achieve their departmental goals and boost staff morale.

5.4.6 Financial resourcing of the system

The study site is a rural setting with subsistence farming as the predominant means of making a living and the area is plagued by many social ills. Due to high levels of unemployment and poverty the demand for basic services is high and the lack of resources impedes on achieving certain targets. It is therefore recommended that the **municipality urgently addresses the deficiencies in the financial and resource-allocation systems** to ensure that there is optimum use of funding. In addition, the municipality is urged to **develop revenue enhancing strategies** to meet the high financial demands or alternatively, attempt to **secure further funding from government or any willing donors** to address the lack of resources.

5.4.7 Support from higher spheres of government

National and Provincial government are legislatively required to support local government achieve its constitutional mandate. The findings above revealed some concerns about the interaction of these institutions as far as the nature of the support required, interventions and turnaround periods goes. Therefore there should be a **good understanding of the support that should be provided by other spheres of government** and this should be **documented and all stakeholders made aware of the existence of such document(s)**. The document(s) should clearly outline the turnaround period when support has been requested and when to prompt provincial and national government for intervention, in spite of the fact that these institutions should know when to intervene because they receive monthly reports from the municipality.

5.5 Limitations of the Study

One of the major limitations of this study on the implementation of PMS is the **lack of an Independent Auditing perspective** in the study. This is due to the fact that there is no PMS specialist in the Audit Committee of the municipality, as required by legislation. As a result, no Audit committee member was selected for inclusion in the study and such inclusion may have resulted in varied perspectives not expressed in this study. However, this is not just limitation on the study but a hindrance on the proper functioning of the system itself since such a person is able to provide proper direction for the municipality by reviewing PMS reports.

Furthermore Internal Audit plays a major role to ensure proper controls and systems are in place to ensure the systems is working as it should. With the Internal Audit functions outsourced at the municipality in this study, and the study employing a purposive sampling method to select participants for inclusion in the study, it was **difficult to contact personnel with in depth knowledge of PMS in Maphumulo**. The result is that there was no-one who was properly orientated with the issues of PMS in Maphumulo municipality from this unit.

The failure to recognise the community as key role player in the PMS system was discussed in Chapter Four and the **exclusion of the community as participants in the study** is a further limitation of the study. The sampling method used as discussed above was a key eliminating factor since the knowledge on the subject matter could not be assessed. Subsequently the public view and perspective on the study could not be obtained, analysed and perhaps attempts made to address them in the recommendations to the study that will be submitted to the council of the Maphumulo Local Municipality.

The high staff turnover, high vacancy rate and with most managers employed in an acting capacity, especially in senior management positions, resulted in **most documentation being unavailable for data analysis**. Some performance contracts serving as evidence in litigation

processes could not be used. The acting managers were appointed on three month contracts and others are hired on month to month contracts. There were thus **certain managers with no tangible targets to be attained given the short appointment terms**. Much of the documentary evidence received was therefore insignificant and provided no real insight into the PMS. The analysis of secondary data from relevant documentation would have provided valuable input to the study and is a key limiting factor in the study.

5.6 Suggestions for further research

The following suggestions for further research are recommended, based both on the findings of this study as well as the limitations discussed in 5.5 above:

- With the many benefits of the PMS as highlighted in Chapter 2, the possibility of extending the study to include lower ranked employees could provide for interesting research. This may assist in determining if extending the use of PMS to these employees will or will not improve the attainment of municipal targets.
- The study could be replicated with an increased sample size to include all stakeholders, including community members, government (COGTA and Treasury), all council members, traditional leaders, Internal and External Audit units. This will mean there is a Holistic view with greater prospects of improving the functioning of the system
- No clear theme about the relationship between PMS and service delivery emerged during this study. A more focussed study that explores any possible relationship or lack thereof between implementation of a performance management system and achieving service delivery targets would be valuable to ensure that expenditure and man power expended on the system is indeed an investment in the community.
- Given the confusion that exists amongst the participants in this study on the nature of support that should be given by other spheres of government, a study into the kind of support that ought to be provided to local municipalities for the implementation of PMS would be of benefit. Such as study would assist local municipalities to clearly understand what support should be made available in order to strengthen PMS practice.

