

**An exploration of the implementation of the Individual Performance
Management System within Local Government:
A Case Study of uMngeni Municipality in KwaZulu-Natal, South Africa**

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Submitted in partial fulfilment of the requirements for the degree of
M Soc Sci (Policy and Development Studies)
In the School of Social Science

College of Humanities at the
University of KwaZulu-Natal

2013

DECLARATION

Submitted in partial fulfilment of the requirements for the degree of Master of Social Science, in the Policy and Development Studies. University of KwaZulu-Natal, Pietermaritzburg, South Africa.

I, Nonhlanhla S'thabile Mkhize, declare that:

1. The research reported in the thesis, except where otherwise indicated, is my original research.
2. This thesis has not been submitted for any for any degree or examination at any other university.
3. This thesis does not contain any other person's data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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 - a. Their words have been re-written, but the general information attributed to them has been referenced.
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5. This thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the thesis and in the References section.

Student Name

Date

Name of Supervisor

Date

Signature

ACKNOWLEDGEMENTS

First and foremost, my sincere gratitude goes to the Master of all creation. To God be the Glory, always!

My Supervisor, Dr Desiree Manicom; thank you for your undying patience in me. I could not have asked for a better supervisor. I am humbled by your humility. May God bless you abundantly!

A big thank you to Mr Richard Bell for editing this work.

To the Senior Administration team of uMngeni Municipality and COGTA Performance Management Unit (especially Mr Nathi Mncwabe), thank you very much for allowing me into your space and contributing towards the completion of the present study.

Last, but not least, to all my friends and colleagues, especially Mpumie Mncwabe & Sibusiso Khuluse, for your emotional support throughout this period, stay blessed!

Dedication:

This work is dedicated to my loving parents, my grandmother, Ms Constance D. Dladla, and my mother, Ms Thembani H. Dladla, for their love and dedication in making me who I am today. To my three beautiful children, Nkazimulo, Luthando & Sisanda, thank you for your love, support and, most of all, understanding; those massages and coffee breaks made this happen. To my siblings for encouraging me and making me feel special at all times.

Ngiyabonga Mampembe!

ABSTRACT

The transition to a democratic state brought many challenges for managing public finances in South Africa. One of the challenges was the critical political commitment by the new government to improve coverage and quality of public service delivery to the majority of the population. This was done in order to redress the racially based distortions of the past (Folscher & Cole, 2006:2). The Constitution of the Republic of South African (Act 108 of 1996), section 152 (1)(b), mandates local government to ensure provision of services to communities in a sustainable manner. Through various legislation, Acts and Regulations, the South African local government began implementing performance management systems, as mandated by the national government. According to Williams (2006:24), performance management is defined by the National Department of Provincial and Local Government as,

“a strategic approach to management, which equips leaders, managers, workers, and stakeholders at different levels with a set of tools and techniques to regularly plan, consciously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact”.

Performance management is an approach of the new public management (NPM). NPM is said to be the use of private management ideas such as the provision of more responsive and efficient services, performance agreements, including service standards, greater autonomy and flexibility for managers and new financial techniques (Cameron, 2009:3). Performance management was thus introduced to the public sector as a way of cutting through the red tape and the rigidity associated with old-style public administration. It was seen as a way of improving efficiency and service delivery.

This qualitative study was not aimed at exploring service delivery achievements, failures or citizens' opinions on service delivery, but, rather, to reveal senior managers' conceptions of IPMS as well as their experiences in implementing IPMS and/or challenges. This study therefore focused on conceptions and experiences of the senior managers in implementing the Individual Performance Management System (IPMS) of uMngeni Municipality, as part of the national government-wide monitoring and evaluation (GWME) system.

Non-probability, purposive sampling was used to collect primary data through in-depth interviews conducted with the senior managers of uMngeni Municipality (municipal manager and three general managers of departments) and a representative from the Department of Co-operative Governance and Traditional Affairs, Performance Management Unit. Secondary data was used and this included government legislation and policies and uMngeni municipality's annual reports. Content analysis was used to analyse the primary and secondary data. The analysis was based on the theoretical framework on public policy implementation, monitoring and evaluation, new public management and individual performance management.

The research findings were categorised into the following themes: conceptualisation of the performance management system within uMngeni Municipality, the roles and responsibilities for implementation of the performance management system, mechanisms and support structures for implementation of performance management system in uMngeni Municipality and challenges encountered in implementing the performance management system within uMngeni Municipality.

The findings of the study were:

- The senior managers' understand IPMS to be a management tool
- There are structures, mechanisms and processes put in place to ensure proper implementation of IPMS. There is, however, room for improvement through capacity enhancement programmes/training.
- Further concerns and challenges shared by the respondents ranged from lack of an automated performance management system (PMS), time constraints, lack of capacity and human capital and the dynamics of the (IPMS), being a system adapted from the private sector.
- The senior managers felt that IPMS is time-consuming, because assembling the portfolio of evidence needs a lot of work.

The contribution that this study has made to the body of knowledge on performance management is that the senior managers in local government currently view IPMS as just a reporting tool and only implement it to comply, rather than to use it to improve service delivery. This means that there is need for capacity enhancement around the implementation of the system. The respondents recommended that there be on-going training on performance management and IPMS.

ACRONYMS

A-G	Auditor-General
COGTA	Department of Co-operative Governance and Traditional Affairs
COG	National Department of Co-operative Governance
EBM	Evidence-Based Management
GWM&E	Government-Wide Monitoring and Evaluation
IPMS	Individual Performance Management System
KPAs	Key Performance Areas
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
NPM	New Public Management
OPMS	Organisational Performance Management System
PMS	Performance Management System
RBM&E	Results-Based Monitoring and Evaluation
UNDP	United Nations Development Programme

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CHAPTER ONE

INTRODUCTION

1. Background

The transition to a democratic state brought many challenges for managing public finances in South Africa. One of the challenges was the critical political commitment by the new government to improve coverage and quality of public service delivery to the majority of the population. This was done in order to redress the racially based distortions of the past (Folscher & Cole, 2006:2). The Constitution of the Republic of South African (Act 108 of 1996), section 152 (1)(b), mandates local government to ensure provision of services to communities in a sustainable manner. Through various legislation, Acts and Regulations, the South African local government began implementing performance management systems, as mandated by the national government. According to Williams (2006:24), performance management is defined by the National Department of Provincial and Local Government as,

“a strategic approach to management, which equips leaders, managers, workers, and stakeholders at different levels with a set of tools and techniques to regularly plan, consciously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact”.

Performance management is an approach of the new public management (NPM). NPM is said to be the use of private management ideas such as the provision of more responsive and efficient services, performance agreements, including service standards, greater autonomy and flexibility for managers and new financial techniques (Cameron, 2009:3). Performance management was thus introduced to the public sector as a way of cutting through the red tape and rigidity associated with old-style public administration. It was seen as a way of improving efficiency and service delivery; through the provision of an objective measure to assess the manager’s performance, determining whether or not they are performing their functions effectively and improving the political-administrative interface between politicians and senior management (Miller, 2005:191).

The three essential approaches to performance management, as stated in Williams (1998), cited in Connell (2002:3), are organisational performance management (OPM), employee performance management (IPM) and a combination of organisational and employee performance management.

Individual performance management is a process for establishing a shared workforce which understands about what is to be achieved at an organisational level. IPM is about aligning the organisational objectives with the employees' agreed-on measures, skills, competency requirements, development plans and the delivery of results, with an emphasis on improvement, learning and development, in order to achieve the overall business strategy and to create a high-performance workforce (People-Streme, 2012). The organisational performance management, as described by Davies (1999:151), is:

“characterized by a set of systematic efforts, initiatives and processes that simply define performance in terms of results (outputs, outcomes, effects, impacts, etc.); set measurable levels of intended achievement (performance targets, service standards, etc.); determine the extent to which results are achieved using performance indicators (performance measurement, performance monitoring, etc.); provide an accounting system for the achievement of results in light of the resources utilized (performance reporting, effectiveness reporting, value-for-money accounting, etc.); and, lastly, encourage that resource allocation decisions be based on performance information (performance budgeting, results-based budgeting, etc.)” Davies (1999:151).

This study focuses on the individual performance management system within local government in South Africa, with a specific focus on a local municipality as a case study. Currently within the municipality (case study), the individual performance management system is only implemented at the level of senior management. The study aimed to investigate the conceptions, experiences and challenges of the senior managers in implementing IPMS as a management tool. There was no specific focus on the service delivery achievements or failures linked to the implementation or non-implementation of the IPMS.

Another factor that contributed to this study was the Auditor-General's report, by the National Department of COGTA, (2009:1) that:

“Auditor-General's (A-G) reports continued to spell out queries relating to ineffective institutions, ineffective structures (internal audit units and audit committees), poor performance or absence of systems, especially financial management and systems. This

negative picture affects government service delivery plans in general and corporate governance in particular”

The study's interest in the issues presented by the A-G's reports mainly concerns understanding what leads to ineffective institutions, ineffective structures (internal audit units and audit committees) and absence of systems. This means exploring the components of IPMS, to uncover the role or effect it could have when implemented in local government. Another concerning factor, as Cameron (2009:24-25) recorded is that, various government documents and independent academics pointed out that there have been substantive problems with implementation of, and compliance with, performance management. Cameron (2009:24-25) further stated that some reports have highlighted problems of performance evaluation and have pointed out that performance management was still a major challenge facing the public service. Therefore it is necessary to further explore the subject of performance management (in this case, individual performance management) and uncover the reasons for such shortcomings.

Gobardan (2006) conducted a study in KwaZulu-Natal, entitled “*An evaluation of performance management systems in local government*”. Firstly, he found that performance management, when implemented and managed correctly, is an effective management tool in the local government environment, as it helps managers to deal with change by concentrating on performance and service delivery. Secondly, he found that performance management can give managers the opportunity to take personal responsibility for their own careers. That performance management can provide an opportunity for the municipalities to identify and nurture high-performing employees, as part of a development programme, and that individuals and organisations can gain from this. The focus of Gobardan's study was mainly to assist municipalities in KwaZulu-Natal to develop and implement a performance management system that will provide a framework that describes and represents how a municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of different stakeholders (Gobardan, 2006:4). Gobardan (2006:123) emphasised that his research focused mainly on the framework for organisational performance management and not individual performance management, yet the two systems are closely linked. Gobardan recommended that further research into implementing individual performance management at a local government level would add to the body of knowledge

contained in his study. In seeking to study the implementation of individual performance management, the present study thoroughly explores the implementation process in relation to legislative framework (that is, through legislation, acts and regulations), as well as the theoretical framework (exploring various theories behind performance management).

In 2006, Williams conducted a research study in Grahamstown on, *“Implementing performance management at local government level in South Africa: A Case Study on the Impact of Organisational Culture”*. Williams (2006) found that it is not just the bureaucracy of an organisation that can impact on the implementation process of the performance management system at a local government level, but also the informal culture resulting from non-mandated discretionary procedures followed. Williams (2006:103) concluded that further research needed to be conducted in order to understand the appropriate culture required to create an enabling bureaucracy. He suggested that future research should identify an organisational culture required, not only for the results to create an enabling environment, but also the type of organisational culture that supports the implementation of the performance management system. The present study explores (not in great detail) the culture that the municipality follows in terms of performance management (especially individual performance management).

In Australia, Hoque & Adams (2008) in their study, *“Measuring Public Sector Performance: A Study of Government Departments in Australia”*, found that: (1) the performance measures used to a great extent in the department and agencies that participated were in the areas of cost efficiency and quality measures and for learning and growth measures; (2) the most common performance measures used were to satisfy community expectations and legislative requirements; (3) sustainability, environmental or social responsibility managers are the least-used performance measures; (4) the majority of participants agree that using performance measures enhanced programme efficiency and programme effectiveness and that their entity since been ‘better off’; (5) New Public Management (NPM) elements have most commonly been implicated to a great extent in the area of accrual budgeting. NPM elements, benchmarking, competition and emphasis on customer-focused strategy are reported to have been applied to a moderate extent, given the change in recent literature, and the area least affected appears to have been in the adoption of private sector management styles” (Hoque & Adams, 2008:3). The authors recommended that future research should undertake an assessment of whether or not effectiveness or performance is

a function of the ‘fit’ or match between the government departments’ regulatory environment and use of the different combinations of balanced scorecard performance measures. The present study explores the idea of whether or not managers see performance management as embedded within the work that they are responsible for within their departments, or if they just see it as an added compliance task.

The reviewed studies all focus on performance management. The questions raised and gaps identified concern the need to look into the individual performance management systems, the culture required in the implementation of the systems and whether or not the performance management systems are about fit or match between the environment and the measurement tools applied. All influenced the need to conduct the present study “*exploring the implementation of Individual Performance Management in local government: case study of uMngeni Municipality, KwaZulu-Natal, South Africa*”.

The rationale behind this study is to determine if the findings presented by the Auditor-General’s reports could be the result of misconceptions and challenges experienced when implementing an individual performance management system within local government.

1.1 Research Problems and Objectives: broad question to be asked

What are the conceptions (understanding), experiences and challenges of senior managers in implementing the individual performance management system within local government in South Africa?

1.2 Research Problems and Objectives: key questions to be asked

The key questions asked are specifically directed at the case study. The questions are related to the implementation of IPMS in uMngeni Municipality, as well as local government in general.

- What are the various conceptions of IPMS by the people implementing it within uMngeni Municipality?
- What are the benefits of implementing IPMS within uMngeni Municipality?
- What structures, mechanisms and processes are used in the implementation of IPMS in uMngeni Municipality?

- What are the experiences (regarding IPMS) of the people involved in implementing IPMS within uMngeni Municipality?

1.3 Overview of Research Methodology and Design

This is a qualitative study which seeks to explore and describe the implementation of the municipality's Individual Performance Management System (IPMS). According to Babbie & Mouton (2001:270), the goal of qualitative research is describing and understanding human behaviour. The authors explain that qualitative research is appropriate to the study of those attitudes and behaviours best understood within their natural setting. This approach enables a broader exploration and description of the municipality's employees' (implementing IPMS) conceptions and experiences of IPMS implementation within the municipality.

1.3.1. Case Study

The type of qualitative methodology used in this research is the case study. According to Spring (1997:1), case study research sheds light on complex issues and can extend experience or add strength to what is already known through previous research. Babbie and Mouton (2001:181) defined a case study as an intensive investigation of a single unit. Most of these studies involve the examination of multiple variables. A case study is aimed at answering the question 'what is going on?' (Bouma (1996: 89), cited in Johnson 2011). Babbie and Mouton (2002: 281) stated that a case study takes

“multiple perspectives into account and attempts to understand the influences of multilevel social systems on subjects' perspectives and behaviors”.

A case study of uMngeni Municipality is relevant to this research study, as it seeks to acquire an in-depth understanding of 'what is going on' with the implementation of IPMS in local government.

1.3.2. Sample

Within the municipality (case study), the IPMS is currently only implemented at the level of senior managers. This is mainly due to the fact that only the senior managers sign a performance based contract which includes the signing of performance agreements, performance plans and personal development plans, being the IPMS implementation tools.

Non-probability purposive sampling was thus the most appropriate for this particular study as only those individuals relevant and best suited for the study were selected in order to get relevant responses to the research questions posed. According to Lund and Lund (2010), non-probability sampling represents a group of sampling techniques that help researchers to select units from a population that they are interested in studying. Collectively, these units form the sample that the researcher studies.

The sample size was five participants. These were the senior managers of uMngeni Municipality (the Municipal Manager and three general managers) and one participant from the Department of Co-operative Governance and Traditional Affairs, working within the Performance Management Unit (a deputy director). All senior managers within the municipality were part of the sample of this study. According to the municipality's organogram (attached as Annexure 2), uMngeni Municipality is made up of six departments, which include the office of the Municipal Manager. At the time this study was conducted, there were only four senior managers (the Municipal Manager, Technical Services; General Manager, Corporate Services; General Manager and Economic Development and Planning Department; General Manager). These senior managers are responsible for managing the performance of the different departments of the municipality. The participant from the Department of Co-operative Governance and Traditional Affairs (COGTA) is responsible for supporting municipalities in implementing both OPMS ¹and IPMS.

This study will provide an in-depth understanding of the experiences and challenges encountered by the senior managers in local government (municipality) when implementing IPMS, compared with the ideal situation presented by COGTA (as the municipal supporting agent).

¹ Organisational Performance Management System

1.3.3. Data Collection Method

Primary and secondary data collection methods were used. Babbie and Mouton (2001:76) state that primary data refers to the data that is collected from scratch and secondary data is data that is already in existence.

Primary data was collected as part of the in-depth, semi-structured interviews using an interview guide with open-ended and close-ended questions. According to Babbie and Mouton (2001:233), open-ended questions help to get respondents' views, their interpretations and their experiences in a way they understand. Close-ended questions provide a greater uniformity of responses and are easily processed (Babbie and Mouton, 2001:233). Two different interview guides were developed and used to interview the respondents. One interview guide was used to interview the Municipal Manager and senior managers from uMngeni Municipality; and the second interview guide was used for interviewing the respondent from COGTA. The interviews were recorded using a recorder and transcribed prior to analysis, to ensure correct interpretation of the data collected and analysis by the present researcher.

According to McCaston (1998:1), secondary data analysis can be literally defined as “second-hand” analysis, as it is “*the analysis of data or information that was either gathered by someone else (e.g. researchers, institutions, other NGOs, etc.) or some other purpose than the one currently being considered, or often the combination of the two*”. The secondary data for the present study was collected from readily available data sources, such as the municipality’s annual reports and documents, government legislation, regulations and policies on managing public policy, policy implementation, monitoring and evaluation (results-based monitoring and evaluation and evidence-based management) and the new public management and performance management.

1.3.4. Data Analysis

The data analysis of this study concentrated on the responses of the interviewed respondents, as well as data collected from a review of related literature. This study aimed at exploring the implementation process of the IPMS of uMngeni Municipality, specifically aiming to establish whether or not the implementers of the IPMS understand the system and its purpose, their experiences and challenges thus far, as these could impact on the performance of the Municipality in general. The analysis was conducted using content analysis. Aleck and Settle (1995:271), cited

in Ngulube (2003:229), define content analysis as the collection and systematic conclusions concerning the characteristics and meaning of recorded material. According to Babbie and Mouton (2001:383), this recorded material can be in the form of books, magazines, laws or constitutions. The respondents' responses were organised and analysed in a thematic format, using the following theories: public policy implementation, new public management, monitoring and evaluation (including results-based monitoring, evaluation and evidence-based management). Thereafter, conclusions were drawn from the respondents' responses. The research was guided by the following general procedures for content analysis, as presented by Phakathi (2008:48):

- *Familiarisation and immersion*
- *Inducing a main theme and sub-themes*
- *Coding*
- *Interpretation and checking*

Data analysis was achieved through coding data from the interview responses and related literature. The most dominant themes and issues emerging from the data were highlighted. Findings were used to describe and interpret the understanding, experiences and challenges of the senior management of uMngeni Municipality in implementing the IPMS.

