Integrated Performance Management System implementation to improve service delivery and performance for the AbaQulusi Municipality

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March 2012

UNIVERSITY OF KWAZULU-NATAL

INTEGRATED PERFORMANCE MANAGEMENT SYSTEM IMPLEMENTATION TO IMPROVE SERVICE DELIVERY AND PERFORMANCE FOR THE ABAQULUSI MUNICIPALITY

By

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A dissertation submitted in partial fulfilment of the requirements for the degree of

Master of Business Administration

Graduate School of Business and Leadership

College of Law and Management Studies

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30 March 2012

DECLARATION

I, **Siyabonga Alton Radebe** declare that

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Chapter One

Overview of Study

1.   Introduction

Since the democratic local government elections in 2000, wall-to-wall municipalities were formed in terms of the Local Government: Municipal Structures Act, No. 117 of 1998 (Structures Act). Section 12 of the Structures Act reads as follows:

> *"(1)   The MEC for local government in a province, by notice in the Provincial Gazette, must establish a municipality in each municipal area which the Demarcation Board demarcates in the province in terms of the Demarcation Act.*
>
> *(2)   The establishment of a municipality -*
>
> *(a)   Must be consistent with the provisions of this Act; and*
>
> *(b)   Takes effect at the commencement of the first election of the council of that municipality.*
>
> *(3)   The notice establishing the municipality must set out –*
>
> *(a)   The category of municipality that is established;*
>
> *(b)   The type of municipality that is established;*
>
> *(c)   The boundaries of the municipal area;*
>
> *(d)   The name of the municipality;*
>
> *(dA)   in the case of a metropolitan or local municipality, the number of wards in the municipality;*
>
> *(e)   The number of councillors as determined in terms of section 20;*

(eA)   in the case of a district municipality, the number of councillors, determined in terms of section 23, to –

(i)   Proportionally represent parties;

(ii)   Be appointed by each of the local councils within the district municipality to directly represent each local municipality; and

(f) Which councillors of the municipality (if any) may be designated as full-time in terms of section 18(4").

The election of 5 December 2000 was the formal beginning of the new local government dispensation. Local government was established as the primary site for service delivery and development in the country. Five years later, there are concerns about local government's ability to execute its mandate. For the new councils, the next five years will be critical in meeting these challenges and making local government work effectively in fulfilling its mandate of providing services and development (Local Government Bulletin, 2006: 1).

1.1   Background

AbaQulusi municipality was formed in terms of the Section 12 notice of the Structures Act of 1998. In terms of the Municipal Structures Act of 1998, the AbaQulusi is a Category "B" Municipality. AbaQulusi municipality is located in the western boundary of Zululand District Municipality found in the northern part of KwaZulu-Natal Province. The AbaQulusi municipality includes the former Vryheid TLC, Louwsburg TLC and other parts of the AbaQulusi and USuthu Sub-region. It is approximately 4185km2 in extent and has a population of about 250 000 people. It constitutes about 30% of the Zululand District Municipality, and is one of the five local municipalities that make up the Zululand District. The other local municipalities are eDumbe, oPhongolo, Nongoma and Ulundi (IDP Review, 2008/2009: 2-3).

The AbaQulusi Municipal area includes the following main nodal points; Vryheid with its central business district and surrounding residential area together with its former black township Bhekuzulu; Louwsburg, an independent settlement area some 67 km north-east of Vryheid and at the entrance to the Ithala Game Reserve; Hlobane and Coronation, which have become

ghost towns due to decline of the coal mining and other similar settlements 25 km to the east of Vryheid; eMondlo and the surrounding Tribal Area of Hlahlindlela south-west of Vryheid; Khambi Tribal Area and surrounding settlements in the south-eastern part of the Municipal area; Glückstadt and surrounding settlements in the southern part of the Municipal area; Boschhoek and surrounding settlements in the central part of the Municipal area; and a number of rural settlement areas around Brakfontein between eMondlo and Vryheid in the western part of the Municipal area (IDP Review, 2008/2009: 2-3).

AbaQulusi municipality has 39 councillors of which 20 of them are ward councillors and 19 are representing political parties proportionally. The municipality has full-time Executive Committee members of seven councillors including the Speaker of the Municipal Council and has approximately 427 staff members (IDP Review, 2008/2009: 2-3).

1.1.1   Challenges facing the AbaQulusi Area

According to the IDP Review (2008/2009: 3-5), the Abaqulusi IDP through a consultative process identified various challenges that need to be addressed in order to meet the needs of the voters and achieve sustainable development and the vision for the future development of the Abaqulusi area. These challenges were identified as follows:

Apartheid spatial planning footprints: The challenge of the IDP is two separate developments which were caused by historical planning or apartheid planning. This requires AbaQulusi to plan and provide time-balance for the provision of basic infrastructure services to rural areas and to maintain and upgrade existing services in urban areas with due regard to limited financial resources. This need to be part of a holistic approach to achieve social upliftment and a better quality of life for all the citizens of Abaqulusi. Specific projects need to integrate social, infrastructural and economic development.

Declining economic sectors: The AbaQulusi area is facing the challenge of economic development after the close down of mining sector, which was a major boost for the regional economy. This challenge has resulted in many ghost towns and hostels in the area, which also requires infrastructure development and maintenance today. As a result, the municipality is

required to pull all various resources which, to date have not yet been fully developed. The IDP challenge is to draw on those resources and through creative and visionary means implement measures that will result in the economic regeneration and upliftment of the population. Hence, the AbaQulusi Local Municipality need to create an enabling environment that will stimulate investment interest.

Lack of skills and high rate of functional illiteracy: In terms of the sectoral departments and municipal own competencies there is a need to address skills training, adult education and increased access to job opportunities. This in turn means implementing the necessary educational programmes as well as encouraging local economic activity. From a sectoral point of view the extension of the primary sector and the development of a secondary sector in conjunction with this need to be emphasised. Existing opportunities presented through the development of the Zululand Corridor should be embraced. Finally, the role of tourism and its growing contribution to the local economy should be explored and developed.

Settlement pattern: Spatially the IDP must respond to the need for the development of hierarchy of settlements/ nodes, which will rationalise the regional distribution of investment in basic infrastructure and community services. The development of Rural Service Centres may go a long way in achieving a more equitable development and investment pattern and spatial integration. There is a need to formalise the rural settlements surrounding the urban areas through the implementation of Framework Plans or precinct plans and for consistency in policies, land use management and by-laws.

Poor access to social facilities: Urban areas within the Abaqulusi Local Municipality are reasonably well developed with social facilities and services. However, the standards do need to be maintained and such facilities need to be expanded to reach the urban population due to high rate of urbanization and migration. The real challenge lies in creating similar standards of provision of facilities in the rural areas in order to achieve social upliftment and a general improvement of socio-economic conditions. Addressing this need becomes even more critical, however the creation of regional sport centres may go a long way to achieve the desired outcome if one considers the dimensions that social facilities need to be accessible and should be provided at convenient locations.

Service backlog: One of the main elements of socio-economic wellbeing is the access to basic services. The status of the physical and economic development level of a community such as that of Abaqulusi is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electricity, water and sanitation. These are found to be a huge challenge for AbaQulusi municipality whereas the Vryheid town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the Abaqulusi Local Municipality is challenged with the maintenance and development of basic roads and storm water infrastructure to serve the local community, particularly in eMondlo and rural areas. This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of Abaqulusi and deserves some attention in the planning efforts of the municipality.

Land Claims: About 80% of the land within AbaQulusi municipality belongs to the White group. The national government has a target of 30% of the land that must be transferred to Black communities by 2014. This makes AbaQulusi area to be considered under huge land claims by the Department of Land Affairs (DLA). This pauses huge challenges to the AbaQulusi municipality due to lack of internal capacity, skills and adequate financial resources to deal with new infrastructure in the areas under land redistribution by the Department of Land Affairs.

HIV and AIDS: The number of individuals infected with HIV/AIDS continues to be major challenge for all spheres of government, and an attempt to stabilize the pandemic, is reflected in terms of budget allocations and programmes for implementation by the Department of Health (DoH). The survey done at District level by the DoH in 2005 for pregnant women reflected 37.8% of HIV/Aids infected persons in the Zululand District Municipality. The figures are very sensitive considering that Abaqulusi has a highest population in the whole district. The AbaQulusi municipality has participated in the development of a District HIV/AIDS Sector plan, and has developed HIV/AIDS Strategies through the establishment of an HIV/AIDS Council chaired by the District Mayor.

1.2 Motivation for the study

All recent surveys strengthen the deep concern about municipalities' ability to deliver services and function effectively (Address by the Minister of Local Government, Housing and Traditional Affairs, Mr Mike Mabuyakhulu, 2006). In 2004, the national government launched Project Consolidate, aimed at assisting municipalities to effect their basic functions. This project, driven by the former President, Thabo Mbeki, identified 136 municipalities facing serious difficulties and in immediate need of assistance. He (former, President Thabo Mbeki) even suggested that expertise should be imported from abroad to cope with the skills shortage. AbaQulusi municipality is one of those municipalities that was identified as facing serious difficulties and in need of immediate assistance and was accordingly part of Project Consolidate (Press statement by Mr Sydney Mufamadi, 2004).

The failure of many municipalities was not only noticed by government, but, more importantly, by the people. Not since the violent protest in the black townships in the 1980s have South Africans witnessed protests on the streets of such magnitude (Local Government Bulletin, 2006: 3).

AbaQulusi municipality has not escaped the wrath of the protests by communities within its area of jurisdiction over the perceived lack of service delivery and poor performance. Again, the MEC for Local Government in the Province, in 2005 invoked Section 34(b) of the Municipal Structures Act, 1998 and took over the administration of the municipality. In 2008, the community of eMondlo Township demonstrated against the AbaQulusi municipality over its perceived lack of service delivery.

Since 2004, the municipality did not have a human resources strategy and in particular an integrated performance management system. The performance measurements and the performance contracts are only applicable to the Municipal Manager and the Heads of department who are appointed in terms of the Municipal Systems Act of 2000. Although, there is some sense of ownership as regards minimal compliance with municipal performance regulations, there is no integrated municipal performance management system.