5.7 Conclusion

What characterises the relationship between the Performance Management System and meeting service delivery targets in the Maphumulo Local Municipality? This study has shown that the relationship is tenuous at best and that in this context, the PMS is itself so rife with complications, it is unlikely the relationship between the two will strengthen without addressing several highlighted concerns.

The study presented here has provided insight into problems which currently exist and has clearly described these in the findings. The recommendations made provide the local municipality with suggestions on how to address the current shortfalls in order to ensure that PMS is strengthened. It is anticipated that strengthening the PMS will result in greater accountability of staff involved in service delivery and will in turn result in more consistent and timeous delivery of services to communities.

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Appendix 1 – Informed Consent Form



INVITATION TO PARTICIPATE IN A RESEARCH STUDY

You are invited to participate in a dissertation research study which will be conducted in Maphumulo Municipality.

WHO SHOULD PARTICIPATE?

Mayor, Senior Managers and Middle Managers of Maphumulo municipality.

HOW TO PARTICIPATE:

**Contact Mngqobi Mahlaba on 0799402288 or email mnqobimahlaba@yahoo.com
Dissertation Researcher**

TIMEFRAME FOR PARTICIPATION: October – November 2015.

APPROXIMATE TIME FOR YOUR PARTICIPATION: 15-30 minutes

VENUE: Maphumulo Municipal Offices

The design of the study is aimed at examining if the Performance Management System (PMS) contributes to the attainment of service delivery targets and to establish if any challenges exist in the Performance Management System along with other pertinent issues associated with the implementation of the system in Maphumulo Municipality. Recommendations for improvement the PMS will be made based upon findings from this study.

Your participation will be highly appreciated and will be critical to improving the delivery of services to the community of Maphumulo. This is part of dissertation research at UKZN under supervision of Professor Derek Taylor and Dr Fayth Ruffin. Participation is anonymous, your confidentiality will be protected and your name will not be used in the study or in any publications from the study. All ethical protocols have been followed as required by UKZN. The municipality will be apprised of the findings. We hope you find the time to avail yourself.



School of Management, IT and Governance College of Law and Management Studies

Master's in Public Administration

Researcher: Mr MB Mahlaba (079 940 2288)

Supervisor: Prof D Taylor (083 321 1737)

Co-Supervisor : Dr.F.A Ruffin (076 811 9595)

Research Office: Ms. M Snyman (031 260 8350)

I, Mngqobi Blessing Mahlaba am a registered student for the Masters Degree in Public Administration (MPA), in the School of Management Information Technology and Governance, at the University of Kwazulu Natal. You are hereby invited to participate in a research project entitled: **Performance Management Systems in meeting service delivery targets: A Case Study of Maphumulo Local Municipality**. The aim of the study is to, inter alia, investigate service delivery by the municipality. Through your participation I hope to better understand the role played by PMS in terms of enhancing basic service delivery. The results of the study are intended to contribute to the formulation of certain recommendations to possibly improve basic service delivery by the municipality.

Your participation in this project is entirely voluntary. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no monetary gain from participating in this study. Every effort will be made to protect your identity and the researcher will respect confidentiality and anonymity protocols. If you have any questions or concerns pertaining to the study, you may contact the researcher or my supervisor at the numbers listed above. Your interview should take approximately one hour to complete. Your willingness to partake in the study will be highly appreciated and I thank you in anticipation of your kind assistance.

Sincerely

Investigators Name : Mngqobi B Mahlaba

Date : _____

INFORMED CONSENT FORM

I..... (full names of participant) hereby confirm that I understand the contents of the attached letter and the nature of the research project, and I voluntarily consent to participate in the research project.

I have been given the opportunity to ask questions of clarity by the researcher.

I understand that I am at liberty to withdraw from the interview at any time should I so desire.