The research findings were presented in the following themes:

- Conceptualisation of IPMS within uMngeni Municipality;
- Structures, mechanisms and processes for implementing IPMS within uMngeni Municipality;
- Purposes and uses of IPMS within uMngeni Municipality;
- Experiences of implementing IPMS within uMngeni Municipality.

These themes were discussed in terms of the understanding, successes and challenges experienced in implementing IPMS within uMngeni Municipality.

1.4 Limitations of the study

The present study was conducted at a time when the municipality had just adopted a new organisational structure (organogram). When this study was conducted two senior managers had just left the municipality, reducing the anticipated sample size from a population of seven (six senior managers and one COGTA employee) to five (four senior managers of uMngeni Municipality and one COGTA employee).

1.5 Structure of the dissertation

Chapter One is an introductory chapter which presented the rationale and background to the study. It described the problem area, defined the research questions and outlined the research methodology.

Chapter Two explores the theoretical framework of the research study, giving the theoretical basis for the performance management system, the IPMS.

Chapter Three is an analysis of the legislative framework for the Government-Wide Monitoring and Evaluation System from national to local spheres of government, through the performance management system framework, developed by the Department of Co-operative Governance and Traditional Affairs.

Chapter Four is the case study of uMngeni Municipality. It is an analysis of the municipality's performance management system framework, specifically looking at the conceptualisation of IPMS within uMngeni Municipality; structures, mechanisms and processes for implementing IPMS within uMngeni Municipality; and the purposes and uses of IPMS within uMngeni Municipality.

Chapter Five presents the findings and analysis of the primary data collected. It identifies and interprets common themes which emerged from the respondents' experiences in relation to the theories and concepts related to new public management, results-based monitoring and evaluation, evidence-based management and individual performance management.

Chapter Six is the final chapter, presents the conclusions of the study in relation to the findings of the study.

CHAPTER TWO

THEORETICAL FRAMEWORK FOR INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

2.1 Introduction

Chapter Two presents the theoretical framework that serves as the basis for implementation of the performance management system (PMS) within any institution (whether public or private). The chapter outlines the public policy process (public policy cycle), with emphasis on policy implementation theory, new public management, the theory underpinning performance management, and the two approaches that are important concepts in performance management. These make up results-based monitoring and evaluation and evidence-based management. Lastly, the chapter provides a critique of the theories in relation to implementation of the PMS in the public sector.

The subject interrogated by this study is one among a number that have been deliberated on as part of public administration. This number results to the immensely diverse public administration subject. In the review of a book by Raadschelders (2013), Callahan, 2013 elucidates that there is a strong tradition in public administration that reflects on the identity of the field, questions the rigor of the research, and suggests paths moving forward on both fronts. This research study was limited to exposing the perceptions of the senior managers on IPMS. Therefore, only engaged the new public management and its approaches as a theory underpinning IPMS. This was mainly to give background to the existence of IPMS and the purpose it is meant to serve as a managerial tool. To build up to the limited theoretical framework, government regulations, acts and frameworks were also studied in order to be able to respond to the research question.

2.2 Public Policy

Policy is defined as a course of action adopted as advantageous or expedient and pursued by a government, party, ruler or statesman (Hill, 1997: 6).

“It can be seen as a stance which, once articulated, contributes to the context within which a succession of future decisions will be made” (ibid).

It acts as a basis for all decisions carried out. Hogwood and Gunn (1984), cited in Cloete & Wissink (2000:12), explain that:

“for policy to be regarded as ‘public policy’ it must to some degree have been generated or at least processed within the framework of governmental procedures, influences and organisations.”

These definitions of policy and public policy are clear indications that public policy-making is a structured, well-defined process that clearly sets out a programme of action.

In their account of policy-making, Hill and Hupe (2002:46) explain that the policy-making process tends to go through a series of stages, which Colebatch (2002:52) states is a process of identifying the policy concern, choosing goals and selecting the means of implementing those goals and the actual implementation of the policy goals. Policy-making is best described in a cyclical form, or in the following stages of policy cycle, as depicted by Howlett and Ramesh, (1995:11):

Figure 1: The Policy-Making Cycle



Source: adapted from Howlett and Ramesh (1995:11)

As set out in Howlett and Ramesh (1995:11), the diagram outlines: (1) agenda-setting, which refers to the process by which problems come to the attention of governments; (2) policy formulation, which is a process by which policy options are formulated within government; (3) decision-making, which refers to the process by which governments adopt a particular course of action or non-action; (4) the policy implementation process, which refers to the process by which governments put policies into effect; and (5) policy analysis and evaluation, which refers to the processes by both state and societal actors, and in which the results of the policies are monitored by both the state and societal actors, the result of which may be re-conceptualisation of policy problems and solutions.

This study seeks to explore the implementation process of the individual performance management system, of which is clearly set out within legal prescripts and documents in Chapter Three, a chapter on legislative framework (legal framework, acts and regulations). The next section gives an analysis and further details of the implementation stage in the policy cycle.

2.2.1 Policy Implementation

Policy implementation is a stage in the policy cycle during which the policy initiatives and goals established during policy formulation are transformed into programmes, procedures and regulations (Rist, 1995: xx). It is simply defined by Minogue (cited in Hill, 1997:17) as 'getting things done'.

There are two basic approaches to policy implementation. These are the “top down” and “bottom up” approaches. The “top down” approach is also referred to as forward mapping and “bottom up” as backward mapping. Weimer and Vining (2005:280) state that forward and backward mapping is a process of anticipating implementation problems. Forward mapping is the specification of the chain of behaviours that link a policy to desired outcomes. According to Howlett and Ramesh (1995:156), the top-down approach (forward mapping) assumes that the policy process can be viewed as a series of chains of command in which political leaders articulate a clear policy preference which is then carried out at increasing levels of specificity as it goes through administrative machinery that serves the government. The forward mapping approach is set off by the decisions of the government, then examines the extent to which administrators carry out or fail to carry out the decisions and seeks to find the reasons underlying the extent of the

implementation (Howlett and Ramesh, 1995:156-157). The top down approach starts from the decisions of government, which decides on the policies to be implemented and delegates it to street-level bureaucrats or other government officials. Public participation is not encouraged in this approach, which strongly emphasises the control over the individuals, organisations or administrators who are involved in the implementation of programmes (Parsons 1995:465). This approach does not take into account the role of other actors in the implementation process, which is then evident in the bottom up approach, discussed next.

Backward mapping (bottom up approach) means starting to think about policies by looking at the behaviour that one wishes to change (Weimer and Vining, 2005:281). Colebatch (1998:59) states that a bottom up perspective shows that operatives are also making policy, as they turn problems into routines, articulate rationales for them and seek the commitment of organisational resources. This approach focuses on all the public and private actors involved in implementing programmes and examines their personal and organisational goals, their strategies and the network of contacts they have built (Howlett and Ramesh (1995:157).

There are factors which are obstacles to successful policy implementation, however, Brinkerhoff and Crosby (2002:86) stipulate that a number of requirements must be met to ensure successful implementation. According to these authors, there are certain factors which need to be considered and addressed in order to contribute effectively to policy implementation. These include:

- (1) Specification of objectives and the degree of convergence;
- (2) Mechanisms for combining effort and managing co-operation;
- (3) Determination of appropriate roles and responsibilities; and
- (4) Capacity to fulfil these roles and responsibilities.

To achieve success in policy implementation it is important to design effective policies, along with effective implementation systems. The implementation structures or agencies need to be designed appropriately for the specific tasks they have to fulfil (Hill and Hupe, 2002:174). These authors list the following as the necessities for successful policy implementation:

- Thought has to be given to the existing systems in place. For example, does the organisation or government have the appropriate systems to implement the policy, or do new systems have to be in place to accommodate the new policy?
- The structures need to be flexible enough to accommodate change of strategies in the implementation process.
- The implementation strategies should be explicitly conceptualised, planned and explained in such a way that they are compatible with the context in which implementation takes place (Cloete and Wissink, 2000:254).

In the context of the current study, policy implementation is a well thought-out process that should provide for the achievement of government goals. Various approaches are used to implement public policy. The next section is a discussion on new public management, a theory that underpins the implementation of performance management through various approaches or tools (results-based monitoring and evaluation and evidence-based management), further discussed in the present study.

2.3 New Public Management (NPM)

New public management (NPM) is a term developed in the late 1980s to denote a renewed emphasis on the importance of management and ‘product engineering’ in public service delivery (Hood, 2001:12553). Davies (1999:153) elucidates:

“The ‘business knows best’ approach to managing public programme, values the use of techniques such as strategic and operational planning, a focus on ‘deliverables’ and results, results-based incentives and accountability, the citizen as customer, service standards, etc.”

In simple terms, this means application of private sector business management techniques in the execution of public sector service delivery activities.

Falconer (1997:2) summarised the characteristics of New Public Management as follows:

“Hands-on professional management which puts emphasis on managers responsible for service delivery being pro-active instead of reactive administrators. The modern managers

should exercise discretion within their areas of responsibilities, unlike the rules and regulations bound traditional managers.”

NPM is thus seen as the body of thought (Ferlie et al., 1996:9), based on private sector ideas that are implemented in the public sector.

NPM is an approach with explicit standards of performance based on the premise that public sector organisations are increasingly subjected to rigorous measures of performance. This means that more attention should be given to what is done (objectives), thus subjecting managers to performance evaluations, which, in turn, emphasise accountability on the part of managers. Greater emphasis on output controls means the need to focus on results rather than process. Disaggregation of public sector units is done in order to achieve the above-mentioned characteristics of NPM. Decentralisation would mean there is a manager who can be accountable to the public (Ferlie et al., 1996).

Greater competition in the private sector necessitates the production of quality products. The public sector is therefore compelled to treat members of the public as consumers and deliver to them quality services.

Private-sector styles of management practice means that public service agencies should adopt reward structures for their employees, such as performance-related pay and more flexible working practices. It can therefore be concluded that NPM is more concerned about the end results (performance/achievements) of the public sector activities. Parsons (1995:473) refers to this shift as the managerialist approach. Parsons (1995:473) feels that NPM came to form the dominant ‘operational’ paradigm in the administration of public policy and was adopted because of the desire to be ‘business-like’ (effective and efficient) in managing the affairs of the public sector. The managerialist approach includes the use of performance management, which involves the

“use of techniques such as strategic and operational planning, a focus on ‘deliverables’ and results, results-based incentives and accountability, the citizen as customer, service standards, etc. And hence the common usage of terms such as performance indicators, performance-related pay, benchmarking, quality service standards, balanced scorecard, etc.” (Davies, 1999:5).

The focus of this study is exploring the senior managers' understanding and the influence of the performance management techniques mentioned by Davies.

According to Cameron (2009:3), NPM emerged to challenge the traditional bureaucratic public administration of Max Weber and Woodrow Wilson. This traditional approach to public management put emphasis on doing things in a proper way (due process) and not in an efficient way (results based). It concentrated mainly on the process of doing things (Kettunen and Kiviniemi, 2003:4). The traditional approach to public management paid more attention to the finer details of input factors, rather than to the results yielded by policy implementation. This is the reason it was later criticised for being too slow, ineffective and unresponsive (Cameron, 2009:3). Contrary to the traditional approach to public management, the NPM approach to performance hinges on the formulation and measurement of performance indicators and asserts that performance is more likely to be ensured when public agencies make a shift to meet objectives, rather than to follow rules (McCourt 2001: 109).

The next section covers performance management, which is one of the components of NPM and is the key focus of the present study. It is essential that performance management and the performance management system be discussed at length, in order to be able to test the level of understanding and conceptions of Individual Performance Management by the study participants against what is stated in theory.

2.3.1 The Performance Management System (PMS)

Performance management is defined by the National Department of Provincial and Local Government as “a strategic approach to management, which equips leaders, managers, workers, and stakeholders at different levels with a set of tools and techniques to regularly plan, consciously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact” (The National Department of Provincial and Local Government, cited in William (2006:24). It is a process of defining a mission and desired outcomes, setting performance standards, linking budget to performance, reporting results and holding public officials accountable for those results (The National Academy of Public Administration, cited in English and Linqvist, 1998).

Performance management came about to provide an objective measure to assess managers' performance; determine whether or not they were performing their functions effectively; and to improve the political-administrative interface between politicians and senior management (Miller, 2005:191).

Kloot and Martin (2000:233) state that literature on performance measurement is much more extensive than the literature on performance management. The latter is often used to refer to individual performance management or appraisal schemes.

Bouckaert & Halligan, (2006:443) warn that performance management cannot be considered in isolation from other factors that make up public management and the more general public administration system. For instance, Parsons (1995:478) points out that personnel management is utilised to improve the human side of corporate management, through setting performance appraisals and management by objective. Monitoring of performance would therefore need to have consequences, thus raising awareness and incentive to reach for the results (Kettunen and Kiviniemi 2006:155). There is a notion that staff will work harder, or more effectively, if they see that meeting and exceeding targets will bring them a higher value (Pollit, 1995:23). This, in most cases, includes performance-related pay, which at senior levels goes with fixed-term contracts.

2.3.1.1 Purposes and Uses of the PMS

Performance measurement is the core component of performance management, which determines all processes, practices and improvement of performance management systems (Asmah-andoh, 2009:204).

Miller (2005: 91) states that the aim of the performance management system is to provide an objective measure with which management performance can be assessed and the assessment can be used for career development, increasing accountability and transparency of senior management roles and responsibility and whether or not they are performing their duties efficiently and effectively. It can be reasoned that the crux of the performance management system is to initiate a paradigm shift in the public service, from a rule-bound authoritarian bureaucracy to one that focuses on performance outputs and outcomes, rather than complying with regulations, hence attempting to improve performance in terms of service delivery (Miller, 2005: 91).

According to Asmah-andoh (2009:204), knowing how to design a measurement system that is fit for its purpose, and that relates measurement to the choice of indicators and the uses of performance information, is an important theoretical and practical issue in performance management. Thomas (2005), cited in Asmah-andoh (2009:204), stresses that:

“the primary focus of performance management hinges on developing measurable indicators to track programme performance and, ultimately, outcomes. A general understanding of performance management would include performance indicators, performance measurement and utilization of information for better management”

2.3.1.2 Structures, Mechanisms and Processes for implementing PMS

Structures and Mechanisms:

According to Cameron (2009:3), new public management (NPM) is characterised by the use of private management ideas, such as the provision of more responsive and efficient services, performance agreements, service standards, greater autonomy and flexibility for managers and new financial techniques. Cameron (2009:3) reasons that, with NPM, there is greater use of market mechanisms, such as privatisation and public-private partnerships, in service provision.

Processes:

According to *DCD Information Series 2*, 1999:12, performance measurement requires that performance indicators be developed, as they describe what and how to measure. Performance measurement influences the reporting process, since the performance information that gets reported is derived from the set performance targets. Performance reporting is critical for management processes that contribute to service delivery capacity.

Reporting is a crucial tool for communicating the extent to which the mission, goals and objectives have been achieved and intend to enforce accountability, transparency and responsiveness.

Contractual agreements between government (municipalities) and managers are entered into, where managers commit to implement certain quantifiable targets within a specified period. These targets are then used as performance measures at the end of the period (Larbi, 1999:23).

However NPM has not gone unchallenged, however. There have been a number of critiques against the NPM theory and its component, performance management. Various authors have brought this to light and the next section covers this.

2.4 Critique of New Public Management and Performance Management

In recent years the NPM movement has come under increasing criticism. Argyriades (2000) takes issue with the use of the market paradigm in public administration. Goodsell (2004:151) states that a major criticism of the application of the business model to governance is that it introduces privatised individual values in place of common community ideals. Kickert (2006) points out that NPM (erroneously) presumes that the public sector is not distinctive from the public sector. An older study (Allison, 1983:15) argues that public and private management are at least as different as they are similar, and the differences are more important than the similarities. (Cameron 2009:3-4)

Chipkin and Lipietz (2012:4) explains that, in introducing NPM, the theorists underestimated the degree to which managing for outputs was dependent on putting in place many old-style bureaucratic processes which were to maintain control. This stresses that a rules-based system that sets out protocol and procedures remains essential in ensuring that there is a controlled way of executing tasks. This, in turn, guides the process and culture that leads to performance management. This relates to what is stated by Chipkin and Meny-Gilbert (2012:109-110), that, in the South African context, the adoption of NPM took too little cognisance of the country's history, where governance was bureaucratic and law/rule-driven (more top down administration), whereas NPM takes a more bottom up approach, where the main concern is the results or performance rather than what happens in between. Grindle (1997:164) recommends that, in developing and transitional regimes, old formalistic/bureaucratic systems should remain until they have built up their administrative capacities first, before they consider means of reform and dismantling the rather formalistic systems.

According to Chipkin and Meny-Gilbert (2012:109-110), NPM does not take into account the issue of skills and competencies required for the managers to lead and direct change. This raises the question of whether or not managers are equipped to lead a results-driven administration, where performance is prioritised, or it is just assumed that they would be able to execute the expected tasks.

Most importantly, NPM is a theory adapted from the private sector and it must not be forgotten that public and private sectors are not the same. Theories of the private sector may not necessarily be relevant in the public sector, as there is a fundamental difference in their objectives. The private sector is profit-oriented, whereas the public sector has to be service-oriented to ensure societal equity (Atreya and Armstrong 2002:11). This means that moving to a more business-oriented system should not compromise the indigent citizens of the municipality just because they are not able to pay for quality services.

A critique by Davies (1999) related to the execution of the performance management system, is that there could be misuse of performance information, which is likely to happen in different ways:

- “• Inadequate indicators that do not measure what they are intended to, what evaluators would call ‘poor construct validity’. This situation often arises when a performance assessment process is implemented hurriedly, under pressure, and indicators are chosen in haste or without sufficient consideration;*
- Use of performance monitoring information in a manner that assumes causality in relation to outcomes. This ‘classic’ pitfall is due typically to a lack of appropriate knowledge and know-how (often due to insufficient resources to obtain the necessary expertise); the link between activities and outcomes is usually taken for granted by those who carry out the programme and is treated as something ‘obvious’”*

Secondly, PSC (2008C:18), cited in Cameron (2009:25), also states that concern has been raised that poorly formulated performance agreements may result in appraisal outcomes that are either biased towards, or against, the Head of Department (HOD). These performance appraisals fail to show an adequate correlation between the performance of the HOD (for example) as an individual and the overall performance of the department for which he or she is responsible.