As more organisations recognize the importance of human capital to the bottom line, finding the activities that most effectively improve individual performance is a significant source of competitive advantage. Given the consequences of success or failure in this endeavour, organisations must not only identify which performance management strategies most effectively drive employee performance but must do so with unprecedented precision and accuracy (Letter from the Corporate Leadership Council: Corporate Leadership Council Washington, D.C. Fall 2003).

Research suggests that organisations rely heavily on the effectiveness of its workforce to meet performance targets and goals. However, a 2000 study conducted by the U.S Office of Personnel Management estimates that approximately 4 percent of the U.S. federal workforce has been reported as underperforming. Literature indicates that a poor performing employee can negatively affect an organisation's ability to meet targets by reducing productivity and morale of an agency (Fact Brief Managing Poor Performance in the Public Sector, July 2004).

Moreover, there is no clear alignment between the municipality's Integrated Development Plan, the Budget and the performance management system which is required by the Structures Act, Systems Act, Municipal Finance Management Act and the municipal performance regulations.

The figure below shows that 2009 has seen an increase in the violent protests in the municipal areas within the Western Cape, Mpumalanga and North West Provinces, respectively indicating the unhappiness of the communities at local government level over the capacity of municipalities to deliver basic services and/or the slow pace of delivering same compared to 2008. This is a clear indication that this is not the end and we are going to see more and more of these protest actions by communities throughout the country.

Gauteng's prominence as the most protest-afflicted province, however, remained a clear feature of 2010, followed by the Western Cape and North West (see Figure1.1). This prominence is a function of the number of metro areas in Gauteng, all of which are prone to service delivery

protests, especially in informal settlements. Since 2004, some 48% of protests on the Hotspots Monitor have been recorded in metro areas (Ranking on municipal productivity index, 2010).

Figure 1.1: Service delivery protests by province for 2010
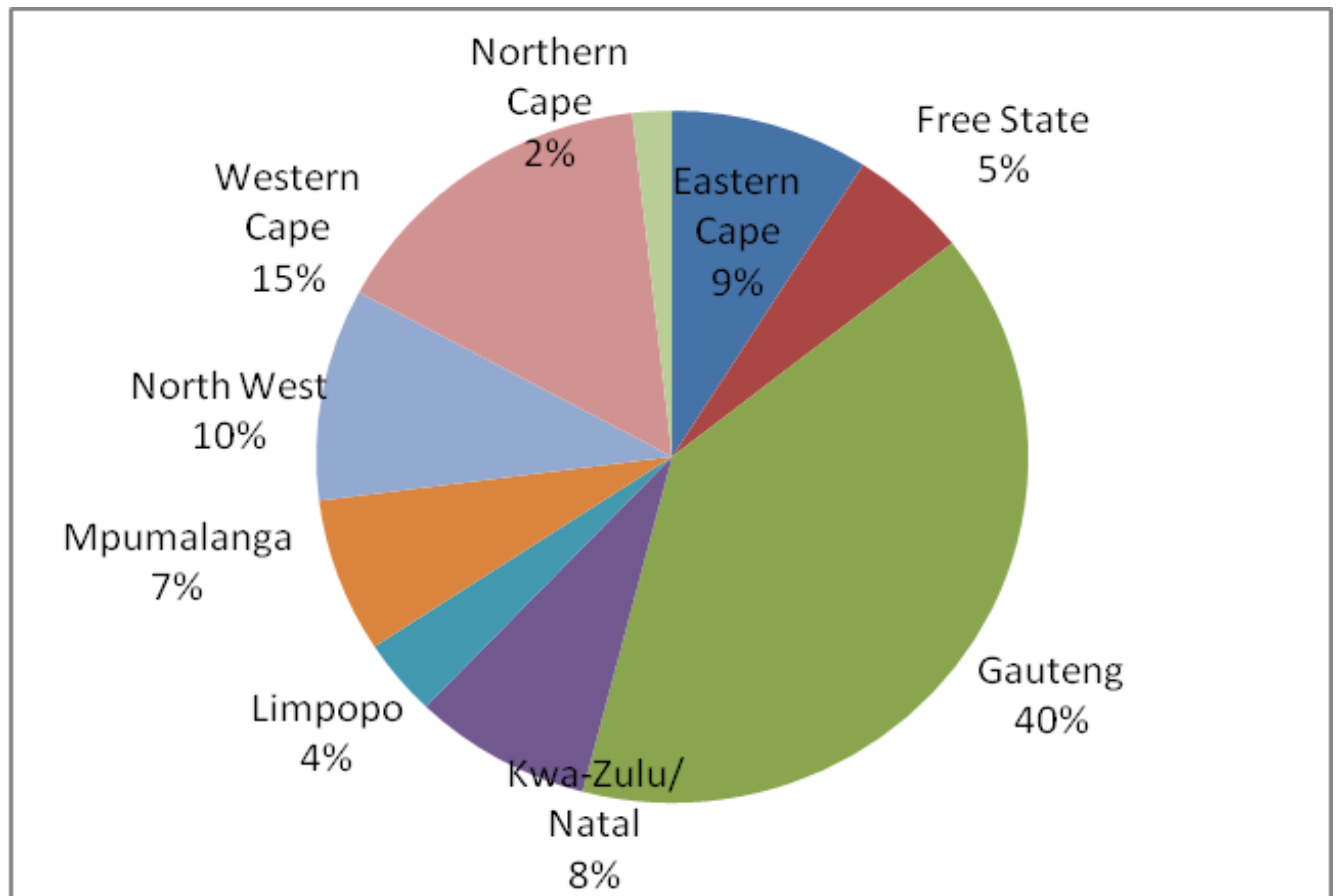
Source: Municipal IQ Municipal Hotspots Monitor, 2010

According to Thompson and Strickland (2003: 3), the tasks of crafting, implementing, and executing company strategies are the heart and soul of a business enterprise. A company's strategy is the game plan management is using to stake out a market position, conduct its operations, attract and please customers, compete successfully, and achieve organisational objectives. In crafting a strategy, management is saying, in effect, "Among all the paths and actions we could have chosen, we have decided to move in this direction, focus on these markets and customer needs, compete in this fashion, allocate our resources and energies in these ways,

and rely on these particular approaches to doing business". A strategy thus entails managerial choices among alternatives and signals organisational commitment to specific markets, competitive approaches, and ways of operating.

Crafting, implementing, and executing a strategy are top-priority managerial tasks for two very big reasons. First, there is a compelling need for managers to proactively shape how the company's business will be conducted. It is management's responsibility to exert strategic leadership and commit the enterprise to going about its business in one fashion rather than another. Without a strategy, managers have no prescription for doing business, no road map to competitive advantage, no game plan for pleasing customers or achieving good performance. Lack of consciously shaped strategy is a surefire ticket for organisational drift, competitive mediocrity, internal wheel-spinning and lackluster results. Second, there is an equally compelling need to mold the efforts and decisions of different divisions, departments, managers, and groups into a coordinated, compatible whole. All the actions being taken in different parts of the business – R&D, design and engineering, production, marketing, customer service, human resources, information technology, and finance – need to me mutually supportive. Absence of a purposeful strategy for the entire enterprise, managers have no overarching business rationale for molding the actions and decisions initiated across the organisation into a cohesive whole, no underlying business basis for uniting cross-department operations into a team effort, no conscious model for generating profits (Thompson and Strickland, 2003: 4).

It is always incumbent on management to evaluate the organisation's performance and progress. It is management's duty to stay on top of the company's situation, deciding whether things are going well internally, and monitoring outside developments closely. Subpar performance or too little progress, as well as important new external circumstances, will require corrective actions and adjustments in a company's long-term direction, objectives, business model, and/or strategy. Progress reviews, ongoing searches for ways to continuously improve, and corrective adjustments are thus normal (Thompson and Strickland, 2003: 19-20).

According to Swanepoel *et al* (1998), the process of human resource strategy formulation in essence involves top management level analyses, choices, decisions and actions regarding

appropriate strategies for the management of human resources within the context of the organisation's changing internal and external environments. It is all about making certain strategic choices, and about creating the necessary "fit" between the general strategic decisions and direction of the organisation and its human resources architecture (the human resources, the human resource function(s) and the human resource management systems of the organisation).

Business strategy is management's game plan. Without one, management would have no road map to follow and no action plan to produce desired results. Strategic human resources activities (which gained popularity during the 1980s) address a wide variety of people issues relevant to the business strategy. HR management crosses all the functional areas and is fully integrated with all the significant parts of the organisation: operations, marketing, finance, and so on (Grobler *et al*, 2002: 9).

Anthony *et al* (1999: 49), states that human resource strategy is now considered to be closely allied or linked to overall corporate strategy; the two go hand-in-hand…Among the issues dominating the agendas of human resource professionals are improving overall quality, controlling costs associated with employees, and improving overall productivity of workers. At the very least, we must recognize that human resources integrally affect the overall strategy of a company, and, therefore, overall strategy must incorporate human resources considerations.

Grundy & Brown (2003: 6) defines the HR strategy as being the plans, programme, and intentions of developing an organisation to meet its present and future competitive challenges in order to generate superior economic value.

According to the Performance Management processes at Best-In-Companies research conducted by the Corporate Leadership Council in May 2000, the following missions and imperatives were identified:

- How do companies' performance management processes support a high performing culture for competitive advantage? How do performance management processes help business

units and employees deliver business results and needs? How does performance management impact companies?

- How do companies support a high performance culture that promotes and ensures open and honest dialogue and, consequently, effective coaching and feedback?

- How do companies ensure that performance management is aligned with business goals throughout the organisation?

- How do companies ensure ownership of and establish accountability for performance management processes at all levels of employees within the organisation?

- What monetary and non-monetary rewards and recognition systems are used to ensure that managers and leaders are held accountable for deploying performance management effectively?

- How does performance management processes link reward and recognition systems (both monetary and non-monetary) to all organisational levels, facilitating recognition of individual and team contributions?

- What are some critical success factors for performance management processes?

- What initiatives, changes or improvements have been made at profiled companies to help ensure that performance management is an effective, meaningful and helpful process? What were these changes and how have they helped improve or ensure the effectiveness of performance management?

- How do companies measure the overall effectiveness of performance management processes?

This study will assist the municipality in its quest to improve its performance (both at an organisational level and employee levels) and the delivery of services to communities within its area of jurisdiction by providing recommendations for the formulation and the implementation of an integrated performance management system.