I agree to allow my interview recorded.

☐

I do not agree to have my interview recorded.

☐

SIGNATURE OF PARTICIPANT:.....

DATE:.....

Appendix 2 – Interview Schedule

1. What is your role in the implementation of PMS by the Municipality?
2. Who are the other critical role players in this system and what are their roles?
3. Do you understand the four stages of PMS (Planning, Implementation, Evaluation, and Monitoring)? In your own words please explain the relevance of each of the stages.
4. Are these stages properly managed and executed by the municipality?
5. Is the application of PMS by the Municipality in line with relevant legislation and regulations?
6. Do you consider the role of the Provincial and National Governments to be adequately supportive of the PMS introduced by the municipality? Please give reasons for your answers.
7. What's your opinion on the communication process in terms of setting PMS targets?
8. In your view has the introduction of the PMS by the Maphumulo Local Municipality contributed to the accomplishment of service delivery targets? Please give reasons for your answer.
9. Are the individual PMS targets for senior managers linked to the strategic objectives of the municipality? If "yes" how? If "no" why not?
10. What are the challenges facing the PMS within the Maphumulo Local Municipality?
11. What do you consider is critical to the success of PMS as introduced by the municipality?
12. What changes (if any) should be made to improve the PMS system implemented by the municipality?

Appendix 3 – Gatekeeper’s letter



M A P H U M U L O M U N I C I P A L I T Y

Private Bag 9201
MAPHUMULO
4471
Tel: 032 481 4500/1
Fax: 032 481 2051

26 JUNE 2015

Mr. MB Mahlaba
Lot 6446 Phase 5
Waterloo
4339

Dear Mr Mahlaba

RE: APPROVAL OF REQUEST TO CONDUCT ACADEMIC RESEARCH IN MAPHUMULO LOCAL MUNICIPALITY

1. With regards to your letter dated 29 April 2015 with the heading request to conduct research in Maphumulo local Municipality. The office of the Municipal Manager has consulted all sections affected by your study and all officials responsible for the identified units have accepted your application.
2. The office of the Municipal Manager wish to inform you that your application has been approved by the Municipality and you are given authority to set appointments with targeted individuals and to request documents that might be of help in conducting and completing your study.
3. Your research topic as indicated on the request letter **"Performance Management System in meeting service delivery targets: A Case Study of Maphumulo Local Municipality"**. The Municipality grants you the right to conduct the study with no limitations. The office of the Municipal Manager is looking forward to the end product of your study which might assist the Municipality to meet its service delivery needs as contemplated by the Constitution of the Republic of South Africa.
4. All the best for this undertaking, and for any information, queries in the above regard please contact Mr E.S Mkhize at the office number.
5. We trust you will find the above in order.

Yours faithfully

Appendix 4 - Changes which should be made to improve the PMS system

Suggested change	No. of respondents
Filling vacancies	5
Political members must have experience local government	1
Improved community participation/ communication	2
Compile SDBIP according to legislation	1
Use electronic PMS	1
Timeous reporting	1
Active, goal-driven team work	1
Proper leadership	1
Properly qualified administrators	1
Eliminate political interference	1
Meetings should be convened as required / stipulated	2
Set realistic, achievable targets	2
Motivate staff	1
Follow SDBIP and IDP closely	1

Appendix 5 – Ethical clearance



01 October 2015

Mr Mqobi Blessing Mahlaba (213570943)
School of Management, IT & Governance
Westville Campus

Dear Mr Mahlaba,

Protocol reference number: HSS/1294/015M

Project title: Performance Management Systems in meeting service delivery targets: A case study of Maphumulo Local Municipality

Full Approval – Expedited Application

In response to your application received on 09 September 2015, 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)

/ms

Cc Supervisor: Professor Derek Taylor and Dr FA Ruffin
Cc Academic Leader Research: Professor Brian McArthur
Cc School Administrator: Ms Angela Pearce

Humanities & Social Sciences Research Ethics Committee

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