Maphunye (2001: 319), in an early study of performance management, found that performance was not being effectively monitored and the evaluations that were being undertaken were inconsistent and left room for improvement. Miller (2005:93) pointed out that:

- “although officials are subservient to the Minister in terms of performance agreements, officials manipulated the process. Director-Generals stated that performance agreements*

are inadequate and are not taken seriously. A couple of other issues were raised in the interviews. The ex-Minister also raised the issue of whether there should be organisational performance review in addition to individual performance review. Another interviewee raised the issue of the Cluster system. It appears that this NPM driven reform is only skin deep.”

Lastly, a substantive performance culture is lacking in the in the South African public service. These implementation problems of performance management are not unique. The findings are consistent with evidence of performance-related pay which is inconclusive and ambiguous (United Nations, 2005:x, Bourgon: 2008:49-50, cited in Cameron, 2009:25).

All these systems-related critiques indicate that it is to be expected that managers implementing IPMS are likely to experience similar challenges. This raises questions related to whether or not the system is implemented as just a compliance measure or to improve service delivery. This study is limited solely to the conceptions, experiences and challenges of senior managers and does not cover the effect of having the system in place.

The criticism of NPM indicates that there is a likelihood of defects in the systems of public institutions implementing the PMS. This particularly relates to the mention of the history of South Africa, transforming from a bureaucratic state to a more decentralised state, as the implementers could be under-capacitated and not prepared to take control in an environment that is without rules. Another issue that stands out from the literature is the fact that the move towards being more business-oriented by the public sector could be detrimental to the public, who are suddenly viewed as clients and/or customers instead of recipients of basic services; meaning that they stand to be deprived of their basic rights if they do not pay for services. This study is interested in the experiences, understanding and challenges of implementing the IPMS, a section of the PMS. More attention will therefore be paid to the tools used in the implementation of PMS.

The following section will explore monitoring and evaluation, Results Based Monitoring and Evaluation and Evidence Based Management, which are tools essential to the implementation of PMS.

2.5 Monitoring and Evaluation

Defined separately, monitoring is a continuous function that aims primarily to provide management and stakeholders during an on-going intervention with early indications of progress, or lack thereof, in achieving the results (UNDP, 2002:6). Policy evaluation is defined by Dye (1981:366) as:

“the assessment of the overall effectiveness of a national programme in meeting its objectives, or assessment of the relative effectiveness of two or more programmes in meeting common objectives”.

Parsons (1995:547) states that monitoring the implementation process provides policy-makers, stakeholders and managers with tools for evaluating the way in which a programme is being implemented. The information collected may be used to correct and/or control the policy delivery process more effectively. Generally, monitoring and evaluation can take many forms, including special surveys of programme services, ethnographic studies, interview studies, or analyses of administrative records, to determine how the programme actually operates (Herman and Renz, 1997).

There are various kinds of evaluations carried out, depending on their specific goals, the stage of the programme at which the evaluation is carried out and the intention or questions to be addressed by the evaluation (Rossi and Freeman 1989:66). Evaluation is also used as a tool of accountability (Weiss, 1998:18), normally carried out in the form of an audit or assessment of implementation results, determining whether or not a programme or policy executed the processes stipulated in its design procedures and objectives. Cloete and Wissink (2000:211) state that the purpose of evaluation is to measure the progress towards the achievement of policy objectives. According to these authors, evaluation recommends the lessons to be learned for future policy review, design and implementation strategies. Evaluation plays an enhanced role in providing information on the performance to enhance accountability and ‘control by results’ and in providing evidence of what works to inform policy learning and improvement (Sanderson, 2002: 5).

In a nutshell, monitoring and evaluation measures and assesses performance, in order to ensure effective management of outcomes and outputs, known as development results (UNDP, 2002:5). This is further discussed in the next two sections, on Results-Based Monitoring and Evaluation

and Evidence-Based Management, which are approaches used to measure and improve performance

2.5.1 Results-Based Monitoring and Evaluation (RBM&E)

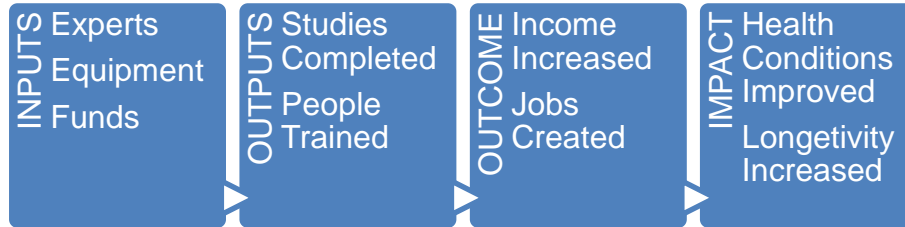
The RBM&E approach is a management strategy or approach by which an organisation ensures that its process, products and services contribute to the achievement of clearly-stated results (McCoy *et al*, 2005:2-1). RBM&E provides a coherent framework for strategic planning and management, by improving learning and accountability, with the aim of achieving important changes in the way agencies operate, with improving performance and achieving results as central orientation (UNDP, 2002:9-10). RBM&E lays the basis for substantive accountability and performance assessment or effectiveness (UNDP, 2002:9-10).

Some of the reasons for implementing RBM&E, as explained by Morris (2006:6), are that:

“RBM&E provides crucial information about public sector performance, a view over time on the status of a programme, it promotes credibility and public confidence, and it helps formulate and justify budgets and also identifies promising practices”.

Morris (2006:6) points out that RBM&E demonstrates how effectively government is performing and whether or not a policy/programme is achieving its stated goals. It can be concluded that RBM&E underpins the implementation of performance management, as it allows for reporting performance information.

Figure 2: The Results Chain



Source: Adapted from United Nations Development Programme (2002)

Figure 2 shows that the main purpose of RBM&E is to ascertain the results achieved through execution of a particular programme, or policy. Both Morris (2006:6) and McCoy et al, (2005:2-1) agree that, traditionally, monitoring focused solely on implementation monitoring that tracks inputs (resources), activities and outputs (the products or services produced) and was often done to assess compliance with work-plans and budgets. It is reported that this type of monitoring ended when the project ended. However,

“given the complexity of development issues and increasing competition for resources, organisations must think about the results of their programmes as contributing to a larger strategic objective” McCoy et al. (2005: 2-1).

Morris (2006:6) pointed out that there is now a new emphasis on implementation and results-based monitoring. There is a difference in implementation monitoring and outcome monitoring. This difference is seen in Table 1, which outlined the key features of implementation compared with outcome monitoring, adapted from (UNDP, 2002:11).

Table 1: Key features of implementation compared with outcome monitoring

ELEMENTS OF IMPLEMENTATION MONITORING (traditionally used for projects)	ELEMENTS OF OUTCOME MONITORING (used for a range of interventions and strategies)
<ul style="list-style-type: none"> ▪ Description of the problem or situation before the intervention; ▪ Benchmarks for activities and immediate outputs; ▪ Data collection on inputs, activities and immediate outputs; ▪ Systematic reporting on provision of inputs, etc.; ▪ Directly linked to discrete intervention (or series of interventions); ▪ Designed to provide information on administrative, implementation and management issues, as opposed to broader development effectiveness issues. 	<ul style="list-style-type: none"> ▪ Baseline data to describe the problem or situation before the intervention; ▪ Indicators for outcomes; ▪ Data collection on outputs and how/whether they contribute towards achievement of outcomes; ▪ More focus on perceptions of change among stakeholders and more focus on “soft” assistance; ▪ Systematic reporting with more qualitative and quantitative information on the progress of outcomes; ▪ Done in conjunction with strategic partners; ▪ Captures information on success or failure of partnership strategy in achieving desired outcomes

Source: UNDP, 2002:11

Table 1 presents the elements of the RBM&E in relation to implementation and outcomes monitoring.

There is also outcome evaluation which assesses how and why the outcomes are or are not being achieved. Such evaluations may fulfil different needs at different times throughout the policy cycle (UNDP, 2002:11). Evaluations can be conducted at different stages of the policy process. They can be conducted at the planning, implementation, or post-implementation phase (after completion) of the programme or policy.

The type of evaluation conducted at the planning phase is called the impact assessment. Cloete and Wissink (2000:215) refer to this type of evaluation as the feasibility study. This is because it is conducted at a very early stage in the policy planning process, with the aim of assessing the feasibility of the different policy options that one can choose from. According to Cloete and Wissink (2000:215), this evaluation entails identifying the potential costs, benefits, constraints and the potential impacts that different policies may be having on an existing policy issue. This helps in deciding which course of action to take.

The evaluation which is conducted during the implementation process is called the formative evaluation. This type of evaluation is conducted while the programme is on-going and seeks to provide information to managers, programme directors and staff about how the programme is operating and how it could be improved (Parsons 1995:547). It monitors the implementation process in order to keep track of the time-frame, the spending programme, the process towards the objectives and the quality and quantity of out-puts (Cloete and Wissink 2000:215). Essentially, it focuses on the effectiveness, efficiency and levels of public participation in the implementation process (Cloete and Wissink 2000:216). Rossi and Freeman (1993:163), cited in Parsons (1995:547), state that this mode of evaluation is defined by three aspects:

1. The extent to which a programme reaches an appropriate target population,
2. Whether or not the delivery of services is consistent with programme design specifications, and
3. What resources are being, or have been, expended in the conduct of the programme.

Lastly, the evaluation conducted after the completion of the policy, project or programme is called the summative evaluation. The summative evaluation seeks to measure how the policy or programme has actually impacted upon the problems it was meant to solve. As this evaluation is conducted to evaluate the programme's outcomes, effectiveness or impacts on the target population, its results determine whether or not to continue with the programme or expand it to other locations.

This section has emphasised that RBM&E requires that there be systems in place for data collection and performance measurement to be developed in order to monitor the results of any intervention. These systems for data collection should make provision for acquiring evidence for the reported performance, in order to ensure that evaluations indeed promote accountability and learning for improved policies and programmes (Sanderson, 2002:3). This was emphasised by Mackay (2008:9):

“monitoring and evaluation is necessary to achieve evidence-based policy making, evidence-based management, and evidence-based accountability”.

Mackay (2008:9) states that information gathered through monitoring and evaluation systems can provide evidence about the most cost-effective types of policy options. The next section outlines

the evidence-based management (EBM) in relation to monitoring and evaluation, as well as to the IPMS.

2.5.2 Evidence-Based Management

Sutcliffe and Court (2005: iii) cited in Davies (2004: 3), defined Evidence-Based Management as an approach that helps in making well-informed decisions about policies, programmes and projects, by basing policy development and implementation on evidence from research. This means translating principles based on best evidence into organisational practices, where managers develop into experts who make organisational decisions informed by social science and organisational research (Rousseau, 2005:256).

The two main forms of evidence required to improve government effectiveness are said to be: (1) evidence to promote accountability in terms of results. This is evidence to show that government is working effectively, which forms a basis for acquired results; (2) the other is evidence to promote improvement through more effective policies and programmes. This shows how well the policies and programmes work in different circumstances (Sanderson, 2002:3).

Some of the characteristics of useful evidence for EBM include quality/accuracy/objectivity, credibility, relevance and practicalities (Sutcliffe and Court, 2005:4-5). This means that evidence should be precise in addressing the intended objectives and should maintain a sense of reliability and applicability to the policy and programme developed and implemented.

Table 2: Components of policy process and different evidence issues

Stage of Policy Process	Description	Different Evidence Issues
Agenda Setting	Awareness and priority given to an issue	The evidence needs here are in terms of identifying new problems, or the build-up of evidence regarding the magnitude of a problem, so that relevant policy actors are aware that the problem is indeed important. A key factor here is the credibility of evidence, but also the way evidence is communicated.
Formulation	There are two key stages to the policy formulation process: determining the policy options and then selecting the preferred option (see Young and Quinn, 2002: 13-14).	For both stages, policy-makers should ideally ensure that their understanding of the specific situation and the different options is as detailed and comprehensive as possible – only then can they make informed decisions about which policy to go ahead and implement. This includes the instrumental links between an activity and an outcome, as well as the expected cost and impact of an intervention. The quantity and credibility of the evidence is important.
Implementation	Actual practical activities	Here the focus is on operational evidence to improve the effectiveness of initiatives. This can include analytic work, as well as systematic learning around technical skills, expert knowledge and practical experience. Action research and pilot projects are often important. The key is that the evidence is practically relevant across different contexts.
Evaluation	Monitoring and assessing the process and impact or an intervention	The first goal here is to develop monitoring mechanisms. Thereafter, according to Young and Quinn (2002), ‘a comprehensive evaluation procedure is essential in determining the effectiveness of the implemented policy and in providing the basis for future decision-making’. In the processes of monitoring and evaluation, it is important to ensure not only that the evidence is objective, thorough and relevant, but also that it is then communicated successfully into the continuing policy process.

Source: Adapted from Pollard and Court (2005), as cited in Sutcliffe and Court (2005:6)

Table 2 outlines the policy cycle steps in relation to EBM and different evidence required for different stages in the policy process. This study focuses only on implementation and evaluation and evidence required at these two stages of the policy cycle is clearly outlined. In Table 2, for instance, at the implementation stage the focus is on operational evidence, which includes action research and pilot projects to improve effectiveness of initiatives. Thereafter, at the evaluation stage, a comprehensive evaluation procedure is essential in determining the effectiveness of the implemented policy and in providing the basis for future decision-making’. EBM therefore forms a basis for future decision-making.

2.6 Conclusion

This chapter explored the theoretical framework that is a basis for the implementation of performance management systems. Through a discussion of policy implementation, it is clear that the policy implementation process is a well thought-out process that provides for the achievement of government goals and various public policies. The introduction of New Public Management to implement public policy meant the implementation of the performance management systems which, in turn, introduced tools such as monitoring and evaluation, results-based monitoring and evaluation, as well as evidence-based management, to the public sector. Such systems are market-oriented and thus better suited for the private sector, as there is a likelihood that this kind of system could work against the values and capabilities of the public sector. At the same time, it is indicated that implementation of such systems could increase productivity, the level of service delivery and accountability within the public sector.

CHAPTER THREE

LEGAL FRAMEWORKS, ACTS, REGULATIONS AND POLICIES FOR THE GOVERNMENT-WIDE MONITORING & EVALUATION (GWM&E) SYSTEM IN LOCAL GOVERNMENT

3.1 Introduction

Chapter Three focuses on the framework supporting the GWM&E system, at national level, of the South African government, as well as the legislative framework and guidelines that inform the implementation of performance management processes within local government, with specific emphasis on the individual performance management system (IPMS).

After 1994, the South African government promulgated a number of pieces of legislation and adopted regulations and policies that have since served as a strong foundation for performance management in the South African Public Service (Manyaka and Sebola, 2012: 299).

According to COGTA (2002:15), the various legal mandates that govern performance management in local government include: (1) The Constitution of the Republic of South Africa, (Act 108 of 1996); (2) The White Paper on Local Government; (3) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), chapter 6; (4) Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 (Section 23 R805 of 2006); (5) Local Government Municipal Finance Management Act, 2003 (section 72 (1) Act 56 of 2003) (6) Local Government: Municipal Planning and Performance Management Regulations (MPPMR), 2001; and (7) The Framework for Programme Performance Information (FPPI) 2007, issued by the National Treasury.

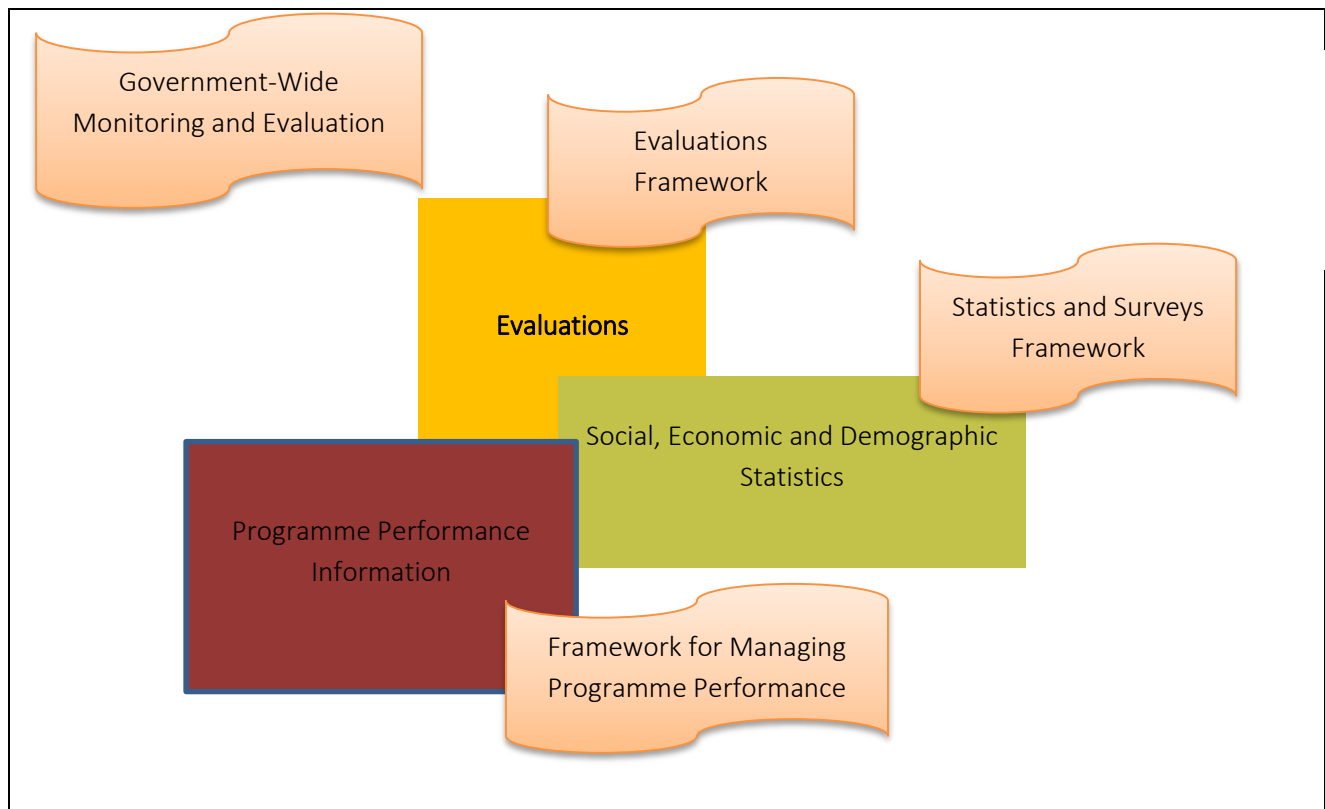
3.2 The GMWM&E System

According to the Presidency (2007:17), performance information at a national level of government is managed through the Government-Wide Monitoring and Evaluation (GWM&E) system. The main objectives of the GWM&E system are providing an integrated, encompassing framework of monitoring and evaluation principles, practices and standards, to be used throughout the government. The system aims to evaluate the implementation of government strategy, including its impact, as measured against desired outcomes (Presidency, 2007:17).