1.3   Value of the study

Strengthening the linkage between the performance appraisal system and the organisation's long-term strategic plans can improve organisational effectiveness. By designing a performance appraisal system that matches the organisation's strategy, individuals should naturally perform in such a way to support the organisation's mission. A clear linkage between the two also can help build a culture that will further reinforce the organisation's strategy. In addition, if the system is designed to help employees manage rather than critique their performances, there is a better chance for both the organisation's and individual's goals to be met (Anthony *et al*,1999: 397). Moreover, more focus has been placed on the electorate who should decide as to what their needs are through public consultative processes and to include their wishes in the IDP. The municipality's budget should be informed by the IDP. Lastly, one has to measure the success of the implementation of the IDP through a performance management system. This therefore shows that there is a thread amongst the IDP (five-year strategic plan of the municipality), Budget and the Performance Management System (PMS). PMS obligates municipalities to work with communities and involve them in planning, setting Key Performance Indicators (KPIs) and targets, measuring, reviewing and reporting on performance. This will enable communities to hold municipalities accountable. Planning processes, development priorities and objectives set by municipalities would be subjected to public scrutiny.

AbaQulusi municipality is one of the municipalities which was included under Project Consolidate. This research attempts to evaluate the effectiveness of the implementation of an integrated performance management in the delivery of municipal services and performance.

1.4   Problem statement

According to Cooper and Schindler 2003, a problem statement contains the need for the research. The problem is usually presented by a management question. It is followed by a more detailed set of objectives.

Hough, *et al* (2008, 13) argues that without sufficient alignment the goals of the company will not be taken seriously. Employees may look at the goals as "insufficiently strategic, a threat to job security, or requiring more work without obvious reward". Therefore, the employees need to understand the organisational goals and the means to achieve them.

Hough, *et al* (2008, 13-14) discusses six steps to achieve alignment in an organisation which are as follows:

"1.   *Articulate the key strategic drivers of your business and the main areas of focus that will make your organisational successful.*

2.   *Define critical strategic goals that you perceive should be deployed throughout your organisation.*

3.   *Develop performance measures for each of these key goals.*

4.   *Ensure that everyone understands the measures of both their department and their company and how they are all linked together into the strategy.*

5.   *Link each of these measures to formal feedback and recognition system, and communicate the results regularly.*

6.   *Formally review the goals' performance often, and develop corrective actions to ensure that they are met."*

1.4.1 Decomposition of the problem statement

(a) Characterisation of the field of interest and business scenario in which the problems under investigation manifest themselves

The election of 5 December 2000 was the formal beginning of the new local government dispensation. Local government was established as the primary site for service delivery and development in the country. Five years on, there are deep concerns about local government's ability to execute its mandate and deliver services and functions effectively.

The failure of many municipalities was not only noticed by government, but, more importantly, by the people. Not since the violent protest in the black townships in the 1980s have South Africans witnessed protests on the streets of such magnitude.

The challenge is the lack of capacity, the lack of qualified managers, professional and technical personnel which is the key contributing factor in local government's underperformance. Moreover, the pressing challenge again, relates to the assessment of performance of municipalities in the quest for the delivery of services and the performance of its employees in fulfilling the mandate of the electorate (Local Government Bulletin, 2006: 1).

Central to this, there is a move to ensure that a performance management system should be implemented in municipalities and same is being a subject of audit performance by internal auditors and the Auditor-General.

(b)   A general, overall formulation of the problem

"An analysis of the effect of formulating and implementing a human resource strategy with special emphasis on an integrated performance management system in the improvement of municipal performance (at an organisational and employee level, respectively) and service delivery".

(4)   The decomposition of the overall problem into a set of interrelated sub-problems

The purpose of the study is to analyse the extent to which the formulation and implementation of an integrated performance management system has in improving performance (both at an organisational and employee levels, respectively) and delivery of basic services by the AbaQulusi municipality.

(d)   A list of appropriate search terms (determined by your problem statement) to be used to conduct an electronic literature survey

- What is a strategy?
- What is a human resource strategy with specific reference to an Integrated Performance Management System (PMS)?
- What are components and aspects of a human resource strategy and an integrated PMS?
- What is human resource?
- Service delivery in municipalities
- Performance of municipalities

- Excellence of municipalities

- Staff performance

- Lack of skilled personnel in municipalities

- Community service delivery

- Levels of strategic service delivery

1.5   Objectives

The following are the objectives of the study:

- To analyse the extent to which an implementation of an integrated performance management system has in improving municipal performance (both at an organisational and employee levels, respectively) and the delivery of basic services in the AbaQulusi municipality's area of jurisdiction.

- To propose initiatives and changes that should be effected to ensure that performance management is meaningful and an integrated process of the Integrated Development Plan.

- To ascertain as to what is currently being done as regards the implementation of performance management within the municipality as prescribed by municipal legislation.

- To propose recommendations pertaining to the formulation and implementation of an integrated performance management system that will propel the municipality towards improved staff performance, municipal performance and service delivery as well as promote a high-performance culture.

1.6   Research design and methodology

AbaQulusi municipality will be used as a case study in this research. Permission will be obtained through the Municipal Manager and/or the Executive Committee of the municipality for the research to be conducted.

A questionnaire will be developed for the collection of data. The said questionnaire will be distributed to municipal employees within the top, senior, middle and/or junior levels of management as well as municipal councillors, respectively.

1.7   Limitations of the study

The limitations of the study will be the fact that the results/findings and the recommendations cannot be generalized to other organisations, except for the benefit to other municipalities. The municipality does not have a human resources strategy in place and in particular, there has not been any integrated performance management system as required by the Local Government: Municipal Systems Act. Moreover, there has not been a proper linkage between the Integrated Development Planning, Budget and the Performance Management System.

Another limitation is that performance management is only applicable to top management (section 57 employees) and not to the other levels of management.

1.8   Structure of the research

This research would be covered in five chapters; the first chapter being the introduction, chapters two, three, four and five, respectively and structured as follows:

Chapter One: Overview of the study

This chapter provides an overview of the study.

Chapter Two: Service delivery and performance

In this chapter the researcher will discuss the key variables of the study and the relationship between these variables. Overview of developmental local government is defined with specific

emphasis on service delivery and performance. Service delivery and performance definitions and their interrelatedness are discussed by the researcher.

Chapter Three: Performance management in the public and municipal sector

This chapter will provide a theoretical framework with an overview of the corporate strategy with specific reference to the Integrated Development Plan (IDP), overview of performance management, an integrated performance management system, legislative imperatives regulating performance management in the local government sphere and an exposition of the Acts of Parliament as well as municipal performance regulations will be discussed. Related terms are also defined in this chapter and same seeks to provide an introduction to the literature review.

Chapter Four: Research design and methodology: A case study of AbaQulusi municipality

In this chapter the researcher will discuss the methodology to be utilized in conducting the research. AbaQulusi municipality's Human Resources Strategy with particular emphasis on its performance management system will be utilized as a case study. It will include the sampling methods to be used, a full description of processes and procedures to be followed in the data collection and the questionnaire development.

Chapter Five: Presentation of results

In the fifth chapter, the researcher will discuss the evaluation and analysis of the results solicited in chapter four.

Chapter Six: Discussion of results

In this chapter the researcher will provide a discussion on the research findings of the study.

Chapter Seven: Recommendations and conclusion

Finally, in this chapter the researcher will try and examine findings, propose recommendations and draw conclusions.

1.9   Summary

This chapter discussed the overview of the study, background of the AbaQulusi municipality; challenges facing the municipality, motivation, value and objectives of the study as well as the limitations of same were also discussed.

In the next chapter the researcher will identify and define the key variables of the study and the relationship between these variables.

Chapter Two

Service delivery and performance

2.1 Background

This chapter will provide a theoretical framework, identify and define the key variables of the study and the relationship between these variables. These key variables relates to service delivery and municipal performance within the auspices of a developmental local government. The linkage between service delivery and performance management will also be discussed.

The South African legislation on local government emphasizes that municipalities have a pivotal role of democratizing society and fulfilling a developmental role within the new dispensation. This implies that municipalities must have policies and institutional frameworks that support and sustain the development of local people. Such plans must be geared towards achieving and progressive realization of the Millennium Development Goals (MDGs) and fundamental rights of the people. Moreover, local government must promote good governance (Idasa, 2010).

The Bill of Rights in the South African Constitution clearly describes a number of rights of South African citizens. Many of these rights deal with access to services and development. South Africa is a developmental state, particularly in respect of the need to obtain equal access to services and opportunities towards sustainable livelihoods. Service delivery is most directly experienced by citizens in their daily lives, which implies that local government is the primary delivery sphere (Human Science Research Council, 2008).

2.2 Developmental local government: municipal service delivery and performance

The Constitution describes the South African government as developmental in view of the challenges it faces to resolve poverty and disparities, inequalities and backlogs in infrastructure

and service delivery. Although many Constitutional rights are valued by citizens, it is service delivery that is felt most directly when it fails. Government performance is measured foremost in terms of its success or failure in service delivery. From the submissions it is clear that service delivery fails in many instances. This is confirmed by media reports. The challenge of service and infrastructure delivery is increased by the imperative of integrated development, an approach which is built on the interrelatedness of development strategies and plans. When the integrative aspect of the government system is weak, its service delivery falls apart or is offered haphazardly. Such failures are often augmented by the complexity and underdevelopment of the context: South African society is fragmented and developed (Human Science Research Council, 2008).

Developmental local government is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. If the local government sphere is not geared to meeting these needs to improve the quality of its citizens' lives, they will be failing in their constitutional mandate to do so, hence there is a direct relationship between service delivery and performance.

Citizens and communities are concerned about the areas where they live: they are concerned about access to services and economic opportunities, mobility, safety, absence of pollution and congestion, proximity to social and recreational facilities and so on. Local government can impact on all of these facets of our lives (The White Paper on Local Government, 1998).

Building a developmental state include improving public services and strengthening democratic institutions. In the previous mandate period, government committed itself to improving the capacity of the state for growth and development. This remains a priority. Whilst progress has been made, government continue to face significant challenges in transforming the system of governance. Challenges include capacity gaps in local government; poor quality of some of our

public services; declining trust and confidence in public institutions such as the judiciary, legislatures and the executive branch of government; and weak planning capacity across the three spheres of government. As we strive to overcome these hurdles, our long term goal remains the building of an effective and accountable state as well as fostering active citizenship (Strategic Plan, 2009-2014: 9).

Pretorius & Schurink (2007) argues that developmental local government has four interrelated characteristics: (1) maximising social development and economic growth; (2) integrating and co-ordinating; (3) democratising development; and (4) leading and learning. In the future, developmental local government will therefore have to play a central role in representing our communities, protecting our human rights and meeting our basic needs. It must focus its efforts and resources on improving the quality of life of our communities, especially those members and groups that are most often marginalised or excluded, such as women, disabled people and very poor people.

The Constitution enshrines the rights of all people in our country to dignity, equality before the law, freedom and security. It affirms our rights to freedom of religion, expression, culture, association and movement, as well as our political, labour and property rights. The Constitution commits government to take reasonable measures, within its available resources, to ensure that all South Africans have access to adequate housing, health care, education, food, water and social security. The reality in our cities, towns and rural areas is far from this ideal. Many of our communities are still divided. Millions of our people live in dire poverty, isolated from services and opportunities. The previous local government system did very little to help those with the greatest needs. The current transitional system has not yet been able to do much to reverse these long-standing patterns of inequity and unmet human needs. In the future developmental local government must play a central role in representing our communities, protecting our human rights and meeting our basic needs. It must focus its efforts and resources on improving the quality of life of our communities, especially those members and groups within communities that are most often marginalised or excluded, such as women, disabled people and very poor people.

Developmental local government has four interrelated characteristics:

- Maximising social development and economic growth.
- Integrating and coordinating.
- Democratising development.
- Leading and learning (The White Paper on Local Government, 1998).

Developmental local government is intended to have a major impact on the daily lives of South Africans and should seek a new focus on improving the standard of living and quality of life of the people. Thus, in short, developmental local government means strong leadership and clear vision for local government. This requires municipal officials to discharge their responsibilities with prudence and in an efficient, transparent, and accountable manner thus promoting good governance. Good governance entails the existence of efficient and accountable institutions and systems and entrenched rules that promote development and ensure that people are free to participate in, and be heard on, decisions and implementation thereof that directly affect their lives. For democracy to materialize at the municipal level, citizens have to be given some role in these processes. This will lead to more accountability and responsiveness, and therefore the level of democracy will improve (Idasa, 2010).

It should be noted that the fundamental goal of a democratic system is citizen satisfaction. Therefore, the effectiveness of good local governance needs to be judged by the capacity of local government structures to provide an integrated development approach to social and economic development issues and to supply essential services congruent with the needs and desires of the local communities. In this regard, municipalities should be able to identify and prioritize local needs, determine adequate levels of services, allocate necessary resources to the public. From the foregoing this presentation reflects the public perceptions on the state of local government and service delivery following the recent delivery protests around the country. This is based on Idasa recent survey which it undertook within the affected municipalities to solicit issues and

challenges that resulted to these protests. Finally, the presentation will present some possible solutions for improving the current status of local government and service delivery (Idasa, 2010).

The Constitution promotes the improvement of living environments and livelihoods for all constituents by means of a developmental approach to local governance. The developmental role of local government can be understood through the consideration of four basic drivers i.e. planning for development, governance and administration, regulation, and service delivery (Qomfo, 2005: 2)

For municipalities to become developmental in nature, they have to change the way that they work. The following are some tools that municipalities must apply to assist them to become more developmental:

- **Integrated Development Planning (IDP) and budgeting**

Integrated Development Planning is a planning method to help municipalities develop a coherent, long-term plan for the co-ordination of all development and delivery in their area. Municipalities face immense challenges in developing sustainable settlements, which meet the needs and improve the quality of life of local communities. In order to meet these challenges, they will need to understand the various dynamics within their area, develop a concrete vision for the area, and strategies for realising and financing that vision in partnership with other stakeholders (The White Paper on Local Government, 1998).

The IDP is about service delivery to communities, which necessitates the involvement of the affected communities in all aspects of planning, implementation and evaluation. This approach requires a shift from the existing consultant-driven process to a short, intensive, facilitated process based on community-based planning (CBP) methodology (Human Science Research Council, 2008).

Community participation in the formulation of the IDPs should be encouraged so that the IDPs reflect peoples' wishes and aspirations. For effective participation, local communities need a better understanding of the IDP (Human Science Research Council, 2008).

- **Performance Management**

Performance management is a system that is used to make sure that all parts of the municipality work together to achieve the goals and targets that are set. The municipality must have clear goals and specific targets of what has to be done to make sure the goals are achieved.

Every department and staff member should be clear what they have to do and how their performance will contribute to achieving overall goals and targets. Performance of individuals, departments and the municipality as a whole should be monitored to make sure the targets are met.

Performance management is of critical importance to ensure that plans are being implemented, that they are having the desired development impact, and that resources are being used efficiently (The White Paper on Local Government, 1998).

- **Working together with local citizens and partners**

Building local democracy is a central role of local government, and municipalities should develop strategies and mechanisms to continuously involve citizens, business and community groups in processes such as planning and budgeting. One of the strengths of integrated development planning is that it involves the community in development, delivery and democracy. Community and activist organisations can use mechanisms like ward committees, IDP and development forums, budget consultation meetings and ward councillor public meetings to influence the policies and programmes of local government (Developmental Local Government) (The White Paper on Local Government, 1998).

2.2.1 Concepts used in service delivery and performance

Whilst performance management will be discussed in the next chapter, it is crucial to define the terms service delivery and performance so that a good understanding is created. This section

will also give an exposition of the linkage between service delivery and performance management.

2.2.1.1 Service delivery

Qomfo (2005: 5) defines service delivery as the provision of municipal services to citizens and businesses directly or indirectly through external service providers, both public and private. This includes services provided on behalf of other spheres of government as a result of delegation. These services are categorised by sector which enhances policy and legislative alignment across spheres of government.

Fox & Meyer (1995: 18) define service delivery as the provision of public activities, benefits or satisfactions to the citizens. Service delivery relates to both the provision of tangible public goods and intangible services. This can be done by government institutions and organisations, parastatal organisations, private companies, non profit organisations or individual service providers.

The wiki-answers define public services as those services provided by governments (local, municipal, or larger-scale) to the public. The need for services that no individual can or will pay for, but that benefit all by their presence, is one of the justifications for taxation. Examples of such services are sewage, trash disposal, and street cleaning. On a larger scale, public education and public health services (in countries that have them) are also public services. It also defines public service delivery as the implementation of those services and making sure they reach those people and places they're intended to.

2.2.1.2 Performance

According to Langdon (2000: 13), performance is the actual work done to ensure that an organisation achieve its mission. In his view, all performance produces output (O), tangible work in the form of a product, service, or knowledge. He also regards feedback as an element of

performance. Feedback in relation to performance tells us: (1) that we have finished an assigned task or work and (2) how we fared along the way.

Maila (2006), laments that first, feedback is necessary to tell us that we have arrived at the output and achieved the consequence. The second type of feedback helps us to correct or adjust our actions so that we produce the desired output and achieve the consequence properly. In summary, performance encompasses inputs, conditions, process elements, outputs, consequence, and feedback.

Performance management is most commonly thought of as a technique applied to the performance of staff. While that is true, it can also be applied to the performance of an organisation and thereby indirectly to the political figures who are responsible for that organisation (Craythorne, 2003: 124).

2.3 Principles of service delivery

Municipalities in the country exist primarily for improving the welfare of the communities they serve. The ever increasing challenges facing municipalities to improve service delivery require innovative methods and systems that will address the needs of communities. In this spirit, the White Paper on Local Government (1998) outlines principles for service delivery. These principles, listed below, provide a new and holistic framework on which municipal service delivery should be based:

2.3.1 Accessibility of services

This requires municipalities to ensure that all citizens regardless of race, gender, creed or sexual orientation have access to at least minimum levels of service delivery. Imbalances in access to

services must be addressed through the development of new infrastructure, and/or rehabilitation and upgrading of existing infrastructure (The White Paper on Local Government, (1998).

2.3.2   Affordability of services

Accessibility is closely linked to affordability. Even when service infrastructure is in place, services will remain beyond the reach of many unless they are financially affordable to the municipality.

Municipalities can ensure affordability through setting tariffs, which balance the affordability of continued service provision and the ability of the poor to access services, thus determining appropriate levels for service delivery. Service standards which are too elaborate may be economically unsustainable and jeopardise continued service provision (The White Paper on Local Government, (1998).

2.3.3   Quality of products and services

The quality of services is difficult to define, but includes attributes such as suitability for purpose, timeliness, convenience, safety, continuity and responsiveness to service-users. It also includes a professional and respectful relationship between service-providers and service-users. An important factor in the delivery of services is the monitoring of results. To ensure that services provided are of a quality good enough to meet set standards, there should be continuous recording and review of the local authority's income and expenditure in relation to the services provided. The individual facets of the activities of every local authority should be selected and scrutinised to ascertain that they are conducted economically, efficiently and effectively (The White Paper on Local Government, (1998).

2.3.4   Accountability for services

Whichever delivery mechanism is adopted, municipal councils remain accountable for ensuring the provision of affordable and accessible quality services. It is part of human nature to make

mistakes and this also extends to municipal officials. Therefore, it is necessary not only to correct mistakes, but also to learn from them. If the promised standard of service is not delivered, the community should be offered an apology, a full explanation and a speedy and effective remedy; when complaints are made, they should receive a sympathetic and positive response. This means that municipalities must have a complaints section, which will address all the concerns raised by the community (The White Paper on Local Government, (1998).

2.3.5   Integrated development and services

Municipalities should adopt an integrated approach to planning and to ensuring the provision of municipal services. This means taking into account the economic and social impacts of service provision in relation to municipal policy objectives such as poverty eradication, spatial integration and job creation through public works (The White Paper on Local Government, (1998).

2.3.6   Sustainability of services

Ongoing service provision depends on financial and organisational systems, which support sustainability. Sustainability includes both financial viability and the environmentally sound and socially just use of resources (The White Paper on Local Government, (1998).