3.2.1 The GWM&E Policy Framework

The GWM&E system has three components: (1) Programme performance information; (2) Social, economic and demographic statistics; (3) Evaluations. These components are supported by a framework for managing programme performance, an evaluation framework and the statistics and survey framework, of which all play a crucial role in carrying out the monitoring and evaluation process (National Treasury, 2007:3). Figure 3 shows the relationship among these components, clearly illustrating the frameworks for dealing with each component.

Figure 3: Components of the Government-Wide Monitoring and Evaluation System

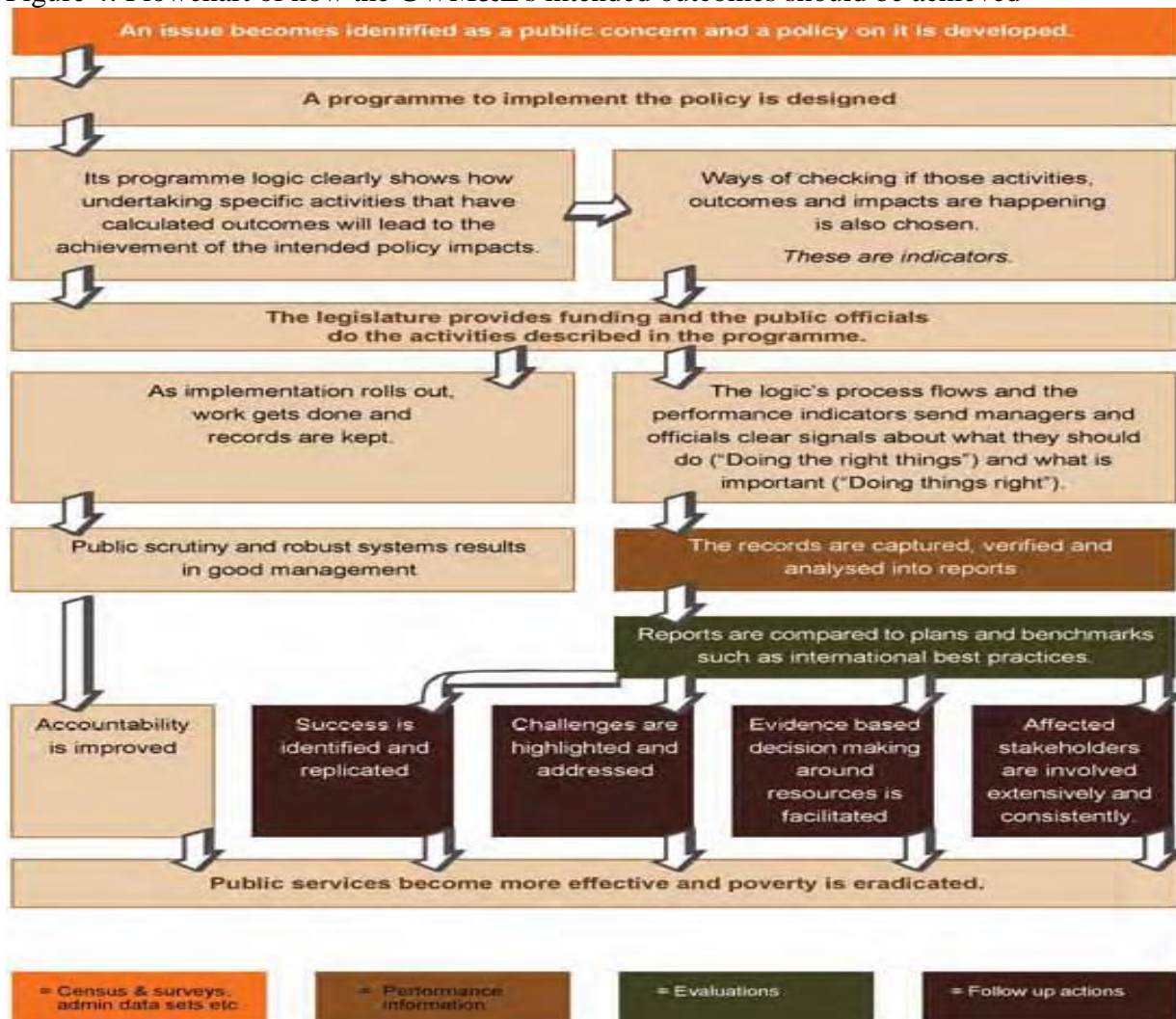


Source: Adapted from the National Treasury (2007:3)

According to the Presidency (2007:14), the main objectives for the three components are: (1) the Programme Performance Information concentrates on information that is collected by government institutions in the course of fulfilling their mandates and implementing the policies of government. These would include output and outcome information collected at provincial level for strategic and annual performance plans and budgets and at local level, for Integrated Development Plans and Service Delivery and Budget Implementation Plans; (2) Socio-Economic and Demographic

Statistics uses information that is collected by Statistics South Africa, through the census and other surveys, as well as on statistics collected by other government institutions; and (3) evaluations then concentrate on the standards, processes and techniques of planning and conducting evaluations and communicating the results of evaluations of government programmes and policies. All these components are essential in ensuring a successful government M&E system. These can be seen in Figure 4, which illustrates how the GWM&E system should contribute to achieving its intended outcomes. It also illustrates the relationship between various governance processes and the relevant data sources. This flowchart depicts the kind of results expected to be extracted from the M&E process, as well as the evidence that would substantiate the reported results.

Figure 4: Flowchart of how the GWM&E's intended outcomes should be achieved



Source: The Presidency (2007:6)

During this study, implementation of the GWM&E system at the local sphere of government and within municipalities is discussed at length. It is acknowledged that the implementation of the GWM&E system within local government is mandated by government legislation, regulations and policies for local government. The following sections will explore the GWM&E system in relation to the said legal prescripts.

According to the Constitution of the Republic of South Africa, Act 108 of 1996, section 155(6):

“The provincial government must “establish municipalities in its province in a manner consistent with the legislation...and by legislative or other measures must (a) provide for the monitoring and support of local government in the province, and (b) promote the development of local government capacity to enable municipalities to perform their functions and manage their affairs”.

In carrying out the mandate of the Constitution, the provincial government develops national policies and legislation with regards to provinces and local government; they monitor implementation of these policies, and support municipalities in fulfilling their constitutional and legal mandate.

The Provincial Department of Co-operative Governance and Traditional Affairs (COGTA) developed the performance management system guide, referred to as the ‘*guide to developing and implementing a performance management system for municipalities*’. According to COGTA (2002:15), the guide was developed for the use of councillors, managers and officials at the Municipality, with the aim of ensuring uniformity and standardised application of performance management processes within municipalities. This performance management system guide clearly outlines the roles and responsibilities of those implementing the system and provides the tools to use the process. The monitoring and evaluation procedure to be followed in ensuring effective performance management is outlined.

The next section focuses on the performance management system (also referred to as the GWM&E system within the context of this study), as guided by COGTA.

3.3 The GWM&E and Local Government

The implementation of the policies developed by the national and provincial governments happens at local government level. In relation to this statement, Tsatsire (2008:306) states that local government is given Constitutional mandate by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), to ensure the provision of services in a sustainable manner, as well as to promote social and economic development in a safe, democratic and healthy environment. This, in turn, requires municipalities to give attention to monitoring and evaluating service delivery performance, with the intention of enabling them to identify service delivery gaps and impacts and then intervene, when and wherever necessary.

Among the interrelated approaches which can assist the municipalities to become more developmental, performance management is, according to the White paper on Local Government of 1998 (1998, section 3.2):

“Critical to ensure that plans are being implemented, that they are having the desired development impact, and that resources are being used efficiently. Municipalities currently set their own measures of performance, or key performance indicators. Key performance indicators vary greatly from municipality to municipality, and cover both efficiency measures and human development indices.”

This translates to the need for all municipalities within local government to develop and take ownership of their own performance management system (PMS).

Figure 5: The Performance Management Cycle



Source: Adapted from COGTA (2011)

According to the Local Government, Municipal Systems Act 32 of 2000 (2000 Section 38):

“A municipality must establish a performance management system that is (i) commensurate with its resources; (ii) best suited to its circumstances; and (iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan; promote a culture of performance management among its political structures, political office-bearers and councillors and in its administration; and administer its affairs in an economical, effective, efficient and accountable manner.”

This statement mandates all municipalities to have a PMS in place. This PMS should be ‘tailor made’ to the municipality’s circumstances and strategies.

3.3.1. Purposes and Uses of the PMS

The White Paper on Local Government of 1998 (1998, section 3.2) states that the performance monitoring indicators should accurately reflect the efficiency, quality and value-for-money of

municipal services. As poorly designed performance indicators can have a negative effect on delivery, it is critical that indicators focus on outcomes and not only inputs and outputs. The PMS must go as far as measuring impact resulting from the intervention carried out.

The local government municipal planning and performance management regulations (Section 7(2)(2) of 2001) clearly state that:

“In developing its PMS, the municipality must ensure that the system: complies with all requirements set out in the Municipal Systems Act, demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting, clarifies the roles and responsibilities of each role player, including local community, in the functioning of the system, clarifies the process of implementing the system within the framework of integrated development planning, determines the frequency of reporting and the lines of accountability for performance, relates to the municipality’s employee performance management process and provides for procedures by which the system is linked to the municipality’s integrated development process.”

The next few sections seek to explore, in great detail, the key components of the GWM&E (or PMS). For the purpose of the present study attention is paid to the individual performance management system (IPMS). The Local government municipal planning and performance management regulations (Section 7(2)(2) of 2001) PMS must clearly define roles and responsibilities (in relation to the IPMS) and stipulate how the system is to be implemented (tools), the reporting procedure and IPMS.

3.3.2. Structures, Mechanisms and Processes for implementing IPMS

3.3.2.1 Structures

The responsibility for the development of the municipality’s performance management system lies with the political leaders of the municipality. However, it is the responsibility of the administrative leadership to work on, and implement, the system, on behalf of the political leadership. This is stated in the Local Government: Municipal Systems Act 32 of 2000 (2000 Section 39):

“The executive committee or executive mayor of the municipality or, if the municipality does not have an executive committee or executive mayor, a committee of councillors

appointed by the municipal council must (a) manage the development of the municipality's performance management system; (b) assign responsibilities in this regard to the municipal manager; and (c) submit the proposed system to the municipal council for adoption”.

Sections 21 and 24 of the Local Government: Financial Management Act 58 of 2003 state that the mayor must co-ordinate the process of budget and IDP formulation, as well as ensuring the development of measurable performance measures for the budget.

Council should ensure that there are resources and human capital to develop and implement PMS within the municipality. Council shall be held accountable for non-compliance if all the above is not implemented.

The White Paper on Local Government (1998 Section 3.2) suggests that involving the community in setting the key indicators reporting back increases accountability of the municipality and public trust in the local government system is enhanced. This implies that the community is also a role-player in the development and implementation of the PMS.

Regulations 4, 23, 25 and 26 of the Local Government Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers: Regulation No. 805, dated 1 August 2006, states that performance agreements must be signed within one month of the new financial year and these must be aligned to the IDP, SDBIP ²and Budget of the Municipality. Performance Objectives are based on the IDP, SDBIP and Budget of the Municipality.

The role-players and further responsibilities are summarised in Table 3, extracted from the guide developed by COGTA.

² Service Delivery Budget Implementation Plan

Table 3: The Roles and Responsibilities in Implementing the PMS

Roles	Responsibilities
Citizens and Communities	Be consulted on needs. <ul style="list-style-type: none"> • Develop the long-term vision for the area. • Assist in identifying priorities. • Participate in the identification of indicators and setting targets. • Be given the opportunity to review municipal performance and suggest new indicators and targets.
Council	Facilitate the development of a long-term vision. <ul style="list-style-type: none"> • Develop strategies to achieve the vision. • Identify priorities. • Adopt indicators and set targets. • Review municipal performance quarterly.
Executive Committee	Give strategic direction and develop strategies and policies for the Municipality. <ul style="list-style-type: none"> • Manage the development of the IDP. • Approve and adopt indicators and targets. • Communicate the plan to other role-players. • Conduct major reviews of municipal performance determining where goals have or have not been met, what the reasons were and to adopt response strategies.
Municipal Manager, Deputy Municipal Manager and S57 Managers	Assist EXCO in: <ul style="list-style-type: none"> • Giving strategic direction and developing strategies and policies for the Municipality. • Manage the development of the IDP. • Ensure that the plan is integrated. • Identify and propose indicators and targets. • Communicate the plan to other role-players. • Regularly monitor the implementation of the IDP and identify risk areas. • Ensure regular monitoring (measurement, analysis and reporting). • Take corrective action as and when required. • Conduct regular reviews of performance. • Ensure that performance reviews at the political level are organised. • Ensure the availability of information. • Propose response strategies to EXCO.
Departmental Managers	<ul style="list-style-type: none"> • Develop service delivery and budget implementation plans for the Municipality. • Measure performance according to agreed indicators. Analyse and report regularly. • Manage implementation and intervene where necessary. • Inform decision-makers of risks timeously

Source: Adapted from COGTA (2011: 12-13)

Various stakeholders have a role to play. It is important that these roles and responsibilities in the development of the PMS are clearly stated and understood. Table 3 concludes this section and

leads to the next section on performance measurement and tools used in the implementation of PMS.

3.3.2.2 Mechanisms and Processes

Contractual agreements between government (municipalities) and managers are entered into, where managers commit to implement certain quantifiable targets within a specified period and those targets are used as performance measures at the end of the period (Larbi, 1999:23). COGTA's argument is that:

“a Municipality's PMS must also facilitate increased accountability, learning, improvement, provide early warning signals and facilitate decision-making. The performance management system monitors actual performance against set targets and contractual obligations.”(COGTA 2011:12)

The Local Government: Municipal Finance Management Act (MFMA), 2003 (section 72 (1) Act 56 of 2003), states that:

“when a municipality tables its annual budget, it is accompanied by measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's IDP, that the executive mayor must approve a Service Delivery Implementation Plan (SDBIP) within 28 days after the approval of the budget (within the SDBIP is the strategic municipal scorecard); lastly, that the performance agreements of Section 51 employees comply with the requirements of the MSA in that they promote sound financial management and that they are linked to measurable performance objectives approved with budget and included in the SDBIP.”

These are tools and mechanisms essential for a municipality to be able to implement its performance management system, of which the IDP and Budget are planning tools. Performance agreements form part of implementation and the performance measures are essential in monitoring and reporting progress. As the MFMA 2003 (Act 56 of 2003) states, the PMS must: set key performance indicators (KPIs) as the yardstick for measuring performance; set targets, monitor and review the performance of the municipality based on indicators linked to their IDP; monitor, measure and review performance once per year; take steps to improve performance.

Performance reviews are based on the performance agreement entered into between the employee and the municipality. Chapter 3 of The Local Government: Municipal Performance Regulations for Municipal Manager and Managers Directly Accountable to Municipal Managers, 2006 (R805 of 2006 Section 23), is a section on performance agreements for the Municipal Manager and Managers directly accountable to the Municipal Managers. It is in the performance management system within these agreements that the mentioned employees in the municipality agree to participate.

The Local Government: Municipal Performance Regulations for Municipal Manager and Managers Directly Accountable to Municipal Managers, 2006 (R805 of 2006 Section 26), states that employees must be assessed against the Key Performance Areas (KPAs) at 80% and the Core Competency Requirements (CCR) at 20% (a weighing of 80:20). This means that assessments are based on 80% implementation of performance plans (outputs/outcomes indicators) and only 20% of the managerial skills of the respective managers.

Evaluation panels for assessing performance of the municipal manager and managers directly accountable to the municipal manager are a mix of internal and external stakeholders. The Local Government: Municipal Performance Regulations for Municipal Manager and Managers Directly Accountable to Municipal Managers (MPR), 2006 (R805 of 2006 Section 26 (d)), states that two evaluation panels should be set up for the purpose of conducting assessments of the Municipal Manager (MM) and the managers directly accountable to the Municipal Manager. The said evaluation panels are set up as follows:

For the performance assessment of MM the MPR, 2006 (R805 of 2006 Section 26 (d)), states:

- i. Executive Mayor or Mayor;*
- ii. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;*
- iii. Member of the mayoral or executive committee or, in respect of a plenary type municipality, another member of council;*
- iv. Mayor and/or municipal manager from another municipality;*
- and v. Member of a ward committee, as nominated by the Executive Mayor or Mayor.*

And for the performance assessment of managers directly accountable to the municipal manager the MPR, 2006 (R805 of 2006 Section 26 (d)), states:

- i. *Municipal Manager;*
- ii. *Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;*
- iii. *Member of the mayoral or executive committee or, in respect of a plenary type municipality, another member of council;*
- iv. *Municipal manager from another municipality.*

The reviews are conducted at the end of each quarter and the first and third quarter may be verbal if performance is satisfactory, explains the Local Government: Municipal Performance Regulations for Municipal Manager and Managers Directly Accountable to Municipal Managers, 2006 (R805 of 2006 Section 28), which states, in subsection 2, that the employer must keep a record of mid-year review and annual assessment meetings. This process allows for reviewing the performance plans and making necessary changes.

The Local Government: Municipal Performance Regulations for Municipal Manager and Managers Directly Accountable to Municipal Managers, 2006 (R805 of 2006 Section 29) stipulates that:

“A personal development plan (PDP) for addressing developmental gaps must form part of the performance agreement.”

This indicates that there is provision for learning and development in order to enhance performance standards by the senior managers, as implementers of the performance management system must be capacitated to carry out the expected duties or perform in accordance with the plans developed through the PMS. This means providing the necessary resources for implementation.

Lastly, the evaluation of the employee’s performance forms part of the basis for rewarding outstanding performance or correcting unacceptable performance (Local Government: Municipal Performance Regulations for Municipal Manager and Managers Directly Accountable to Municipal Managers, 2006 (R805 of 2006 Section 32). This means that the managers are eligible for performance bonuses where performance is satisfactory and counselling and that help for underperformance is provided.

Performance measurement informs the reporting process, since the performance information that is reported is derived from the set performance targets. Performance reporting is critical for management processes that contribute to service delivery capacity. It is a crucial tool for

communicating the extent to which the mission, goals and objectives have been achieved. Reporting tends to enforce accountability, transparency and responsiveness.

The Framework for Programme Performance Information (*FPPI*), issued by the National Treasury (2007:5), states that:

“Performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils and the public to track government performance, and to hold it accountable. Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery.”

This approach emphasises the need for planning and managing, with the spotlight on desired results and managing inputs and activities to achieve these results.

The regulations clarify definitions and standards for performance information in support of regular audits of such information, where appropriate; improve integrated structures, systems and processes required to manage performance information; define roles and responsibilities for managing performance information; and promote accountability and transparency by providing parliament, the provincial legislature and municipal councils and the public with timely, accessible and accurate information.

The National Treasury (2007:1) states in the *FPPI* that:

“Performance information indicates how well an institution is meeting its aims and objectives, and which policies and processes are working. Performance information is key to effective management, including planning, budgeting, and implementation, monitoring and reporting. It also facilitates effective accountability, enabling legislators, members of the public, and other interested parties to track progress, identify the scope for improvement and better understand the issues involved. Performance information must be accurate, appropriate and timely”.

It becomes clear that the broader components of the GWM&E system are implemented within local government through the performance management system, which feeds into the GWM&E system through the integration of these components within the system.

3.4 Conclusion

Chapter Three has demonstrated that there are clear guidelines and laws developed by government for implementing the performance management system (both organisational and individual performance management systems). The link between organisational performance management system (OPMS) and individual performance management system has been highlighted, indicating that OPMS informs IPMS, being a tool to monitor performance of the senior managers in implementing OPMS. The section on individual performance management indicated that the individual performance management system used in local government (as regulated) is an accountability tool for the performance of senior managers within the municipalities. The discussion indicates a link in the three spheres of government mainly in terms of performance information collected through performance evaluations and reports, to inform the GWM&E system. However the question that remains to be answered by the present study is whether or not such individual performance prescripts reinforce compliance or service delivery or both.

CHAPTER FOUR

CASE STUDY OF UMNGENI MUNICIPALITY'S PERFORMANCE MANAGEMENT SYSTEM

4.1 Introduction

Chapter Four explores and outlines the performance management system of uMngeni Municipality, with emphasis on the IPMS, as this is the focus of the present study. The chapter begins with a brief background of the municipality, its vision and mission and the description of the performance management system within the municipality. It describes the municipality's performance management system and the various elements of the system, clearly stating how and where the IPMS fits in with the work of the municipality and how it is implemented within the municipality.

4.2 Background

uMngeni Municipality is a local municipality located within South Africa's KwaZulu-Natal province, uMgungundlovu District. The municipality is one of the six local municipalities under the uMgungundlovu District Municipality. According to the South African 2011 census, uMngeni municipality has an estimated population of 92 710, with black Africans constituting 75%, the white population being 19.4%, 3.8% Indians and 1.5% coloureds (Statistics SA: 2013). The Municipality has a population growth rate of 2.27%. uMngeni Municipality is made up of a mix of urban and rural communities (uMngeni Municipality Annual Report 2011/2012), with the number of household being 30 490. According to uMngeni Municipality's Integrated Development Plan (2013/2014:1), the municipality is characterised by high potential agricultural land, which is the primary source supporting the commercial agricultural sector. It is further stated that agriculture is the largest employer and is dominant in terms of employment, even though there has been a decrease over the years (Municipality's Integrated Development Plan, 2013/2014:1).

The vision of the Municipality is *"...to develop as a people-focused, efficient and cost-effective municipality providing quality services and sustainable socio-economic development"* (uMngeni Municipality Document: 2013:79). This vision encapsulates the characteristics of NPM and performance management. The mission is *"uMngeni Municipality will ensure community participation in all projects; improve the skills of the municipal staff; ensure sound financial*

governance; address infrastructure needs and sustainable service and enhance economic development” (Municipality Document 2, 2013:79). The mission is focused on systems and means for ensuring that the municipality works towards the set vision. This includes capacity-building of the municipality’s staff complement, which is one of the areas the present study is seeking to understand in relation to the individual performance management system.

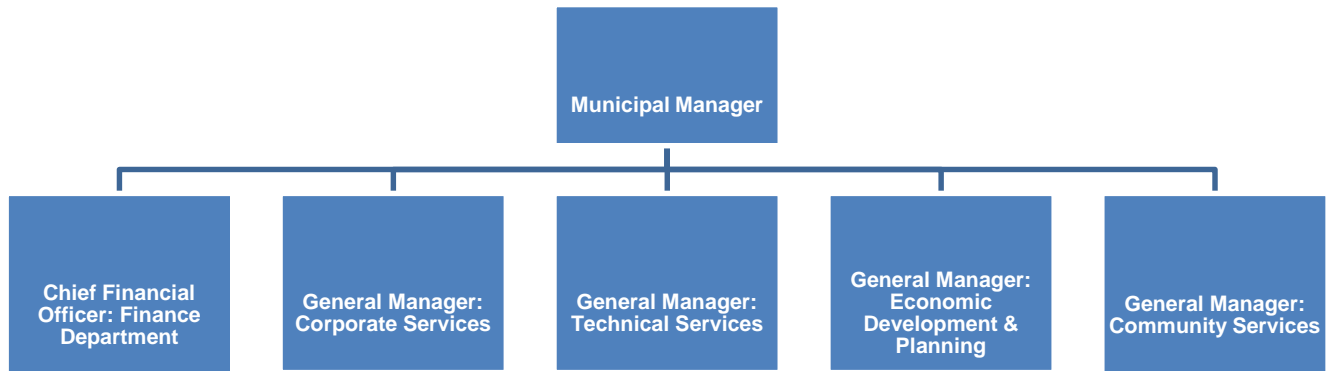
uMngeni Municipality is governed by political and administrative structures. The political structure comprises a complement of 23 councillors (12 ward councillors and 11 proportional representative councillors) (uMngeni Municipality 1, 2013:10). The municipality’s administration is led by the Municipal Manager, together with the General Managers (HODs), reporting directly to the Municipal Manager.

In the financial year 2011/2012, the municipality embarked on an extensive restructuring process (uMngeni Municipality 1, 2013:12), which saw the municipality cutting down from eight internal departments to six departments. This is based on the fact that the 2011/2012 Annual Report had stated that there were eight departments (uMngeni Municipality 1: 2013:11) and the Organisational Service Delivery Budget Implementation Plan for 2013/2014 reports that there are six departments (including the Municipal Managers office). This means that there was a cut in the number of departments, as well as the number of senior managers.

The study deals only with the senior administrative structure. Figure 6 is a high-level³ organogram showing the various departments within the municipality.

³ Showing only senior management

Figure 6: The Organisational Structure of uMngeni Municipality



Source: uMngeni Municipality 5 (2013:20)

4.3 The Performance Management System at uMngeni Municipality

The current organogram shows that the performance management unit falls within the office of the Municipal Manager. It is headed by a manager for the performance management system and has an officer for PMS (Appendix 2). On verification of this information it was discovered that the officer position is vacant. The functioning of this unit is based on the legislative framework, discussed in Chapter Three.

Chapter 6 of the Municipal Systems Act 32 of 2000 clearly states that all municipalities must establish a performance management system (PMS), promote a performance culture and administer its affairs in an economical, effective, efficient and accountable manner.

For uMngeni Municipality, like all other municipalities, the development and approval of municipality's performance management system was never a matter of choice, but a legislative requirement. In 2011, the first draft of the municipality's performance management system framework (PMS framework) was approved by council (Municipal key informant, 2013). This was revised and the final version was approved and adopted by council on 29 May 2013 (Municipal key informant, 2013). The PMS framework was finalised after consultation with the Department of COGTA (Performance Management Unit) and the Audit Committee reviewed and made inputs prior to submission for approval (Municipal key informant, 2013).

PMS framework for uMngeni Municipality was developed and is implemented based on the following principles: simplicity, politically driven, incremental implementation, transparency accountability, integration and objectivity (uMngeni Municipality 2, 2013: 12). These principles translate to the fact that the PMS needs to be user-friendly, should promote a culture of openness and transparency should be inculcated within political leadership and always be a work in progress.

The PMS framework for uMngeni Municipality indicates that the municipality's performance management system has two parts, which are interrelated. These are the organisational performance management and individual performance management. The present study is more interested in individual performance management (uMngeni Municipality 2, 2013: 14-22). However, the two are interrelated and IPMS cannot be looked at in isolation from the OPMS. This will assist in responding to the research questions.

The PMS is made up of the planning, implementation, monitoring and evaluation processes. This section will discuss the PMS of uMngeni Municipality, based on these different stages, as these are also the focal points of the PMS framework of the municipality.

4.3.1 Purposes and Uses of the IPMS

According to the municipality's performance management framework (uMngeni Document 3, 2013:11), the IPMS aims at facilitating increased accountability through the provision of necessary mechanisms and at facilitating learning and improvement. Systems enable the municipality to assess which approaches and methods are having the desired impact and in this way enable the Municipality to make the necessary improvements that will lead to more effective service delivery. Provision of early warning signals to the PMS should allow managers and supervisors at all levels, the Municipal Manager, Portfolio Committees and the Council to facilitate decision-making through the provision of suitable management information that will allow for efficient, effective and informed decision-making, particularly concerning the allocation of resources (uMngeni Municipality 3, 2013:11).

4.3.2 Structures, Mechanisms and Processes for implementing IPMS

4.3.2.1 Structures

The roles and responsibilities of employees and stakeholders in the performance management cycle need to be clearly defined. Appendix 3 is extracted from the PMS framework (uMngeni Municipality 3, 2013) and shows the roles and responsibilities of the main role-players in the different phases of the performance management cycle.

The roles include ones already mentioned, namely planning, implementation, review and reporting. The role-players are the Municipal Council, the Municipal Manager, Heads of Departments, Municipal Officials, Internal Audit Activity and Performance Audit Committee.

4.3.2.2 Mechanisms and Processes

The performance management system is complete when both the OPMS and IPMS come together. The next section focuses on the individual performance management system.

According to the PMS framework of the uMngeni Municipality (uMngeni Municipality 2, 2013:14), performance planning for the municipality begins with the development or review of the Integrated Development Plan, at the beginning of the term of council, or as part of the annual review of the IDP. According to uMngeni Municipality 3 (2013:1):

“The IDP constitutes an important part of the PMS and it is important to integrate the work done during the review of the IDP into the PMS and to ensure that the PMS is an extension of the IDP – it is the tool that is used for monitoring the implementation of the IDP.”

The IDP review process includes community consultation, which is an opportunity for the municipality to give feedback on its annual achievements and future budget plans, and in return get feedback and input from community members (uMngeni Municipality 4, 2013 and uMngeni Document 3, 2013). The input received from the community members informs the IDP projects and contributes towards setting the key performance areas, as stated in section 9 and 15 of the Local Government: Municipal Planning and Performance Management Regulations of 2001 (2001).

“The actual implementation and operation of the PMS occurs simultaneously with the implementation of the IDP. The implementation of the IDP over a single financial year is given effect through the Service Delivery Budget Implementation Plan (SDBIP), scorecards, performance contracts of the Municipal Manager and other S57 Managers.” (uMngeni Municipality 2, 2013).

The above-mentioned are tools used by the municipality to implement its performance management system.

The SDBIP is essentially the management and implementation component, which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan of how the municipality will provide such services and the inputs and financial resources to be used. Its focus is financial and non-financial measurable performance objectives, in the form of targets and other performance indicators (uMngeni Municipality 2, 2013).

Incorporated within the SDBIP the organisational scorecard is developed. The organisational scorecard contains the key performance areas and indicators of performance, which are transferred to departmental scorecards, and further into individual scorecards which ensure the appropriate alignment between organisational and individual performance (uMngeni Municipality 2, 2013). The organisational scorecard and departmental scorecard (one department) are attached as Appendix3.

“At this level, the performance of individuals is measured against personal performance targets, set in accordance with their job descriptions. These targets are also linked to the IDP and relevant department’s SDBIP, in this way ensuring that performance management at the various levels is linked and integrated.” (uMngeni Municipality 2, 2013:20).

The IPMS includes the signing of performance agreements by the HODs, performance reviews of the HODs and management of evaluation outcomes by the municipality.

The Municipal Manager and the managers reporting directly to the Municipal Manager (HODs) sign the performance agreements (Appendix 2), on an annual basis, for the duration of their contract of term of employment. The performance agreements are said to be the cornerstones of individual performance management (uMngeni Municipality 2, 2013). In terms of Section 57 of the Municipal Systems Act 32 of 2000 (2000), the Municipal Manager and HODs are required to sign a performance agreement within a reasonable time of assuming duty and then within one month of commencement of the new financial year.

What links the OPMS and IPMS is the fact that the performance agreements of the said employees are informed by the departmental and municipal scorecards and the performance plan (Departmental SDBIP) containing key objectives, key performance indicators, performance targets (outputs) and the weighting of each output. These are the templates, attached as Appendix 2.

Within the performance agreement signed by the senior managers is the personal development plan that identifies the competencies and other development needs of the employee, as well as interventions to improve these (uMngeni Municipality 3, 2013). (See Appendix 4, obtained from uMngeni Municipality's performance management framework.) This document allows for the employee to express developmental needs as per the job and responsibilities to be performed. The next section is a discussion of performance assessments and reviews, based on the OPMS and the signed performance agreement.

The scorecards (organisational and departmental) are tools used in the process of measuring, monitoring and reviewing performance.

The monitoring process is a continuous one that happens in order to ensure progress and detect challenges as early as possible. This is the case with the PMS framework for uMngeni Municipality:

“Monitoring is a continuous process of measuring, assessing, analysing and evaluating the performance of the organisation and departments with regard to KPIs and targets. The

municipality must develop mechanisms, systems and processes for monitoring performance” (uMngeni Municipality 2, 2013).

“Review includes assessment of the system itself, the framework, targets, and performance targets of departments and performance measurement of employees. It identifies the strengths, weaknesses, opportunities and threats of the municipality in meeting key performance indicators, performance targets and general key performance indicators. It also measures the economy, efficiency, effectiveness in the utilization of resources and impact in so far as performance indicators and targets set by the municipality are concerned. Performance improvement and adjustment is based on review. The municipality should ensure that the community participates in the review process.” (uMngeni Municipality 2:2013).

The review includes the auditing process, as it determined the viability of the organisation’s PMS.

“The Municipal Planning and Performance Management Regulations, 2001, requires municipalities to develop and implement mechanisms, systems and processes for auditing the results of the performance measurements as part of its internal auditing processes. This is meant to ensure that performance information collected by the municipality is verifiable, reliable and correct” (uMngeni Municipality 2:2013).

The auditing process involves internal auditing by internal auditors, the involvement of the performance audit committee and external auditing by the Auditor-General.

According to uMngeni Municipality 5, 2013):

“The criteria upon which the performance of the employee must be assessed consist of two components, both of which must be contained in the performance agreement. The employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA) and the Core Competency Requirements (CCRs), respectively. Each area of assessment will be weighted and will contribute a specific part to the total score. KPAs covering the main areas of work will account for 80% and CCRs will account

for 20% of the final assessment.”(See the details in the performance agreement in Appendix 2).

The assessments of employees is based on his or her performance, in terms of the outputs/outcomes (performance indicators) identified as per the performance plans which are linked to the KPAs, which constitute 80% of the overall assessment result, according to the weightings agreed upon between the employer and employee (uMngeni Municipality 2, 2013). This is OPMS, linked to IPMS, as discussed previously.

The performance of the employee in relation to his or her performance agreement must be reviewed quarterly, with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory. Formal reviews are to be conducted by the Performance Evaluation Committees elected by council. The informal reviews are conducted by the Municipal Manager in the case of Managers reporting to the Municipal Manager. The Mayor reviews the performance of the Municipal Manager.

According to uMngeni Municipality 2 (2013), the Performance Evaluation Committees are to be structured as follows: performance reviews of the municipal manager are conducted by the Mayor of uMngeni Municipality, the Chairperson of the Audit Committee, the Mayor of another municipality or the Municipal Manager of another Municipality, a member of the Executive Committee and a member of any ward committee. The performance reviews of the HODs are conducted by the Municipal Manager of uMngeni Municipality, the Chairperson of the Audit Committee, the Deputy Mayor (or any other EXCO Member) and the Municipal Manager of another municipality.

The performance management framework of uMngeni Municipality (uMngeni Municipality document 5, 2013) states that the performance reviews are to take place on a quarterly basis, as follows:

“First Quarter - July to September for Informal Assessment done in October

Second Quarter - October to December for Formal Assessment done in January

Third Quarter - January to March for Informal Assessment done in April

Fourth Quarter - April to June for formal Assessments done in July” (uMngeni Municipality Document 5, 2013).

These assessment meetings are recorded and feedback given based on assessment of the employee’s performance. The assessment further presents a chance, upon agreement between the employer and the employee, of reviewing and making reasonable changes to the provisions of the performance plan from time to time, for operational reasons (uMngeni Municipality 2, 2013).

Lastly, it is stated in the performance management framework of the municipality (uMngeni Municipality 2, 2013) that the evaluation of the employees’ performance forms the basis for rewarding outstanding performance or correcting unacceptable performance.

According to uMngeni Municipality 2, 2013, an Annual Report is a key performance report to the community and other municipal stakeholders, as it aims:

“

- *To provide a record of the activities of the municipality or entity;*
- *To provide a report on performance in service delivery;*
- *To promote accountability to the local community; and*
- *To report on all aspects of performance, providing a true, honest and accurate account of the goals set by the Council and the success or otherwise in achieving these goals.”*

4.4 Conclusion

This chapter explored how local government interprets the government policy on performance management into a programme or framework that is more workable at local or municipal level. The uMngeni Municipality’s performance management framework examined as the case study of the present study indicates that an organisational performance management system is an integral part of the individual performance management system, as it informs the performance agreements and performance plans of the senior managers. In turn, this informs the performance evaluation assessments conducted to assess performance of the individual managers. It is also indicated that the performance management system is in place to facilitate accountability, learning and improvement. It is not clear, however, whether or not the system takes into account the context of the municipal area and the availability of resources and support structures to perform accordingly.