2.3.7   Value-for-money

Local authorities have very limited sources of revenue and it is important that services delivered should be provided in such a way as to give the community value for money. Section F of the White Paper on Local Government (1998: 94) states that value for money in local government is both a matter of the cost of inputs and of the quality and value of outputs. This requires the best

possible use of local resources to ensure universal access to affordable and sustainable services (Human Science Research Council, 2005: 19-21).

2.4 Principles of performance management

The Batho Pele principles form the basis for the new Local Government Performance Management system (PMS). Their aim is to make municipalities efficient, customer-orientated and developmental institutions that enable citizens to have access to quality services. Furthermore, the White Paper on Local Government (1998) extended the Batho Pele vision to local government. It proposed the development of a performance management system for local government. According to the White Paper, performance management is critical in ensuring that:

- Plans are implemented;
- Resources are used efficiently and optimally and
- The implementation has the desired effect (Govender, 2002: 12).

2.5 Linkage between service delivery and performance

Maila (2006: 41) argues that service delivery is dependent on how employee performance is managed. Maila's basis for this argument rests on articulation of the meaning of services and deliverables. In his opinion, a service delivered is an outcome resulting from actions directed at making available tangible products for disposal purposes.

Maila also argues that since public services are collectively rendered through government machinery commonly knows as departments, collective units (comprised of employees) within this machinery have to be managed effectively, efficiently and economically. It is on this basis that the collective units are expected to perform at a particular level to measure the type of service delivered against the recipients' expectations. The level of performance by collective units will ultimately represent the level of service delivery. The ultimate strategic goals of an

organisation especially in the public sector environment, is to deliver public services. It is on this basis that the relationship between performance management and service delivery is apparent.

Grobler, Warnich, Carrell, Elbert and Hatfield cited in Craythorne (2003: 124-125) see performance management as a process which stretches right through the organisation, from its mission statement, value statement and objectives within a system of continuous performance management, leading to performance review. They describe performance management as a concept that became popular in the 1980s as total quality management or TQM, which emphasised the use of all the management tools to ensure achievement of performance goals.

Performance management is most commonly thought of as a technique applied to the performance of staff. While that is true, it can also be applied to the performance of an organisation and thereby indirectly to the political figures who are responsible for that organisation (Craythorne, 2003: 124).

2.6   Performance management versus quality of services

The emphasis on the delivery to South Africans is on improving the quality of services and increasing citizens' satisfaction with service delivery. It furthermore focuses on ensuring that the principle of delivering quality services appropriate to the needs of South Africans and within the municipalities' framework, underlies all the municipalities' initiatives and priorities as an integral part of day-to-day operations. The strategy encourages municipalities to develop and communicate demonstrable service standards that South Africans can use to assess the performance of government, as well as feedback systems necessary to maintain quality (Govender, 2002: 17).

Provision of quality service by all spheres of government to citizens of South Africa is a constitutional mandate. In terms of the Constitution of South Africa (Act 106 of 1996), municipalities are responsible for delivery of services such as water, sanitation, electricity, refuse

removal, and sometimes housing, municipal roads, storm water, primary health care, child care facilities, local tourism, municipal planning, and municipal by-laws (Portfolio, 2008). Recent escalation of public protests concerning service delivery is an indictment on municipalities' ability to provide services that meet citizens' expectations. This occurs despite government's clear intention about quality service delivery as encapsulated in the White Paper on Human Resource Management in the public Service (1997:2) which reads: "Human resource management in the Public Service will result in a diverse competent and well-managed workforce capable of and committed to delivering high quality services to the people of South Africa…and human resource management in the Public Service should become a model of excellence, in which service to society stems from individual commitment instead of compulsion." Clearly, quality service delivery in municipalities is an important agenda for the South African government and it views proper human resources management (HRM) and employee commitment as critical to achieving service excellence. The extent to which the lowest level of government - municipalities share in this vision and are committed to delivering on it is however doubtful. Honestly, municipalities seem to be losing the service delivery "war". Not surprisingly Portfolio (2008: 74) observed "service delivery by South African municipalities rank highest on citizens list of irritations (Dzansi, & Dzansi, 2010: 995-996).

The establishment of the Department of Performance Monitoring and Evaluation on 1 January 2010 was a clear demonstration of Government's commitment to ensure that government's performance makes meaningful impact in the lives of its people.

The Department, in close cooperation with the National Planning Commission, will play an important role in setting expectations of improved outcomes across government.   The Department will drive a results-oriented approach across the three spheres and other organs of state.   The Department will review the data architecture of government so that the required performance information is generated and it will ensure that this information is actually used in intergovernmental planning and resource allocation.

The functions of department of Performance Monitoring and Evaluation are as follows:

- *Management of outcomes through Ministerial accountability for improving delivery performance:* The Department played a supporting role in establishing the performance agreements with Ministers and will coordinate the development of delivery agreements, focusing on a small set of outcomes and a selected group of outputs. Ministers will cascade results-focussed lines of accountability down to senior officials. This may also include legislation on programme evaluation and other M&E dimensions.
- *Institutionalising the Government-wide Monitoring and Evaluation system (GWM&E):* The Department's work will build on existing initiatives with a renewed focus on improving input, output and outcome measures. The capacity building strategy for GWM&E will be strengthened to accelerate development of the technical skills and capabilities required for outcomes-focused performance management.
- *Unblocking service delivery:* The Delivery Unit will assist in a limited number of institutional environments to help turn around blockages and non delivery (Department of Performance Monitoring and Evaluation… 2011).

2.7   Summary

Municipal service delivery is governed by (1) the Integrated Development Plan and the Performance Management System; (2) intergovernmental relations; (3) the Expanded Public Works Programme; (4) Batho Pele; (5) the budget; and (6) policy and procedure (Pretorius & Schurink, 2007).

The responsibility for service delivery is divided between provincial and local government. Yet, within the concept of developmental local government, municipalities are responsible for integrated service delivery, which could imply the full range of services that communities need (Human Science Research Council, 2008).

In this chapter the researcher discussed the concept of a developmental local government. Furthermore, performance management and service delivery as concepts and their interrelatedness were discussed. Lastly, the principles of performance and service delivery were discussed as well as the establishment and the role of the Department of Performance Monitoring and Evaluation.

Chapter Three

Performance Management in the municipal environment

3.1   Background

This chapter will first provide a theoretical framework of literature review, overview of performance management in local government and current performance management challenges within the public sector and/or local government. The theoretical framework will also provides an overview of the corporate strategy with specific reference to the Integrated Development Plan (IDP), the budget and an integrated performance management system taking into consideration the legislative imperatives in terms of the Acts of parliament in relation to performance management within local government.

Secondly, this chapter also reviews the concepts, IDP, budget, performance management, service delivery and budget implementation plan, performance management systems and their strategic interrelatedness, performance management system elements and framework as well as the organisational balanced scorecard and total performance scorecard.

There are various models of performance management but the researcher in this chapter will focus on the balanced scorecard as a methodology for organisational performance management. The researcher will also review briefly two studies on performance management using the balanced scorecard in the public and municipal sectors, respectively.

Thirdly, this chapter closes with the discussion as regards the creation of a high performance working culture and its impetus in the improvement of municipal performance and service delivery.

According to Chalmers (2003) cited in Joubert and Ehrlich: 2008 (66), review of literature is the process of taking stock of existing knowledge in order to make informed choices about policy, practice, research direction and resource allocation. A literature review usually forms part of a

research protocol, thesis, grant application or research publication, but may also be a standalone activity.

As the name suggests a literature review is a 'review' or 'further look' at what has previously been written on a particular subject. Ideally, it should not be merely a summary of previous finding but should involve a critical examination and synthesis of existing reports. A literature review is therefore intended to convey to the reader the current state of knowledge in a given subject along with the strengths and limitations of the underlying research. Literature reviews are sometimes referred to as 'research syntheses', 'overviews' or 'secondary research'.

Formulating a proper review question is perhaps the most important step in conducting a literature review. Regardless of the type of question involved (aetiology, frequency or effectiveness), using the Participants (population), Intervention (or indicator), Comparator (control) and Outcome (PICO method) will make it easier to find answers to the questions in the literature.

3.2   Overview of performance management in local government

When the new South African Government was elected to power in 1994 it had a special mandate to provide appropriate services to all the people of the country. This was, still is and will continue to be a massive responsibility of government and one that requires total commitment by people at all levels of government, if it is going to be fulfilled. A promise made is a promise that has to be kept.   The new government made a promise to the people of South Africa that they would serve the people without discrimination, respecting the dignity of all and ensuring that the needs of the majority of the population, who had been disadvantaged in the past, are met efficiently and effectively (Batho Pele Handbook, 2011: 6).

Local government is the sphere closest to the public at which the delivery of services takes place. The manner in which this is done depends largely on a local authority's institutional capacity, which generally determines the way it is managed. This is also informed by the overall vision,

mission and development objectives of the municipality. Apart from determining the manner in which the provision of various public goods and services are carried, the institutional capacity of the municipality also influences the manner in which it is able to fulfil its regulatory role (Govender, 2002: 1).

Williams (2006) argues that performance management is a relatively new concept for local government in South Africa. The current legislation prescribing the implementation of performance management has as one of its objectives the need to transform the organisation culture of local government to support the principles and values as contained in the Batho Pele White Paper. The important values that the legislation is striving to implement include inter-alia, the sharing of information, transparency, consulting broadly with stakeholders within the municipal area, holding government and those working for government accountable, improving government flexibility and responsiveness, and ultimately, general improvement in the levels of professionalism.

Post-apartheid faces a major challenge in ensuring that municipalities provide optimal and professional services to citizens of heterogonous cultures. The Minister of Provincial and Local Government, Minister F.S. Mufamadi, stated the following in the debate on the State of Nation Address of President Thabo Mbeki on 11 February 2005: "In designing the new system of local government, care was taken to ensure that we put in place, a framework for progressively doing away with the consequences of a system which exposed White and Black South Africans, to vastly different socio-economic environments. The continuing challenges we face therefore, is one of ensuring that all municipalities develop requisite capacity to translate those resources into instruments with which to confront problems of poverty and underdevelopment. The interventions must make positive impact on the way we meet such challenges as: public participation, programme management as well as creating conditions for sustainable service delivery and economic development (Pretorius & Schurink, 2007: 19).

Government must be more effective in its actions. It must improve the quality of its services. Since 1994 we have successfully expanded access to services. The quality of services has however often below standard. Massive increases in expenditure on services have not always brought the results we wanted or our people expected (Discussion paper on performance monitoring and evaluation, 2009: 2).

The monitoring of service delivery needs through effective governance and service administration is clearly crucial (Pretorius & Schurink, 2007: 19). In his State of the Nation Address (2009: 14), His Excellency, President Jacob Zuma stated that a developmental state requires the improvement of public services and strengthening of democratic institutions. This resulted in the establishment of two Ministers in the Presidency to strengthen strategic planning as well as performance monitoring and evaluation.

He argued that it should be understood and accepted as to why too often objectives in delivering quality services have not been met. The reasons vary in different areas. Amongst them are: lack of political will, inadequate leadership, management weaknesses, inappropriate institutional design and misaligned decision rights. The absence of a strong performance culture with effective rewards and sanctions has also played a part (Discussion paper on performance monitoring and evaluation, 2009: 3).

The President's original draft speech further reasoned that a culture of indifference and outright laziness had crept into the public service, leading to a situation where the government is accused of insensitivity to the needs, aspirations, and problems of the nation. He also contended that there is a general waste of resources and inefficiency in managing those resources in ministries and departments; there is an inadequate or complete lack of strategic management by the ministry and department managers; ministries are not driven by any vision and/or mission; there are no strategic plans, key goals and objectives; and there is very little information on performance and achievement of strategic obligations. As a result, there is general lack of confidence in the public service by the nation, compounded by unending public disquiet about

the government as an ineffective and inefficient service provider and "taxpayers getting more convinced that they are getting a raw deal out of the taxes they pay (Hope, 2002: 539).

From local newspapers as well as news bulletins appearing on national television it is clear that demands made by South African communities for service delivery from municipalities have escalated. Local government has been in the news, sometimes for days on end particularly, in areas where communities have made forceful requests for improved services. Complaints and demands have not only been made for services such as water and electricity, but residents have also claimed houses from local government. More recently, residents have embarked on mass action to underline their demands (Pretorius & Schurink, 2007: 19).

The public is increasingly becoming discouraged and impatient at what they perceive as 'lack of service delivery', namely provision of housing, water supply, refuse collection, eradication of the bucket system, provision of electricity, transport, policing against crime, education, and so on. Many people feel betrayed by the government as promises of delivery have been made for years but not fulfilled. Interestingly, the ward committees do not figure at all in the public debates, pointing to the lack of impact they have on communities. It is clear that people want delivery rather than institutions for discussion. Additionally, the function of ward committees for report back on progress or lack of it appears to fail, as the general claim is that communities do not get responses from councils. On the other hand people may not be interested in ward committees any more, as they make no difference in their daily lives, and as a result ward communities do not reach their communities. The dissatisfaction and frustration have manifested in violent protests in which some councillors have been killed, or councillors' and/or officials' lives threatened. Property has been damaged, adding to the costs of service delivery.

Generally government responds to complaints about service delivery in two ways. First it continually gives itself a 'pat on the back' for the 'progress' it is making on service delivery. Indeed, statistics seem to indicate progress, yet, this is not sufficient. Politicians have made many promises, and citizens keep them to these promises. Particularly when communities have to wait for years while there is no progress and no acceptable explanation given, citizens often

respond in aggressive ways, which attract media attention. Second, when confronted by the media, politicians tend to give weak arguments for non-delivery, and in some cases accuse communities of disrupting the process. In most cases politicians promise to take up the matter and resolve it within the foreseeable future. This response elicits accusations that citizens have already had to wait for many years for a solution, which implies that the new promises are empty. As most media are critical of government, particularly the newspapers, they highlight the protests and the failure of government to fulfil their promises (Human Science Research Council, 2008).

The McKinsey Global Institute (MGI) has found that private sector productivity growth has been driven by the competitive intensity at the sector level and innovative management practice at the level of the firm – creating both pressure on, and capability for, performance. In the public sector, agencies like firms are the engines of productivity growth, while crucial interventions by Congress and the White House determine the sector-level operating environment. The research proposes that policymakers pursue a campaign for productivity improvement built on two pillars. First, the pressure that comes from performance transparency to increase the importance of getting results; second, support for performance transformation at agencies to enable them to reach higher, and sustained, level of achievement. It is our firmly-held view however that one lever without the other will lead to failure (McKinsey & Company, 2006: 2-3).

Plaatjies (2009: 9) stated that the recent statements by Sicelo Shiceka, the Minister of co-operative governance and traditional affairs, place public servants at the centre of the state's ability to manage service delivery and resources. The public and politicians can therefore legitimately demand – and deserve nothing less than – competent employees who possesses the requisite skills and political acumen.

There is a critical skills and managerial gap in government and many civil servants display a lack of commitment to serving the public. This has created a deficit in the culture of delivery, performance and transparency promised by the Constitution. Instead, a culture of mediocrity, incompetence, fraud, corruption, nepotism and entitlement prevails (The Dinokeng Scenarios,

2008: 119). Ramphele (2009: 13) argues that there is growing acknowledgement of the failure of management and leadership at many levels within government, especially at local level where social performance is critical. The public opinion on the delivery of services by government has continued to decline since 2006 and there is no sign of improvement and is below 60%. The period between May 2008 to May 2010, the public opinion has remained stagnant at below 60% as depicted below by Figure 3.1:

Figure 3.1:   Public opinion on delivery of basic services

Goal	To improve government's efficiency and effectiveness in providing services to citizens
Trend analysis	Data from the Markinor survey indicate that there has been a general decline in positive public opinions about government's performance in delivering services since November 2006. The decline stabilised somewhat from November 2009, although at lower percentage levels. This decline has coincided with the increase in the number of service delivery protests which have become a new way of expressing frustration with poor service delivery. Previous experience has shown that public opinion about government's performance in delivering basic services tends to become positive during election periods and then decline between election periods. There tends to be better communication about services during elections periods, which then positively affects public perceptions, and weak communication between elections. The slight improvement in May 2009 followed by a sharp decline since November 2009 (which is a time during which the last national and provincial elections took place) attest to this observation. It will be interesting to observe whether the buoyant mood around the 2010 Fifa World Cup will translate into a more positive opinion of government.

PUBLIC OPINION ON DELIVERY OF BASIC SERVICES

	2000		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010
	May	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May
Performing well	72	67	65	63	74	71	75	72	81	77	73	73	76	72	68	62	58	58	61	57	57

PUBLIC OPINION ON DELIVERY OF BASIC SERVICES

Data source	Government Communication and Information System (GCIS) based on Markinor survey data
Data note	Markinor's regular surveys based on a national sample of 3 300 conducted twice a year in two parts namely the Government Performance Barometer (GPB) and Socio Political Trends (SPT). In questions using a Likert (five point) scale the two positive answers are combined ("very/fairly well" or "very/fairly confident")

Source: Development Indicators, 2010. Pretoria. Government Gazette

Netshitenzhe (2009: 25), laments that taking into account the levels of public discourse and the challenge of corruption, one could argue that we may in fact be experiencing regression (State of revolution in our times…2010).

Netshitenzhe's view is also supported by the research done by the Human Science Research Council (HSRC) in its 2008 catalogue and analysis of public submissions relating to the policy process on the system of provincial and local government. The HSRC stated that the resulting lack of co-ordination and the persistent delivery problems in local government have led to negative perceptions about the ability of municipalities to adequately deliver services among all sectors of the population. Already in 2003 the HSRC's Social Attitudes Survey ranked 'trust in local government' lowest of the three spheres at 43%, and the situation has not significantly changed since then (Human Science Research Council, 2008).

There is growing pressure on government to do more things and to do things better. It is not simply the need to take care of an aging population but other priorities as well, such as national security, public education, and improving a crumbling public infrastructure. Equally important, citizens want better services, more choice, more convenience and improved customer service from government (McKinsey Quarterly Report, 2009: 4).

In recent years, management techniques from the private sector have penetrated deep into professional public sector organisations such hospitals, universities, courts and schools. One of these techniques is performance management (De Bruijn, 2007: 3).

Mckevitt and Lawton (1996) cited in Thomson (2002: 134) conducted a performance management study in the public sector and they noted in their central find 'the lack of attention paid to middle and junior management in the development and implementation of performance measurement systems and hence a lack of embeddedness of systems through the organisation'.

This study is also supported by the recent study by McKinsey & Company in their October 2009 Driving Federal Performance survey which recommended that the federal government performance could be improved through one of amongst the following focal area:

1.   Improve accountability measures designed to:
(i)   institute more rigorous operating metrics and performance management systems

- Only 40% of public sector respondents agree or strongly agree that the government has a robust performance management system (compared with 64% in the private sector).

- Only 38% of public sector respondents agree or strongly agree that their agencies hold challenging reviews to evaluate performance against plans (compared with 56% in the private sector).

The public sector has to attract talent, and to do so it needs to distinguish clearly between higher and lower performers. Failure to do so will lead to the high performers leaving and finding jobs where their unique talent is valued. Furthermore, today there is no good reason why the public sector should be immune to the standard challenges faced in all other sectors of the economy (McKinsey: 2009: 6).

3.3   Overview of performance management in AbaQulusi municipality

According to the Municipal Productivity Index, AbaQulusi municipality is rated as number 163 out of 231 local municipalities scoring 32.1%. Municipal Productivity Index (MPI), calculates productivity by measuring five factors: the extent of poverty in a municipality and the municipality's response; access to a minimum level of municipal services; economic activity and economic infrastructure; municipal financial governance, as suggested by expenditure patterns; and, occupancy rates in the municipal administration. The municipality is neither amongst the top and worst performing municipalities amongst of 231 municipalities in the country but it cannot be said that it is doing well (Ranking on municipal productivity index…2009).

The Auditor-General in his report to the KwaZulu-Natal legislature and AbaQulusi Municipal Council stated that the latter did not develop and implement systems, mechanisms and processes for auditing the results of performance measurement as part of its internal audit processes, as required by section 45 of the MSA (Auditor-General Report: 2009: 6). This report is informed by the Auditor General's audit finding that the 2008/2009 IDP of the municipality did not include the key performance indicators and performance targets determined in terms of its performance management system (PMS), as required by section 26(i) and 41(1)(b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations of 2001 (Auditor-General Management Report, 2009: 15).