CHAPTER FIVE

FINDINGS AND ANALYSIS OF THE IMPLEMENTATION OF IPMS IN UMNGENI MUNICIPALITY

5.1 Introduction

This chapter presents the findings of the interviews conducted and information obtained from various documents of uMngeni Municipality, as well as the Department of Co-operative Governance and Traditional Affairs (COGTA). Four interviews were conducted in uMngeni Municipality with senior management, which included the HODs, referred to as General Managers and the Municipal Manager. One other interview was conducted with the representative from COGTA's Performance Management Unit. This was a one-on-one interview conducted using an interview guide. The key questions that guided the interviews were as follows:

- What are the various conceptions (understandings) of IPMS by the people implementing it within uMngeni Municipality?
- What are the benefits of implementing IPMS within uMngeni Municipality?
- What structures, mechanisms and processes are used in the implementation of IPMS in uMngeni Municipality?
- What are the experiences (regarding IPMS) of the people involved in implementing IPMS within uMngeni Municipality? (The interview guide is attached at the end as Appendix 1.)

The broad themes derived from the responses were:

- Conceptualisation of IPMS within uMngeni Municipality;
- Structures, mechanisms and processes for implementing IPMS within uMngeni Municipality;
- The purposes and uses of IPMS within uMngeni Municipality; experiences of implementing IPMS within uMngeni Municipality.

These themes are discussed in terms of the successes and challenges experienced by the senior managers when implementing IPMS within uMngeni Municipality.

This study did not investigate whether or not the citizens are happy with the services delivered (no citizens were interviewed), but whether those driving service delivery have a clear understanding (mainly linked to capacity and facilitating municipal performance) of the systems that are designed to enable them to deliver.

The provincial Department for Local Government has a mandate from the South African Constitution to support local government, so that municipalities are able to deliver services as constituted. As was cited in Chapter Three, according to the Constitution of the Republic of South Africa Act 108 of 1996, section 155(6):

“The provincial government must “establish municipalities in its province in a manner consistent with the legislation...and by legislative or other measures must (a) provide for the monitoring and support of local government in the province and (b) promote the development of local government capacity to enable municipalities to perform their functions and manage their affairs”.

This was the reason for conducting an interview with the respondent from the Department of Co-operative Governance and Traditional Affairs in the Performance Management Unit. This respondent was interviewed with the intention of providing clarity on the ideal situation (as intended with IPMS) against what the real situation is (as derived from the interviewed managers).

5.2 Conceptualisation of IPMS within uMngeni Municipality

5.2.1 Purposes and Uses of IPMS

To achieve success in policy implementation it is important to design effective policies, along with effective implementation systems. The implementation structures or agencies need to be designed appropriately for the specific tasks they have to fulfil (Hill and Hupe, 2002:174). Hence the existence of the government-wide monitoring and evaluation system, presented as the performance management system (OPMS and IPMS) in local government. Miller (2005: 91) stated that the aim of the performance management system is to provide an objective measure with which management performance can be assessed and the assessment can be used for career development,

increasing accountability and transparency of senior management roles and responsibility and whether or not they are performing their duties efficiently and effectively.

The respondents indicated that the performance management system is a system that allows for measuring performance of individuals and the organisation against the set objectives and targets. This indicates an understanding that performance management is a management strategy or approach by which an organisation ensures that its process, products and services contribute to the achievement of clearly-stated results (McCoy *et al.*, 2005:2-1). The responses follow.

R-1 states that:

“Performance management is a system of measuring the performance of individuals within an organisation as well as performance of the organisation itself against targets or objectives of the organisation.”

In defining performance management, R-2 states that:

“Performance management is a system used for measuring performance within an organisation. It measures performance against set targets or one’s job description.”

R-3’s definition is that:

“Performance management is a process of establishing employee’s performance through assessment of their management skill in regards to the respective KPAs and relevant performance indicators”

R-4 described performance management as follows:

“It is a tool that is used by the organisation to manage, monitor and evaluate performance of its employees. It is important for it can improve service delivery.”

R-5 gives a broad description of performance management, which distinguishes between individual performance management and organisational performance management. The respondent indicated that the performance management system is a multi-dimensional system, in that it is both an organisational performance management system and an individual performance management system.

“Individual performance management is monitoring of individual manager’s performance in organisations, the municipality. With this there is what we call OPMS, which is the management the performance of the entire organisation of the municipality as a collective. And individual performance management looks at the performance of the individual senior managers within the municipality and is implemented within the municipalities in order to ensure performance of the individual managers on a quarterly bases and how they contribute to the whole organisation itself.”

Williams (1998), cited in Connell (2002:3), described organisational performance, employee (individual) performance and a combination of organisational and employee performance. This is the understanding displayed by the two respondents who, in their responses, indicated understanding that performance management system is made up of two systems that are interrelated. As R-4 further stressed, the differences in organisational and individual performance management are:

“Organisational performance is more generic and has to do with the targets the organization will have to achieve and individual performance management has to do with the individual targets to be met by individual employees” (R-4).

R-1 and R-2’s responses were:

“PMS must influence service delivery because it is what people want to see on the ground and obviously service delivery cannot take place without a plan in place”(R-1).

“...is service delivery driven because it has the monitoring aspect that goes with it to see that people are getting what they are supposed to be getting as per IDP” (R-2).

This section has illustrated the extent to which the respondents understand performance management, its purpose and uses. It can be concluded that the managers implementing the IPMS have a clear understanding of IPMS, and all that it entails, and are aware that the performance management system is designed to measure service delivery through the monitoring systems developed by the municipality.

5.2.2 Structures, mechanisms and processes for implementing IPMS within uMngeni Municipality

The structures, mechanisms and processes refer to tools such as plans, agreements and institutional arrangements such as roles and responsibilities.

In discussing the tools used for implementing public policy, Brinkerhoff and Crosby (2002:86) stressed: (1) Specification of objectives and the degree of convergence; (2) Mechanisms for combining effort and managing co-operation; (3) Determination of appropriate roles and responsibilities; and (4) Capacity to fulfil these roles and responsibilities. These are essential for effective policy implementation.

In responding to questions on structures, mechanisms and processes, the respondents namely the use of the integrated development plan (IDP), the service delivery implementation plan (SDBIP), the budget, performance agreements, reports, performance assessments, as well as the key role-players in the implementation process.

Respondent five (R-5), from COGTA's perspective, has highlighted the importance of having reporting tools, which are said to emanate from the performance management framework and policy to be developed by the municipality. These include an implementation plan, which is in Appendix 2. All these are implemented with the support of COGTA's performance management unit. This is the response, in R-5's words:

“The quarterly reporting tools, annual reporting tools. Quarterly reporting tools will assist you to do quarterly performance assessments of individual managers. Then those translate to midyear as well as annual performance assessment tools.

What is important is, which also falls in the category of tools is, it all starts with the performance management framework that the municipality must develop and they must make sure that IPMS is well articulated in the framework as well as the performance management policy and the implementation plan of that policy and if you've got that then it will be easy for municipalities to implement their policy and also do the performance assessment. In terms of support, there is support that COGTA will provide guiding municipalities with the implementation of their systems.”

The theory stated that RBM&E provides a coherent framework for strategic planning and management by improving learning and accountability, with the aim of achieving important changes in the way agencies operate, with improving performance and achieving results as the central orientation (UNDP, 2002:9-10). In terms of the mechanisms, COGTA's performance management system is a results-based monitoring and evaluation system, which provides tools and guides for implementation. It has been emphasised that monitoring and evaluation measures and assesses performance in order to ensure effective management of outcomes and outputs known as development results (UNDP, 2002:5).

The respondent emphasised the role that COGTA plays in the process of performance management within local government:

“As COGTA, regarding implementation, we are involved in actually doing the assessment of the documents that the municipalities produce and also in providing external perspective in terms of checking for alignment and also compliance.”

The four respondents from uMngeni municipality described the mechanisms, tools and support (including roles and responsibilities) required for effective implementation and said they are well understood by the senior management within uMngeni Municipality.

On mechanisms and tools, the following responses were recorded from some of the respondents:

“The tools and systems for implementation are the performance management plan, performance agreement and, furthermore, adequate training and support systems, as well and the performance management unit and support from the district municipality and COGTA.” (R-3)

R-4 stated that the performance management system:

“...begins with the performance management framework... used as a guide in the formulation of the targets for Section 57”.

The respondent (R-4) added that:

“...the IDP sets up the objectives, priorities and projects and the budget is aligned with the IDP culminating into the SDBIP which sets out projects and targets linked to budget to be delivered by each department”.

From these responses, the study can draw the conclusion that the tools and systems are clearly understood within the municipality and are integrated within the performance management framework.

The following table is extracted from a table on roles and responsibilities by the Department of Co-operative Governance and Traditional Affairs (COGTA 2011:12-14). The table below extracted from Table 3 in Chapter Three, outlines the roles and responsibilities expected of the managers interviewed in the present study.

<p>Municipal Manager, Deputy Municipal Manager and S57 Managers</p>	<p>Assist EXCO in:</p> <ul style="list-style-type: none"> • Giving strategic direction and developing strategies and policies for the Municipality. • Manage the development of the IDP. • Ensure that the plan is integrated. • Identify and propose indicators and targets. • Communicate the plan to other role-players. • Regularly monitor the implementation of the IDP and identify risk areas. • Ensure regular monitoring (measurement, analysis and reporting). • Take corrective action as and when required. • Conduct regular reviews of performance. • Ensure that performance reviews at the political level are organised. • Ensure the availability of information. • Propose response strategies to EXCO.
<p>Departmental Managers</p>	<ul style="list-style-type: none"> • Develop service delivery and budget implementation plans for the Municipality. • Measure performance according to agreed indicators. Analyse and report regularly. • Manage implementation and intervene where necessary. • Inform decision-makers of risks timeously

The outline indicates that the managers play an integral part in the performance management system, both organisational and individual. The role-players named by the respondents were the performance management unit within the municipality, senior managers, the accounting officer (being the municipal manager), council and the district municipality. These responses indicated

that the managers have a clear understanding that they are key role-players in the implementation process of the performance management system. Clear determination of these roles and responsibilities is emphasised by the theory studied to understand the subject matter, of the present study. As stated, appropriate roles and responsibilities and capacity to fulfil these roles and responsibilities is vital for effective policy implementation (Brinkerhoff and Crosby, 2002:86).

Some of the responses from the respondents were as follows:

R-1 responded by saying that:

“...the role-players involve Manager PMS who collects and co-ordinates all the information to be put to council and the committees.”

R-3 indicated that, according to his understanding, the key role-players in the process of implementing the IPMS are:

“The management team led by MM working under guidance of PMS practitioner... managers have a day-to-day involvement within management related to the municipality’s KPAs and KPIs and they are also able to challenge and contribute towards the development of the system.”

R-3’s response shows his own understanding of what his key role is as a senior manager within uMngeni Municipality. However, R-3 added that there are additional external key role-players:

“... as well as support from the district municipality and COGTA.”

R-4’s response implies his understanding of the role that he is expected to play within the system:

“...As an accounting officer, it is my duty to see to it that it’s ultimately implemented in all levels of employment”.

The words “ultimately implemented” indicate that the system has not yet filtered through to all levels of employment. The role of the accounting officer (Municipal Manager) is ensuring that this eventually happens.

R-5 was asked about the roles and responsibilities, in their own perspective, as COGTA:

“apart from the PMS unit, the managers themselves are very important role-players because those are the people that actually from the beginning of the financial year, those are the people that sign the performance agreements and attached to the performance agreements is their performance plan and the performance will be guided by what is in the performance plan and those performance plans should also be aligned with the organisational scorecard as well as SDBIP but also indicators in that scorecard should be aligned with the objectives in the IDP. But also, apart from those managers, the best practice is that their PAs should also be involved because if the senior managers’ PAs are involved, it helps a lot especially when it comes to the compilation of the POEs at the level of the department.” (R-5)

The responses indicate that managers at uMngeni Municipality are aware of their roles and responsibilities in the implementation of IPMS. They are clear about the structures that should be in place when implementing IPMS, as well as the mechanisms and processes. This is based on the fact that they have mentioned the role-players as and the key external stakeholders (the district municipality and COGTA. They have mentioned the tools required for implementation, i.e. SDBIP, scorecards etc. This gives an indication that the managers view the individual performance management system as part and parcel of their roles and responsibilities in the implementation process.

Lastly, on conceptualisation of IPMS within uMngeni Municipality, the study found that the senior managers clearly understand IPMS is a management tool that guides performance through a set of tools and procedures that control operations of the various departments within the municipality.

5.2.3 Experiences of implementing IPMS within uMngeni Municipality

This section examines the experiences of the different managers interviewed. It brings in the views of COGTA and what their experience is with various municipalities.

It is important to design effective policies, along with effective implementation systems in order to succeed on policy implementation. The implementation structures or agencies also need to be designed appropriately for the specific tasks they have to fulfil (Hill and Hupe, 2002:174). The

structures need to be flexible enough to accommodate changes in strategies in the implementation process.

In sharing their experiences, the respondents mainly highlighted issues of concern and challenges and made suggestions for the improvement of the performance management and the performance management system within uMngeni Municipality. An analysis of these experiences is based on Chapter Two's theoretical discussions of policy implementation.

In relation to understanding and implementing the system, R-4's response is that:

"There is an understanding but continuous development is always desired"(R-4).

R-4 adds:

"Senior management embraces it and more likely the community even though they have not been adequately consulted. Employees from level 3 down do not like it."

R-4's responses indicate that, from his experience, there is a sense of understanding and appreciation of the existence of the system. However, lower level employees do not like it (as repeated by the respondent).

This reported understanding is highly likely to relate to the fact that the PMS implementation strategies within uMngeni Municipality are explicitly conceptualised, planned and explained in such a way that they are compatible with the context in which implementation takes place (Cloete and Wissink, 2000:254). Even the fact that there are employees that do not like the system means there is room for improvement.

Capacity to fulfil these roles and responsibilities emerged as one of the important elements in the implementation process (Brinkerhoff and Crosby, 2002:86). However, in one of the critiques of NPM, Chipkin and Meny-Gilbert (2012:109-110) cautioned that NPM does not questions the issue of skills and competencies required for the managers to lead and direct change. This leaves one with the question whether or not managers are adequately equipped with skills to lead and implement a results-driven administration in which performance is prioritised.

R-2 indicated the need for training in the system, so that it can be well understood and correctly conceptualised:

“Training people to understand what it stands for as most employees believe that it is just the means to get rid of us which is not actually the case. Furthermore, make ways to understand and try to simplify it because to me it is at a very hi level. If you ask employees at a municipal context, the brush cutter or refuse collector may not understand what is expected of him in terms of the IDP, so it is mainly to sensitize the employees on a continual basis”.

R-4 further suggested that:

“More awareness of the system and value for PMS needs to be done”

This statement suggests a need for continuous sensitisation of the importance of having the system in place and training on what it is, why it is there and how it is implemented.

These responses indicate that there is still room for capacity enhancement at uMngeni Municipality, to ensure greater understanding and proper implementation of the system.

On the issue of capacity, R-5 shared this about his experience within other municipalities:

“it’s the issue of capacity, you find that in many municipalities, the person who has been involved, let’s say in planning or the person who was originally appointed by the municipality as a IT manager, is now asked to assist with PMS or and then what also happens is that in cases where the municipality has appointed a person to do both IDP and PMS, you find that, that person is also expected to perform other duties like LED, special programme, etc. Therefore people don’t give PMS the attention it deserves because maybe of the size of the municipality or maybe they don’t have enough budget to appoint”.

This response touches on the issue of ensuring that roles and responsibilities within the municipality in implementation of IPMS are clearly defined to ensure proper implementation.

Further concerns and challenges shared by the respondents ranged from the lack of an automated PMS system, time constraints, lack of capacity and human capital to the dynamics of the IPMS being a system adapted from the private sector.

R-4 hinted at the need for an automated PMS, as well as the need for capital resources to ensure effectiveness:

“The move now should be towards automation of PMS, however there still needs to be more financial and human resources to the unit to make it fully functional”

This relates to the statement of Brinkerhoff and Crosby (2002:86) that there needs to be mechanisms for combining effort and managing co-operation and capacity to fulfil these roles and responsibilities.

R-2 emphasised the need for training and mentioned time constraints:

“It is time consuming as putting the portfolio of evidence take needs a lot to be done and there is always a need for constant training so that we all understand the needs and I may understand the need for it but my colleague might not understand or have a clear understanding so this would serve as a constant reminder as to why performance management is done” (R2).

The two main forms of evidence required in improving government effectiveness are said to be: (1) evidence to promote accountability in terms of results, which is evidence to show that government is working effectively and forms a basis for acquired results; (2) evidence to promote improvement through more effective policies and programmes. This shows how well the policies and programmes work in different circumstances (Sanderson, 2002:3). Even if it is time-consuming, as R-2 has said evidence-based management is, it is still essential, to ensure effectiveness.

It must be stressed that proper systems have to be put in place to ensure that the implementation of IPMS is effective. This also needs to take into consideration Grindle’s argument that within developing and transitional governments, old formalistic/bureaucratic systems should remain until they have built up their administrative capacities first, before they consider means of reform and dismantling the formalistic systems (Grindle, 1997:164). This means that rules-bound and

controlled environments should not be demolished before new public management systems are fully functional.

The critique pointed out that NPM is a theory adapted from the private sector and it must be remembered that public and private sectors are not the same. Therefore theories appropriate to the private sector may not necessarily be relevant in the public sector, as there is a fundamental difference between their objectives; the private sector is profit-oriented, while the public sector has to be service-oriented to ensure societal equity (Atreya and Armstrong 2002:11). This is indeed a challenge. R-1 emphatically articulated his opinions:

“...in the private sector you work your jerk off and you produce and you are innovative and do all those things that are sitting in the performance agreement of the municipality’s official. You fly, you get bonuses, and you get this you get that, you get offers for shares you get everything. Obviously, because the company is making money. As a COE of the company or whatever you are, reporting directly to the CEO, you make money and they would never fire you because you’re making that company succeed. In the government sector, however, you can be as brilliant as those guys but because of the of the political component in the government sector, you could be even better than those guys in the private sector, who is getting all those benefits, then you get nothing and there is a high risk that you could lose your job as much as you are the best in the world.”