3.4 Overview of performance management: 2009 state of local government

Over the past months South Africa woke up to increase service delivery protests which were marred by violence. Communities in Mpumalanga and Gauteng took to the streets demanding a wide range of services. Notwithstanding the legitimate concerns of the residents, some of the demands fell outside the legislative mandate of the sphere of local government for example housing. The situation demanded an urgent response as municipalities are at the coalface of delivery. In response to flaring tensions, government through the Ministry of Cooperative Governance and Traditional Affairs among others commissioned a national study on the state of Local Government. This assessment culminated in the Local Government Indaba in October 2009 wherein a draft strategy was unveiled and subsequently approved by Cabinet in December 2009. This strategy is expected to migrate local government level where municipal specific turn-around strategies will be developed between January and March 2010. The expectation is that all strategies will be implemented from March 2010 (Mbele, 2010: 1).

The basic premise of the State of Local Government report is that *"Local Government is Everyone's Business".* In summary the central question that this report poses is *What is the state of local government in 2009 and what must be done to restore the confidence of our people in this sphere of government by 2011 and beyond?* The report further noted that local

government in South Africa has contributed to the achievement of a number of significant social and economic development advances, since the ushering in of the new democratic municipal dispensation in December 2000. The majority of our people have increased access to a wide range of basic services and more opportunities have been created for their participation in the economy.

However, there is a risk that the overall positive progress and success of the new Local Government system in South Africa is increasingly being overwhelmed by a range of factors and negative practices both internal and external to municipalities (State of Local Government Report, 2009: 4).

According to the State of Local Government Report (2009: 9-11), it identified a wide range of political and institutional problems, and examined the implications they have on the effectiveness of municipalities across the county and they are summarized as follows:

1. There are municipalities in which the accountable local government and the rule of law are collapsing or have collapsed;
2. A large number of municipalities are poorly governed and managed or dysfunctional;
3. A "one-size fits all" model of local government is unrealistic given the vast differences between municipalities;
4. The state's capacity to supervise and support local government is inadequate; and
5. Policy failures undermine local government effectiveness.

From the above, it is evident that the local government performance should seriously be improved in order to meet the expectations of the electorate in delivering their mandate. This therefore requires a paradigm shift and an implementation of an integrated performance management system which is in line with the legislative mandate and world-class best practice.

Bertucci (2006: 177) laments that governments need to instil greater performance orientation among public servants. This means that performance management, including staff appraisal, must become central to the work of government managers. The managers are responsible for the

performance of staff, and it is their job to manage them by setting objectives that relate to the overall goals of the organization, monitoring their performance, and giving them support, feedback and the opportunity to develop. Strengthening performance orientation in public service also entails giving greater weight to relative efficiency *vis-a-vis* seniority in decisions on staff promotion in public service.

3.5   Legislative environment of performance management in local government

Various legislations govern the organisational performance management in local government. These include the Municipal Systems Act (2000), the Municipal Finance Management Act (2003), as well as various circulars issued by Treasury and the Department of Provincial and Local Government to provide additional information and guidance to municipalities on how to implement these systems in order to remain within laid down requirements and to provide consistency. It could be said that the legislative context of performance management in local government makes it a daunting task as compared to the private sector (Jantjes, 2008).

The impact of the following sets of legislation on performance management in local government will be explained:

- The Constitution of the Republic of South Africa (1996)
- White Paper on Transforming Public Service Delivery (1997)
- White Paper on Local Government (1998)
- Municipal Structures Act (1998)
- Municipal Systems Act (2000)
- Municipal Planning and Performance Management Regulations (2001)
- Municipal Finance Management Act (2003)
- Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager (2006)
- Framework for Managing Programme Performance Information (2007)

3.5.1 Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Section 152 (1) of the Constitution of the Republic of South Africa (Act of 1996) stipulates that the objects of a municipal council are:

1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment; and
5. To encourage the involvement of communities and community organisations in the matters of local government.

Section 152 of the Constitution states amongst other things that the function of local government is to encourage the involvement of communities and community organisations in local government. Section 152 (2) of the Constitution further stipulates that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Section 153 (a) of the Constitution of the Republic of South Africa prescribes that a municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

3.5.2 White Paper on Transforming Public Service Delivery (1997)

The White Paper on the Transformation of the Public Service (WPTPS) was published on 24 November 2005 setting out eight transformation priorities, amongst which Transforming Service Delivery is the Key. This is because a transformed South African public service will be judged by one criterion above all: its effectiveness in delivering services which meet the basic needs of all South African citizens. Improving service delivery is therefore the ultimate goal of public service.

The purpose of this White Paper is to provide a policy framework and a practical implementation strategy for the transformation of public service delivery. This White Paper is primarily about how public services are provided, and specifically about improving the efficiency and effectiveness of the way in which services are delivered.

Attempting to provide a framework for people-centred public service delivery the South African government introduced Batho Pele (derived from a Sesotho word meaning "putting people first") in 1997 (http://www.dpsa.gov.za/batho-pele/index.asp). This initiative strives towards moving public servants to become service orientated, to pursue excellence in service delivery and to commit themselves to continuously improve service delivery. It also sets the principles for transforming service delivery with regard to consultation, service standards, access, courtesy, information, openness and transparency, redress and value for money. These principles are required, since it is argued that a transformed local government needs to be measured against its commitment to continuous service delivery improvement (Pretorius & Schurink, 2007).

Jantjes (2008) argues that though this White Paper refers to the national and provincial parts of the public sector, it also includes local government as an area of the public sector. The scope thus covers local government and the Batho Pele principles are applicable. The eight Batho Pele principles are as follows:

1.   Consultation
2.   Service standards
3.   Access
4.   Courtesy
5.   Information
6.   Openness and transparency
7.   Redress
8.   Value for money

Batho Pele Principles thus encourage service excellence at all levels in government. It looks at the improvement of services from a holistic approach. It includes the need for inclusive government which set predetermined standards; access to identified services; to be treated with respect; to be accessible to the community and provide information which is required; to redress inequalities of the past and to provide services at the most economical cost without compromising standards to the public.

3.5.3   White Paper on Local Government (1998)

Within the framework of the Constitution, the White Paper on Local Government establishes the basis for a new developmental local government system, which is committed to working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way.

It puts forward a vision of a developmental local government, which centres on working with local communities to find sustainable ways to meet their needs and improve the quality of their lives.

3.5.4   Municipal Structures Act (1998)

Section 19 (2) of the Municipal Structures Act (Act 117 of 1998) stipulates the municipal council must annually review the following:
(a)   the needs of the community;
(b)   its priorities to meet those needs;
(c)   its processes for involving the community;
(d)   its organisation and delivery mechanisms for meeting the needs of the community; and
(e)   its overall performance in achieving the objectives referred to in subsection (1).

Furthermore, Section 26 of the Municipal Structures Act prescribes that the following core components of the IDP should be reflected:

(a)   the municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;

(b)   an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;

(c)   the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;

(d)   the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;

(e)   a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;

(f)   the council's operational strategies;

(g)   applicable disaster management plans;

(h)   a financial plan, which must include a budget projection for at least the next three years; and

(i)   the key performance indicators and performance targets determined in terms of section 41.

Similarly, the Municipal Structures Act No. 117 of 1998 requires municipalities to engage in consultation with civil society in meeting needs of local communities. The white paper on Local Government stipulates that municipal councillors should promote the involvement of community groups in the design and delivery of municipal programmes (RSA 1998 sect B par 1.33) (Nyalunga, 2006: 41).

3.5.5   Municipal Systems Act (2000)

Section 35(1)(a) of the Municipal Systems Act prescribes that the status of an integrated development plan adopted by the council of a municipality is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality.

Andrews, 1980; Wright et al, 1998; Mintzberg, 1978, 1994 cited in Myeza (2009) argues that strategic planning is one of the most valued management tools for turning organisational dreams into reality. It is defined as the process by which organisations determine long-term directions, formulate and implement strategies to accomplish long-term objectives while taking into account relevant internal and external environmental variables. Many private and public sector organisations use the strategic planning process to create and clarify their vision and mission; guide their decisions about resource allocation to competing priorities; and strengthen competitive positions. The overall purpose of strategic planning, according to Armstrong (1982), is to create and maintain organisation-environment alignment (Myeza, 2009).

Bekink (2006: 697) emphasise that municipal development planning is incorporated mainly in a Municipal Integrated Development Plan (MIDP), which serves as a single, inclusive and strategic plan for the development of the municipal area. All MIDP must incorporate certain minimum core components as they guide short-term development of local government in South Africa. Because of its importance, an MIDP is strongly protected, and strict requirements for its adoption and amendment are determined by law. Such plans are flexible, living documents, however, and should be reviewed annually to keep up with the changing demands and circumstances in municipal jurisdictions. All in all, the new requirements and status of MIDP should go a long way towards helping the new local government structures to manage and achieve their important obligations.

The Integrated Development Plan also uses following terms such as strategy, mission statement, stakeholder, objectives, key performance indicators, targets, monitoring, evaluation, review, control similar to strategic planning process in the private sector.

Strategy: represent the broad priorities adopted by the organisation in recognition of its operating environment and in pursuit of its mission. All performance measures should align with the organisation's strategy (Niven, 2008).

Mission statement: defines the core business of the organisation.

Stakeholder: any person or group that has a stake in the success of the organisation. For municipalities stakeholders may include: employees, customers, and clients, funders, elected

Objectives: a concise statement describing the specific things organisations must do well in order to execute it strategy.

Key Performance Indicators: Standard used to evaluate and communicate performance against expected results. Reporting and monitoring measures can help an organisation to gauge towards effective implementation of strategy.

Targets: Represent the desired result of key performance indicators. Targets make meaningful the results that are derived from measurements and provide organisations with feedback with regard to performance.

Monitoring: provides for the systematic collection of information that enables management to evaluate whether satisfactory progress is being made with projects and actions steps aimed at the achievements of performance targets and KPIs.

Evaluation: A process designed to measure whether and to what extent the KPIs and performance targets are impacting on the development objectives. It measures the impact and

results of the work in progress and such provides information required to re-appraise performance targets, KPIs and development objectives.