R-1 reiterated the differences highlighted by Atreya and Armstrong (2002:11) and has revealed a sense of insecurity by those in the public sector. The views of the employees might be that it is not necessary to put in extra effort to get high levels of performance, as it might go unnoticed by the principals of the municipality. This indicates that the managers do not feel adequately motivated and supported as implementers of the municipality’s performance management system

To emphasise this point R-5 pointed out that it is vital that municipalities set aside budgets for performance bonuses in order to enhance performance and to resuscitate staff morale:

“...managers themselves, not taking ownership of the municipality’s key strategic objectives and the municipality’s key strategic documents, that is the IDP and PMS where

they will just think that if you're asking for reports you are just overburdening them with extra work. But also this comes from municipalities that in the past have not been budgeting for things like performance bonuses. But for those municipalities that have been budgeting for performance bonuses, managers take PMS seriously because of the bonuses."

When asked to comment and give suggestions for improving IPMS the respondents' suggestions were as follows:

R-2 commented:

"However as much as it is service delivery driven, it still needs to be polished with regards to setting standards."

This is related to the fact that managers are currently setting their own targets and weights for what they plan to achieve. R-1 raised concerns, saying that:

"...so you're determining your own targets which is not right, targets should be determined through external factors or external information or a work study or whatever you want to. It's like saying to a general assistant tell me how much grass you are going to cut and he says I'm going to do 50; but a work study would determine that the actual amount of work that that person should be doing is 1500 square meters which would be a general principle that applies throughout the whole organisation".

Here R-1 suggests that work studies in the form of research should be carried out to determine the standards that should guide the setting of targets and objectives for service delivery purposes.

This suggestion by R-1 relates to what is said by Pollard and Court (2005), cited in Sutcliffe and Court (2005:6), that evidence at the implementation and evaluation stage of the policy cycle can include analytic work, as well as systematic learning around technical skills, expert knowledge and practical experience. Action research and pilot projects are often important. The key is that the evidence is practically relevant across different contexts. The first goal here is to develop monitoring mechanisms. Pollard and Court (2005), cited in Sutcliffe and Court (2005:6), state that, according to Young and Quinn (2002), 'a comprehensive evaluation procedure is essential in determining the effectiveness of the implemented policy and in providing the basis for future decision-making'. In the processes of monitoring and evaluation, it is important to ensure not only

that the evidence is objective, thorough and relevant, but also that it is then communicated successfully into the continuing policy process.

Other respondents highlighted the need for further support by COGTA and SALGA in eventually spreading IPMS throughout the municipality. However, R-5 indicated that COGTA is only starting now to look at the issue of spreading IPMS (which includes signing of contracts and assessments) to the lower levels of employees. R-5's response to this question was:

“There are plans to cascade it down but the challenge at the moment is the legislative framework. We are discussing it with COGTA national for the development of a framework that will guide the development and implementation of the IPMS at the lower levels. Currently we are assisting those municipalities that need support with regards to that. But it's not just COGTA but SALGA because when you are cascading it down to lower levels, you need to involve bargaining councils and SALGA is involved with those.”(R-5).

5.3 Conclusion

Chapter Five presented an analysis of the findings from the semi-structured interviews. Using extensive and detailed quotes from respondents, the following four broad ideas have been discussed: conceptualisation of IPMS within uMngeni Municipality; structures, mechanisms and processes for implementing IPMS within uMngeni Municipality; the purposes and uses of IPMS within uMngeni Municipality; experiences of implementing IPMS within uMngeni Municipality.

The overall analysis drawn by the present study from the findings, in relation to the presented themes is that uMngeni Municipality has a performance management system in place with a performance management unit that is not yet fully fledged. It has been established that the senior managers at uMngeni Municipality do have an understanding of what performance management is and all that it entails.

A number of implementation-related challenges have been presented, which mostly related to reporting, as well as to ensuring that the evidence-based management (EBM) is followed. The respondents mentioned that the IPMS reporting process (RBM&E) is time-consuming. This relates to the fact that the performance management system emphasises that reporting should be evidence-based. Collecting evidence takes time. This means that IPMS is seen as a technical,

compliance-based exercise, only implemented to ensure compliance, rather than being a tool for improving performance management and service delivery. Whereas this should not be the case as the study conducted by Gobardan (2006) and presented in the literature review found that performance management, when implemented and managed correctly, is an effective management tool in the local government environment, as it helps managers to deal with change by concentrating on performance and service delivery. This means it should not only be limited to compliance as it is currently only focused on compliance related matters.

Another challenge presented as a concerning factor was the issue of capacity and skills to perform performance management-related duties. This was one of the criticisms highlighted about the NPM. This is not unique to uMngeni Municipality, but a concern that the system might not make provision for extensive capacity-building. This is worrying as it might result in a lack of understanding and/or misunderstanding of the IPMS. This means that the senior managers are expected to implement the IPMS without any training on how the system should be implemented.

However, even though a number of challenges were raised, the managers mentioned that there are benefits to implementing the IPMS. They stated that the results of implementing IPMS could improve service delivery and assist in improving government policies and programmes.

CHAPTER SIX

DISCUSSION AND CONCLUSION

Chapter Six gives a summary of the main findings and makes recommendations for further learning and improvement of the IPMS. The study explored the various conceptions, experiences and challenges of the implementers of the IPMS at municipal level, in order to answer the broader questions of the study:

- The various conceptions (knowledge and understanding) of IPMS by the people implementing it within local government
- The benefits of implementing IPMS within local government
- The structures, mechanisms and process used in the implementation of IPMS in local government
- The experiences of people involved in implementing IPMS within local government

The literature review in Chapter One explored past studies conducted by different authors in different areas and periods. Collectively, the reviewed studies indicated that there is still room for extensive research on the subject of performance management systems. The questions raised and gaps identified concerning the need to look into the individual performance management system, the culture required in the implementation of the system and whether or not the performance management system is part and parcel (mainstreamed), or yet another system within the environment and the measurement tools applied, influenced the need to conduct the present study. Guiding the research questions was the concern raised by the Department of COGTA 2 (2011) on the continuously negative audit reports on ineffective institutions and structures' poor performance or absence of systems, especially financial management. This led to a hypothesis that better understanding of the performance management system results in improved performance.

This study did not seek to explore service delivery achievements or failures, but to establish whether managers within local government have a clear understanding of IPMS as a concept and tool used to make them more efficient and effective at delivering services to the communities they

serve, as well as getting a sense of what the current experiences and/or challenges are and how these could be addressed.

Chapter Two gave insight into the basis for existence of performance management (for the purpose of this study, individual performance management) within the public sector, specifically local government. This chapter touched on what public policy is. Mainly focusing on policy implementation; then new public management (NPM), the theory is based on private sector-driven principles. It is within NPM that performance management is derived. Performance measurement, monitoring and evaluation, results-based monitoring, evaluation and evidence-based management are tools for implementing the performance management system. The conclusion this discussion reached was that such systems are market-oriented and thus better suited for the private sector, as there is a likelihood that this kind of system could work against the values and capabilities of the public sector. However, implementation of such systems could increase productivity, level of service delivery and accountability within the public sector. It all depends on having a clear and well-conceptualised system for managing performance.

Brinkerhoff and Crosby (2002:86) stated that, in policy implementation, there must be specification of objectives and the degree of convergence; mechanisms for combining effort and managing co-operation; determination of appropriate roles and responsibilities; capacity to fulfil these roles and responsibilities, which is essential for effective policy implementation. This is clearly demonstrated in Chapter Three and Chapter Four. Chapter Three explored government legislation, acts, regulations and guidelines on local government performance management. Stated in Chapter Two is that to achieve success in policy implementation it is important to design effective policies, along with effective implementation systems. The implementation structures or agencies need to be designed appropriately for the specific tasks they have to fulfil (Hill and Hupe, 2002:174). This explains the existence of the government-wide monitoring and evaluation system, presented as the performance management system (OPMS and IPMS) in local government, detailed in Chapter Three. Miller (2005: 91) stated that the aim of the performance management system is to provide an objective measure with which management performance can be assessed and the assessment can be used for career development, increasing accountability and transparency of senior management roles and responsibility and whether or not they are performing their duties efficiently and effectively.

Chapter Three demonstrated that there are clear guidelines and laws developed by government for implementing the performance management system (both organisational and individual performance management systems). The link between an organisational performance management system (OPMS) and individual performance management system is highlighted, indicating that OPMS informs IPMS, being a tool to monitor performance of the senior managers in implementing OPMS. The section on individual performance management indicated that the individual performance management system used in local government (as regulated) is an accountability tool for the performance of senior managers within municipalities. The discussion indicates a link in the three spheres of government, in terms mainly of performance information collected through performance evaluations and reports, to inform the GWM&E system. The question that remains is whether such individual performance prescripts reinforced compliance or service delivery or both.

Chapter Four presented a case study of uMngeni Municipality, a local municipality located in the Midlands of KwaZulu-Natal. The chapter demonstrated how government legal prescripts are put into practice through a performance management framework, which is, as Brinkerhoff and Crosby (2002:86) indicate, one of the policy implementation requirements. The chapter indicated that organisational performance management system is an integral part of the individual performance management system as it informs the performance agreements and performance plans of the senior managers. This, in turn informs the performance evaluation assessments conducted to assess performance of the individual managers. The performance management framework of uMngeni municipality demonstrates that the performance management system is in place so as to facilitate accountability, learning and improvement. It is not clear, however, if the system takes into account the context of the municipal area and the availability of resources and support to perform appropriately.

Chapter Five revealed that the employees implementing IPMS within the municipalities are aware of performance management and understand the reasoning/meaning behind the need to implement IPMS. Their responses described IPMS as a tool to measure the performance of the organisation (municipality), as well as that of the individuals within the municipality, in carrying out the service delivery duties mandated by the South African Constitution. The objectives of the system are clearly stated and communicated through the performance management framework of the

municipality. Clearly, the benefit derived from having the IPMS in place is that the managers are able to monitor their performance against the objectives of the municipality's integrated development plan.

As part of this study's findings, responses to the question on structures, mechanisms and processes indicated that the respondents are aware of IPMS and are currently implementing it as per the legal prescripts and framework presented in Chapter Three.

As stated by Brinkerhoff and Crosby (2002:86), capacity to fulfil roles and responsibilities is important in the implementation process. However, in one of the critiques of NPM, Chipkin and Meny-Gilbert (2012:109-110) cautioned that NPM does not question the issue of skills and competencies required for the managers to lead and direct change. This leaves one with the question of whether or not managers are adequately equipped with skills to lead and implement a results-driven administration where performance is prioritised. This emerged through the concerns and recommendations raised by the respondents, as they stated that implementation of the IPMS is time-consuming and needs to have pre-set standards. On this they recommended that there be on-going training and support to enhance implementation of the system. Another recommendation was that there be a fully-fledged performance management unit, which will include the use of an automated performance management system in order to minimise the amount of time that goes into reporting.

The respondents further recommended that municipalities must conduct work studies on best practice, research and standardisation of the system. The theory on EBM states that implementation can include analytic work as well as systematic learning around technical skills, expert knowledge and practical experience. Action research and pilot projects are often important (Pollard and Court 2005, cited in Sutcliffe and Court, 2005:6). In making the performance management unit a fully-fledged unit, the municipality would have sufficient capacity to include research and learning.

This study thus concluded that it is not enough to understand what IPMS is, and why it is implemented, but there is also a need to enhance performance management through improved systems that provide for learning and development (training, research and automated performance management systems). It is clear that there is insufficient capacity enhancement concerning the

implementation of the system within municipalities. The respondents recommended that there be on-going training in performance management and IPMS. Capacity enhancement has the potential to further improve monitoring of service delivery and, in turn, improve service delivery.

The contribution that this study has made to the body of knowledge on performance management, is that the senior managers in local government currently see IPMS as a reporting tool only implemented to comply, rather than to improve service delivery.

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Appendix 1:

**Interview Guides for uMngeni Municipality and Department of Co-operative
Governance and Traditional Affairs**

uMngeni Municipality Questionnaire

Respondent no. _____

The purpose of the present study is to explore and describe the conceptions, experiences and challenges of the Individual Performance Management Implementation within uMngeni municipality

The present study is purely for academic purposes.
Your participation is highly appreciated.

Please fill in and tick where appropriate.

1. In your own understanding, what is the purpose of having an Individual Performance Management System (hereon IPMS) within uMngeni Municipality? (*Please elaborate*)
2. How is this process implemented within the municipality? (please describe the tools used and the key role-players in the implementation)
3. Is there a link between IPMS and the Integrated Development Plan of the Municipality?
YES/NO (*please tick one*)
Please elaborate your response:
4. What is the motivation of the implementation IPMS within uMngeni Municipality?
5. Is there a clear understanding and appreciation of the value of individual performance management processed by all stakeholders (in particular the top management, employees and the community), *please explain*
6. Do you believe that the managers implementing IPMS were adequately trained to take on such a responsibility? Yes/NO... if yes, please describe the kind of training received and whether it is still relevant.

7. Please describe the institutional arrangements which are required to successfully implement the IPMS? (ie support structures/ arrangements).
- 7.1. Are these already available at uMngeni Municipality? Yes/ No.... if so, please describe their role and achievements?
8. Please describe the kind of support (if any) that is there to ensure proper implementation of IPMS within uMngeni Municipality (could be internally or externally).
9. What follows on after the assessments have been conducted as per IPMS?
10. What are the outcomes of the implementation of IPMS used for within the Municipality?
11. Do you see yourself as having a role to play in ensuring proper implementation of IPMS? Yes/ NO....if yes, please describe that role and how you will or have been doing it.
12. What challenges have you or (and) the Municipality encountered due to the IPMS process (could be related to your understanding of IPMS)?
13. Is there a link between organisational and individual performance management? Yes/NO
please elaborate
14. Do you believe that the implementation of IPMS is compliance driven or service delivery driven of both? *Please explain*
15. In your own opinion, what are the pitfalls of uMngeni Municipality's IPMS and what do you think can be done to improve the situation if need be?

**Department of Co-operative Governance and Traditional Affairs
Questionnaire**

Respondent no._____

The purpose of the present study is to explore and describe the conceptions, experiences and challenges of the Individual Performance Management Implementation within uMngeni municipality

The present study is purely for academic purposes.
Your participation is highly appreciated.

Please fill in and tick where appropriate.

1. What is Individual Performance management System (IPMS) and why is it implemented within Municipalities?
2. Who are the key role-players in the implementation of IPMS within municipalities and what are their roles and responsibilities?
3. What tools, instruments and structures are essential when implementing IPMS?
4. What role does COGTA play in the implementation of IPMS within Municipalities?
5. What are the common challenges encountered in the implementation of IPMS within Municipalities?
6. What are the key driving factors behind the implementation of IPMS in Municipalities?
7. How can Municipalities best improve their implementation of IPMS, if and when need be?

Appendix 2:
The Organogram of uMngeni Municipality

Appendix 3:

The Performance Management System- Documenting and Reporting Tools

ORGANISATIONAL SCORECARD

IDP Ref No.	Strategic Objective	Measurable Output	Key Performance Indicator	Demand	Baseline	Backlog	Targets	Responsible Department	Budget
							Q1		
Key Performance Area: Basic Service Delivery									
Key Performance Area: Economic Development Services									
Key Performance Area: Social Development Services									
Key Performance Area: Financial Viability and Financial Management									
Key Performance Area: Good Governance and Public Participation									
Key Performance Area: Municipal Transformation and Institutional Development									

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**THE UMNGENIMUNICIPALITY AS REPRESENTED BY
THE EMPLOYER**

NAME OF THE EMPLOYER

AND

**NAME OF THE MANAGER
(THE EMPLOYEE)**

**FOR THE
FINANCIAL YEAR: 1 JULY (YEAR) - 30 JUNE (YEAR)**

PERFORMANCE AGREEMENT

ENTERED INTO AND BETWEEN:

The uMngeni Municipality herein represent by _____(full name) in his / her capacity as _____ hereinafter referred to as the Employer)

and

_____(full name) Employee of the Municipality of _____
(hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. Introduction

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Acts 32 of 2000 (“the System Act”). The Employer and the Employee are hereinafter referred to as “the Parties”.
- 1.2 Section 57(1) (b) of the Systems Act, read with the Contract of Employment concluded between the parties to conclude an annual performance Agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. Purpose Of This Agreement

The Purpose of this Agreement is to-

2.1 Comply with the provisions of Section 57(1)(b),4(A),(4B) and (5)of the Systems Acts as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities

2.3 Specify accountabilities as set out in the Performance Plan (Annexure A);

2.4 Monitor and measure performance against set targeted outputs;

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for permanent employment and /or to assess whether the Employee has met the performance expectations applicable to his/her job;

2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. Commencement And Duration

3.1 This Agreement will commence on the _____(date) and will remain in force until _____(date) whereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.

- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Employee's Contract of Employment should no new Agreement be concluded for whatever reason, notwithstanding 3.1, the provisions of the Agreement shall continue in force until termination of the Employment Contract.
- 3.4 The content of this Agreement may be revised at anytime during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.
4. Performance Objectives
- 4.1 The Performance Plan (Annexure A) sets out-
- 4.1.1 The performance objectives and targets that must be met the Employee; and
- 4.1.2 The time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weighting

4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in Terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. Performance Management System

5.1 The Employee agrees to participate in the Performance Management System that the Employer adopts or introduces for the Employer, management, and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Employer, management, and municipal staff to perform to the standards required.

5.3 The Employer will consult the Employee about the specific performance standard that will be included in the Performance Management System as applicable to the Employee.

6. The Employee agrees to participate in the Performance Management and Development System that the Employer adopts.

- 6.1 The Employee undertakes to actively focus towards the promotion and implementation of KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.
- 6.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
- 6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Managerial Competencies (CMC's) respectively.
- 6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 6.2.3 KPA's covering the main areas of work will account for 80% and CMC's will account 20% of the final assessment.
- 6.3 The Employee's assessment will be based on his/her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

KEY PERFORMANCE AREAS (KPA'S)	WEIGHTING
Basic Service Delivery	
Municipal Institute Development and Transformation	

Local Economic Development (LED)	
Municipal Financial Viability and Management	
Good Governance and Public Participation	
Community & Social Development Services	
Total	100%

6.4 The CMCs will make the other 20% of the Employee's assessment score. CMC's that are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed to between the Employer and Employee:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
CORE MANAGEMENT CRITERIA (CMC)	√	WEIGHT %
1. Strategic Capability & Leadership		
2. Programme & Project Management		
3. Financial Management (Compulsory)		
4. Change Management		
5. Knowledge Management		
6. Service Delivery Innovation		
7. Problem Solving & Analysis		
8. People Management & Empowerment (Compulsory)		
9. Client Orientation & Customer Focus (Compulsory)		
10. Communication		
11. Honesty & Integrity		
TOTAL		100%

CORE OCCUPATIONAL COMPETENCY (COC)	√	WEIGHT (%)
1. Competence in Self Management		
2. Interpretation and implementation of legislation and national policy framework		
3. Knowledge of developmental local government		
4. Knowledge of Performance Management & Reporting		
5. Knowledge of global & South African specific political, social and economic contexts		
6. Competency on policy conceptualisation, analysis and implementation		
7. Knowledge of more than one functional municipal fields/discipline		
8. Skills in mediation		
9. Skills in governance		
10. Competence as required by other national line sector departments		
11. Exceptional and dynamic creativity to improve the functioning of the municipality		
TOTAL		100%

7. Evaluating Performance

7.1 The Performance Plan (Annexure A) to this Agreement sets out-

- 7.1.1 The standards and procedures for evaluating Employee's performance; and
 - 7.1.2 The intervals for the evaluation of the Employee's performance.
- 7.2 Despite the establishment of intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.
- 7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.
- 7.5 The annual performance appraisal will involve:
- 7.5.1 Assessment of the achievement of results as outlined in the performance plan:
 - (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
 - (b) An indicative rating on the five-point scale should be provided for each KPA.
 - (c) The applicable assessment rating calculator (refer to Paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.
 - 7.5.2 Assessment of the CMC's

- (a) Each CMC should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CMC.
- (c) The applicable assessment rating calculator (refer to Paragraph 6.5.1) must then be used to add the scores and calculate a final CMC score.

7.5.3 Overall Rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcomes of the performance appraisal.

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's, CMC's and COC's:

LEVEL	TERMINOLOGY	DESCRIPTION	RATING
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicate that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.	
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.	
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.	

LEVEL	TERMINOLOGY	DESCRIPTION	RATING
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.	
1	Unacceptable Performance	Performance does not meet the standard expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan .The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

7.7 For purpose of evaluating the performance of the Municipal Manager (Section 57), an evaluation panel constituted by the following persons will be established-

- 7.7.1 Mayor;
- 7.7.2 Chairperson of the Audit Committee;
- 7.7.3 Member of the Executive Committee; and
- 7.7.4 Mayor from another Municipality.

7.8 For purpose of evaluating the performance of the Executive Managers (Heads of Department – Section 56 employees), an evaluation panel constituted by the following persons will be established-

- 7.8.1 Municipal Manager;
- 7.8.2 Member of the Audit Committee;

7.8.3 Member of the Executive Committee; and

7.8.4 Municipal Manager from another Municipality.

8. Schedule For Performance Reviews

8.1 The performance of each Employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter : July – September (year)

Second quarter : October – December (year)

Third quarter : January – March(year)

Fourth quarter : April – June(year)

8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure 'A' from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of Annexure A whenever the Performance Management System is adopted, implemented, and /or amended as the case may be. In that case the Employee will be fully consulted before any such change is made.

9. Developmental Requirements

The Personal Development Plan (PDP) for addressing development gaps is attached as Annexure A.

10. Obligations Of The Employer

10.1 The Employer shall:

- 10.1.1 Create an enabling environment to facilitate effective performance by the Employee;
- 10.1.2 Provide access to skills development and capacity building opportunities;
- 10.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 10.1.4 On the request of the Employee delegates such powers reasonably required by the Employee to enable him/ her to meet the performance objectives and targets established in term of this Agreement; and
- 10.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement.

11. Consultation

11.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others-

11.1.1 A direct effect on the performance of any of the Employee's functions;

11.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and

11.1.4 A substantial financial effect on the Employer.

11.2 The employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

12. Management Of Evaluation Outcomes

12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

12.2 A performance bonus of 5% to 14% of inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.

12.3 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve (12) months service on the current remuneration package by 30 June (end of financial year) subject to a fully effective assessment.

12.4 In the case of unacceptable performance, the Employer shall-

12.4.1 Provide systematic remedial of development support to assist the Employee to improve his or her performance; and

12.4.2 After appropriate performance and counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. Dispute Resolution

13.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

13.1.1 The MEC for Local Government and the Province within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2 Any other person appointed by the MEC.

13.1.3 In the event that the mediation process contemplated above fails, clause 15 of the Contract of Employment shall apply.

14. General

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer.

14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.

Thus done and signed at on this the day of (Month) (Year)

AS WITNESSES:

1. _____

EMPLOYEE

2. _____

AS WITNESSES:

1. _____

EMPLOYER

2. _____

Annual Performance Plan, Personal Development Plan & Review For Managers

The following annual management review on **Key Performance Areas (KPA)**, **Core Management Criteria(CMC)** and **Core Occupational Competencies (COC)** agreed to in each manager performance agreement has to be completed.

The annual performance appraisal involves the assessment of the achievement of results of the KRA's, CMC's and COC's in accordance with the five-point scale of (1-5).

RATING	DEFINITION OF SCORE
5	Outstanding performance
4	Performance significantly above expectation
3	Fully effective
2	Performance not fully satisfactory
1	Unacceptable performance

DETAILS OF THE MANAGER

Period Under Review	
Surname	
Name	
Municipality	
Department	
Race	
Gender	
Employee Number	
Date Of Appointment	
Salary Package	

Managers Performance Plan for the Year Under Review

KPA 1: Basic Service Delivery

Weight: _____

STRATEGIC OBJECTIVES	MEASURABLE OBJECTIVE/ OUTPUT <i>(Activity)</i>	PERFORMANCE MEASURES / INDICATOR	Year under Review								COMMENTS	OWN RATING (1-5)	RATING BY PANEL MEMBER (1-5)
			Q1		Q2		Q3		Q4				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
<i>Copy from Measurable Objective/Output</i>	<i>Identify Projects and Activities</i>		<i>Copy Targets from Organisational Scorecard and Insert Actuals</i>								<i>Challenges, Successes, Planned Measures for Improvement</i>	<i>Self Assessment (Ref Pg.1 for 1-5)</i>	<i>(Ref Pg.1 for 1-5)</i>

KPA 2: Municipal Transformation and Institutional Development

Weight: _____

STRATEGIC OBJECTIVES	MEASURABLE OBJECTIVE/ OUTPUT <i>(Activity)</i>	PERFORMANCE MEASURES / INDICATOR	Year under Review								COMMENTS	OWN RATING (1-5)	RATING BY PANEL MEMBER (1-5)
			Q1		Q2		Q3		Q4				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
<i>Copy from Measurable Objective/Output</i>	<i>Identify Projects and Activities</i>		<i>Copy Targets from Organisational Scorecard and Insert Actuals</i>								<i>Challenges, Successes, Planned Measures for Improvement</i>	<i>Self Assessment (Ref Pg.1 for 1-5)</i>	<i>(Ref Pg.1 for 1-5)</i>

KPA 3: Local Economic Development

Weight: _____

STRATEGIC OBJECTIVES	MEASURABLE OBJECTIVE/ OUTPUT <i>(Activity)</i>	PERFORMANCE MEASURES / INDICATOR	Year under Review								COMMENTS	OWN RATING (1-5)	RATING BY PANEL MEMBER (1-5)
			Q1		Q2		Q3		Q4				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
<i>Copy from Measurable Objective/Output</i>	<i>Identify Projects and Activities</i>		<i>Copy Targets from Organisational Scorecard and Insert Actuals</i>								<i>Challenges, Successes, Planned Measures for Improvement</i>	<i>Self Assessment (Ref Pg.1 for 1-5)</i>	<i>(Ref Pg.1 for 1-5)</i>

KPA 4: Municipal Financial Viability And Management

Weight: _____

STRATEGIC OBJECTIVES	MEASURABLE OBJECTIVE/ OUTPUT <i>(Activity)</i>	PERFORMANCE MEASURES / INDICATOR	Year under Review								COMMENTS	OWN RATING (1-5)	RATING BY PANEL MEMBER (1-5)
			Q1		Q2		Q3		Q4				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
<i>Copy from Measurable Objective/Output</i>	<i>Identify Projects and Activities</i>		<i>Copy Targets from Organisational Scorecard and Insert Actuals</i>								<i>Challenges, Successes, Planned Measures for Improvement</i>	<i>Self Assessment (Ref Pg.1 for 1-5)</i>	<i>(Ref Pg.1 for 1-5)</i>

KPA 5: Good Governance And Public Participation

Weight: _____

STRATEGIC OBJECTIVES	MEASURABLE OBJECTIVE/ OUTPUT <i>(Activity)</i>	PERFORMANCE MEASURES / INDICATOR	Year under Review								COMMENTS	OWN RATING (1-5)	RATING BY PANEL MEMBER (1-5)
			Q1		Q2		Q3		Q4				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
<i>Copy from Measurable Objective/Output</i>	<i>Identify Projects and Activities</i>		<i>Copy Targets from Organisational Scorecard and Insert Actuals</i>								<i>Challenges, Successes, Planned Measures for Improvement</i>	<i>Self Assessment (Ref Pg.1 for 1-5)</i>	<i>(Ref Pg.1 for 1-5)</i>

KPA 6: Community and Social Development Services

Weight: _____

STRATEGIC OBJECTIVES	MEASURABLE OBJECTIVE/ OUTPUT <i>(Activity)</i>	PERFORMANCE MEASURES / INDICATOR	Year under Review								COMMENTS	OWN RATING (1-5)	RATING BY PANEL MEMBER (1-5)
			Q1		Q2		Q3		Q4				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
<i>Copy from Measurable Objective/Output</i>	<i>Identify Projects and Activities</i>		<i>Copy Targets from Organisational Scorecard and Insert Actuals</i>								<i>Challenges, Successes, Planned Measures for Improvement</i>	<i>Self Assessment (Ref Pg.1 for 1-5)</i>	<i>(Ref Pg.1 for 1-5)</i>

COMMENTS TO THE EVALUATION PANEL

The Municipal Manager must alert the evaluation panel to specific areas of the Section 57 Manager’s performance in terms of the performance agreement, which in the Municipal Manager’s opinion illustrate **performance not fully satisfactory or performance significantly above expectations and outstanding.**

A brief explanation must be provided by the Municipal Manager for his/her assessment of each identified area.

MANAGER’S SIGNATURE

DATE:

REPORTING OFFICER’S SIGNATURE

DATE:

EVALUATION ON THE CORE MANAGEMENT CRITERIA (CMC)

CMC's are based on the eleven core competencies - every Manager should be assessed against all those CMC's that are applicable to her/his job. Compulsory CMC's for Managers are highlighted below: *(NOTE: Weight should be taken from the signed performance agreement for the year under review)*

CORE MANAGEMENT CRITERIA (CMC)	WEIGHT %	MILESTONES/COMMENTS	OWN RATING (BY MANAGER) (1-5)	RATING BY PANEL MEMBER (1-5)
1. Strategic Capability & Leadership				
2. Programme & Project Management				
3. Financial Management (Compulsory)				
4. Change Management				
5. Knowledge Management				
6. Service Delivery Innovation				
7. Problem Solving & Analysis				
8. People Management & Empowerment (Compulsory)				
9. Client Orientation & Customer Focus (Compulsory)				
10. Communication				

11. Honesty & Integrity				
TOTAL	100%			

Evaluation On The Core Occupational Competency (COC)

COC's are based on the eleven core competencies - every Manager should be assessed against all those COC's that are applicable to her/his job.

(NOTE: Weight should be taken from the signed performance agreement for the year under review)

CORE OCCUPATIONAL COMPETENCY	WEIGHT	MILESTONES/COMMENT	OWN RATING	RATING BY PANEL MEMBER
	%	TS	(BY MANAGER) (1-5)	(1-5)
1. Financial Management				
2. People Management & Empowerment				
3. Client Orientation & Customer Focus				
TOTAL	20%			

Personal Development Plan

PERFORMANCE ASSESSMENT RATING

The assessment rating calculator will be used to add the scores and calculate a final KRA score (80%) and a final CMC & COC's score (20%)

The tables below should be completed by the summarized total of each panel member (*NOTE: Weight should be taken from the signed performance agreement for the year under review*)

KPA	Weight	Rating	Score
1. Basic Service Delivery	%		
2. Municipal Institutional development and transformation	%		
3. Local economic development	%		
4. Municipal financial viability and management	%		
5. Good Governance and Public Participation	%		
12. Community & Social Development Services	%		
Total	%		
x 80%			%

Core Management Competencies	Weight	Rating	Score
1. Financial Management	%		
2. People Management & Empowerment	%		
3. Client Orientation & Customer Focus	%		

Total	%		
x 20%			

KPA	(A) SUB-TOTAL	(B) % OF ASSESSMENT	(AXB) TOTAL SCORE
KRA(KeyResultArea)		80%	
CC(ConductCriteria)		20%	
(C)FINALSCORE			
FINALSCOREINPERCENTAGE(C/5 X100)			%

SIGNATURES OF MEMBERS OF THE EVALUATION PANEL

Chairperson : _____

Member : _____

Member : _____

Member : _____

Member : _____

Signed in : _____ on ____ of _____ 20____

FEEDBACK FROM REPORTING OFFICER:

.....

.....

**SERVICE DELIVERY AND
BUDGET IMPLEMENTATION PLAN**

UMNGENI MUNICIPALITY

**FOR THE FINANCIAL YEAR
1 JULY (YEAR) TO 30 JUNE (YEAR)**

2012 / 2013 Service Delivery and Budget Implementation

Plans (SDBIPs)

Introduction by the Municipal Manager

Vision, Mission & Core Values

(To be copied from the IDP)

The SDBIP Process

(Outline the process followed for the top layer (published) SDBIP)

Strategic Outcomes

(To be copied from the IDP)

KPA	<i>Strategic Outcomes (IDP)</i>
1. Basic Service Delivery	
2. Municipal Institutional Development & Transformation	
3. Local Economic Development (LED)	
4. Municipal Financial Viability & Management	
5. Good Governance & Public Participation	
6. Community & Social Development Services	

Monthly Projections of Revenue to be Collected by Source

YEAR: _____

Revenue by Source	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
	R	R	R	R	R	R	R	R	R	R	R	R	R
Consumer Debtors													
Property Rates													
Penalties Imposed & Collection Charges on Rates													
Electricity													
Water													
Sanitation													
Refuse Removal													
MIG Funding													
Donor Funding													
Conditional Grants													
Interest & Investment Income													

Rent of facilities & equipment													
Interest Earned on Outstanding Debtors													
Fines													
Licenses & Permits													
Disposals of Property, Plant & Equipment													
Other													
Total Revenue by Source (Balanced to Cash-flow)													

Quarterly Projections of Service Delivery Targets and Performance Indicators

Department:

National Key Performance Indicator (KPA):

Link to Output of Outcome 9	IDP Ref No.	Strategic Objective	Measurable Objective	Performance Measure (KPI)	Annual Target	Q1 ending 30 Sep	Q2 ending 31 Dec	Q3 ending 31 Mar	Q4 ending 30 Jun
Division / Programme:					Budget: R				
Division / Programme:					Budget: R				

Each Department must complete this table.

Monthly Projections of Operating and Capital Expenditure and Revenue

YEAR: _____

Expenditure & Revenue by Vote	Jul			Aug			Sept			Oct			Nov			Dec		
	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Office of the Municipal Manager																		
Executive and Council																		
Budget & Treasury (Finance)																		
Corporate Services																		
Community & Social Services																		
Technical Services (Infrastructure)																		
LED																		
TOTAL																		

Expenditure & Revenue by Vote	Jan			Feb			Mar			Apr			May			Jun		
	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev	Opex	Capex	Rev
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Office of the Municipal Manager																		
Executive and Council																		
Budget & Treasury (Finance)																		
Corporate Services																		
Community & Social Services																		
Technical Services (Infrastructure)																		
LED																		
TOTAL																		

Three-Year Detailed Capital Works Plan

THREE YEAR CAPITAL WORKS PLAN				
LOCAL MUNICIPALITY	NAME OF PROJECT	TOTAL YEAR 1	TOTAL YEAR 2	TOTAL YEAR 3
TOTAL				

Department of
Performance Report for the month of 2012

Finances				
Total budget		Budget segments	Spent	%
Capital				
Operational				
Salaries				

Human Resources		
No. of posts in Department		Most critical vacancies 1. 2. 3.
No. of vacant posts		
No. of exits this month		
No. of appointments this month		

Supply Chain	
No. of procurements	
Average turnaround time from requisition to acquisition in days	
No. of outstanding orders	
Challenges	

MONTHLY PERFORMANCE REPORT

1.
2.

Service Delivery Report		
Departmental Vision		
Strategic Objectives	Measurable Outputs	Current Status

QUARTERLY PERFORMANCE REPORT

ID P Re f N o.	Strateg ic Objecti ve	Measura ble Objectiv e	Performa nce Measure (KPI)	Annu al Targ et	Q1 ending 30 Sep		Q2 ending 31 Dec		Q3 ending 31 Mar		Q4 ending 30 Jun	
					Targ et	Actu al	Targ et	Actu al	Targ et	Actu al	Targ et	Actu al
Division / Programme:				Budget: R				Expenditure to date:				
Division / Programme:				Budget: R				Expenditure to date:				

HALF-YEARLY PERFORMANCE REPORT

ID P Ref No.	Strategic Objectiv e	Measurabl e Objective	Performanc e Measure (KPI)	Previous Year		Year Under Review		Planned improvement measures
				Q1 Targe t	Q2 Targe t	Q1 Targe t	Q2 Targe t	
Key Performance Area: Basic Service Delivery and Infrastructure								
Key Performance Area: Institutional Development and Transformation								
Key Performance Area: Economic Development Services								
Key Performance Area: Social Development Services								
Key Performance Area: Financial Viability and Management								
Key Performance Area: Good Governance and Public Participation								

ANNUAL PERFORMANCE REPORT

ID P Re f No .	Strateg ic Objecti ve	Measura ble Output	Performa nce Measure (KPI)	Targ et for 2011 / 2012	Performa nce against Target	Explanati on of Variance	Planned Improvem ent Interventi ons	Targ et for 2010 / 2011	Targ et for 2012 / 2013