Review: A process undertaken when information on current performance is known, i.e. when monitoring and evaluation have taken place. This information indicates where things are working and where they are not working and thus it informs the planning process, including project planning, design and implementation (Myeza, 2009: 51-52).

Section 6 of the Municipal Systems Act further prescribes that a municipality's integrated development plan must -

(a)   inform the municipality's annual budget that must be based on the development priorities and objectives referred to in section 26(c) of the Act and the performance targets set by the municipality in terms of regulation l2; and

(b)   be used to prepare action plans for the implementation of strategies identified by the municipality.

Section 46 of the Systems Act prescribes that a municipality must prepare for each financial year a performance reporting reflecting:-

(a)   the performance of the municipality and of each external service provider during that financial year;

(b)   a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and

(c)   measures taken to improve performance.

Section 44 of the Systems Act is prescriptive in that a municipality, in a manner determined by its council, must make known, internally, and to the general public, the key performance indicators and performance targets set by it for purposes of its performance management system.

Chapter 3 of the Systems Act provides a framework for the performance management system that a municipality must develop and adopt, how to set key performance targets and indicators

and the involvement of the community is setting same, the review and monitoring of the achievement of the targets the municipality has set for itself through its internal auditors as well as the formation of a performance audit committee that is tasked with the auditing of municipal performance on a financial-year end basis.

Section 42 of the Systems Act prescribes that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality (Nyalunga, 2006: 41).

3.5.6 Municipal Planning and Performance Management Regulations (2001)

The Municipal Planning and Performance Management Regulations (MPPMR) provide regulations pertaining to the Integrated Development Planning and Performance Management (Jantjes, 2008).

MPPMR also includes regulations pertaining to the nature of the performance management system and community participation in respect of integrated development planning and performance management. It states that a municipality's performance management system should entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

Section 2(e) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 prescribes that a municipality's IDP must at least identify amongst others, the key performance indicators set by the municipality.

3.5.7 Municipal Finance Management Act (2003) - Including Circular 13

In terms of Sections 21(1) and (2) of the Municipal Finance Management Act, the Mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and when preparing the budget the municipality's IDP must be taken into account (Nyalunga, 2006: 41).

3.5.8 Public Audit Act, 2004 (Act 25 of 2004)

The constitutional functions of the Office of the Auditor-General are to audit and report on the accounts, financial statements and financial management of all spheres of government. The Auditor-General is accountable to the National Assembly in terms of the Public Audit Act (Public Audit Act, 2004: 11).

Jantjes (2008) states that section 20 (2)(c) of the Public Audit Act stipulates that the audit report should contain inter-alia an opinion or conclusion on:
"the reported information relating to the performance of the auditee against predetermined objectives".

"The Constitution establishes the Auditor-General as the external auditor of all national and provincial state departments and municipalities, any other institutions or accounting entities required by national and provincial legislation to be audited by the Auditor-General" (Public Audit Act, 2004, p.2).

3.5.9 Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Manager (2006)

Calitz and Siebrits (2002) cited in Williams (2006) state that performance contracts for managers is one of the focus areas in transforming the public service. In section 57 of the Municipal

Systems Act, No. 32 of 2000, it is stated that the municipal manager (who is the head of the administration and the chief accounting officer) and those managers directly accountable too him/her must have written employment contracts.

The written employment contract for the Section 57 managers must consist of a performance agreement with stated performance objectives and targets with indicators set from the municipality's integrated development plan. In the case of the municipal manager, contract is for a fixed term which must not exceed two years after the election of the next council.

3.5.10 Framework for Managing Programme Performance Information (2007)

Jantjes (2008) states that the key concepts on performance information are outlined in the framework. These include the planning, budgeting and reporting cycle, developing performance indicators and targets, managing and publishing performance information, as well as roles and responsibilities. The framework is applicable to all spheres of government.

The aims of the framework are to:

- 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;
- Promote accountability and transparency by providing Parliament. Provincial legislatures, municipal councils and the public with timely, accessible and accurate performance information.

3.6   Strategic linkage: Integrated development plan, budget and performance management system

Bekink (2006: 696) argues that municipal development planning is not only a legal obligation for all municipalities but that without such planning municipalities will not be in a position to fulfil their obligations and responsibilities.   The new local government dispensation is developmentally oriented, which in essence requires progress in the realisation of developmental goals. Municipalities must therefore move forward and should enhance and create a better living for all South African citizens.

According to Oranje, Harrison, van Huyssteen and Meyer (2000:15) cited in Myeza (2009), the White Paper on Local Government, as well as the Municipal Systems Act, 2000, refers explicitly to the need for municipal planning to be "strategic". By this is meant that planning should have a long-term horizon, and that planning should be focused on those prioritised interventions that will have maximum impact on the development of a locality. The call for strategic planning follows from recognition that resources are limited and that not all problems can be resolved in the short or medium term. The current South African focus on strategic planning is also informed by an international shift away from comprehensive planning, in which an attempt is made to "understand everything and to intervene in everything", to more targeted, realistic, action-oriented and outcomes-focused forms of planning. Strategic plans avoid unaffordable and unattainable comprehensiveness, while still containing sufficient analysis and technical detail to enable the formulation and implementation of programmes that are sustainable, and are able to maximise developmental impacts within financial and other resource constraints.

According to Valeta and Walton (2008: 383), the relationships which exist between the vision, the Integrated Development Plan (IDP) and the budget can best be considered as linear as the vision is given substance in the form of an integrated development plan which is given life through the budget and the application of those resources. The process is in turn iterative in that the IDP and the budget exhibit their own repetitive characteristics. The IDP is informed by the resources which can be afforded and allocated through the budget process. The budget must, in

turn be aligned with the IDP and its objectives and strategies. The processes are therefore not separate and distinct; they are integrally linked and are symbiotic.

An integrated development plan and the budget are "identical twins" but the first-born twin is the integrated development plan (see Figure 3.2), which seeks to harmonize all processes taking place in a municipal environment. In this sense everything starts and ends with an integrated development plan, that means no service or priority can be funded if it is not included in the plan (Vatala, 2005).

Craythorne (2003) defines an integrated development plan as a plan aimed at the integrated development and management of the area of jurisdiction of the municipality concerned in terms of its powers and duties, and which has been compiled having regard to the general principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act 67 of 1995), and, where applicable, having regard to the subject matter of a land development objective contemplated in Chapter 4 of that Act.

Figure 3.2 indicates a seamless process between the Long Term Development Framework (LDTF), IDP (first-born twin), Budget (second-born twin), Service Delivery Budget Implementation Plan (SDBIP), Performance Management Systems (PMS) and Annual report that would create an enabling environment for the municipality to achieve its deliverables (Ethekwini Municipality: 2007/2008).

Figure 3.2: Planning and Project Cycle
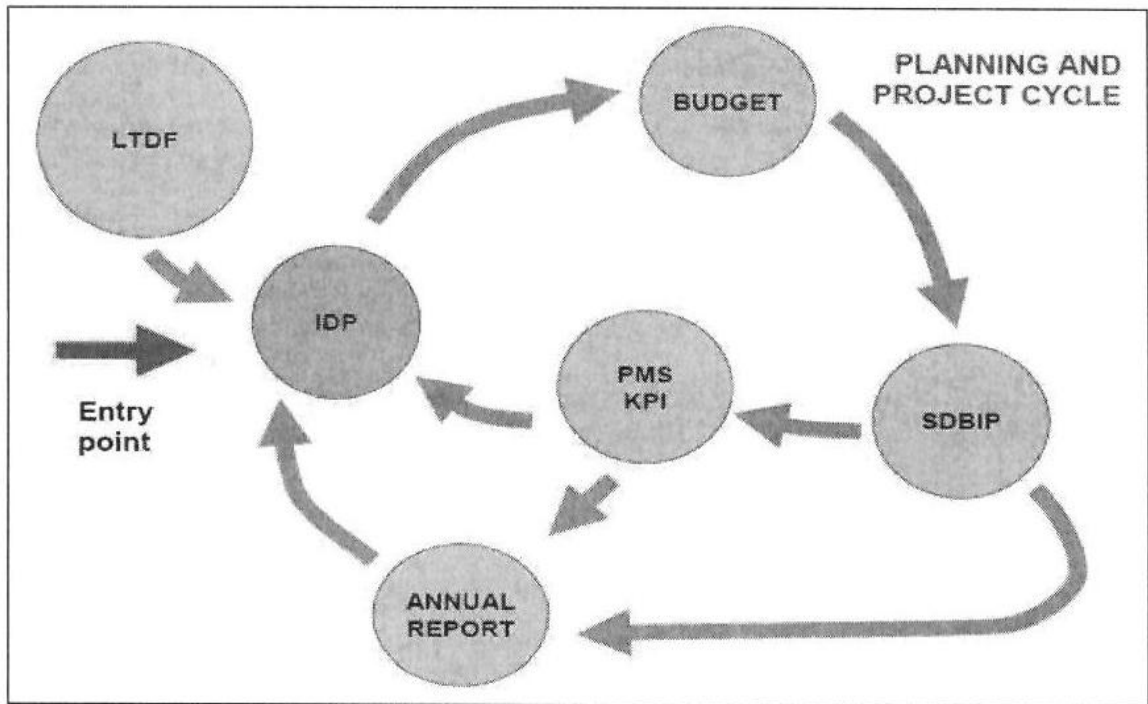
Source: eThekwini Municipality. (2007/2008). Service Delivery & Budget Implementation Plan.

An effective performance management system monitors actual performance against contractual obligations. Effective service delivery relies upon the IDP, the budget and the performance management system being closely integrated. The Service Delivery Budget Implementation Plan (SDBIP) is a dynamic tool that facilitates this integration. The SDBIP must be informed by the budget, the IDP and the performance agreements of senior management. It thus facilitates oversight over financial and non-financial performance of the municipality (City of Cape Town, 2006/2007).

The budget gives effect to the strategic priorities of the municipality and is not a management or implementation plan. The Service Delivery and Budget Implementation Plan (SDBIP) therefore serves as a "contract" between the administration, council and community expressing the goals

and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of-year targets and implementing the budget as shown in Figure 3.3 below:

Figure 3.3: SDBIP Contract
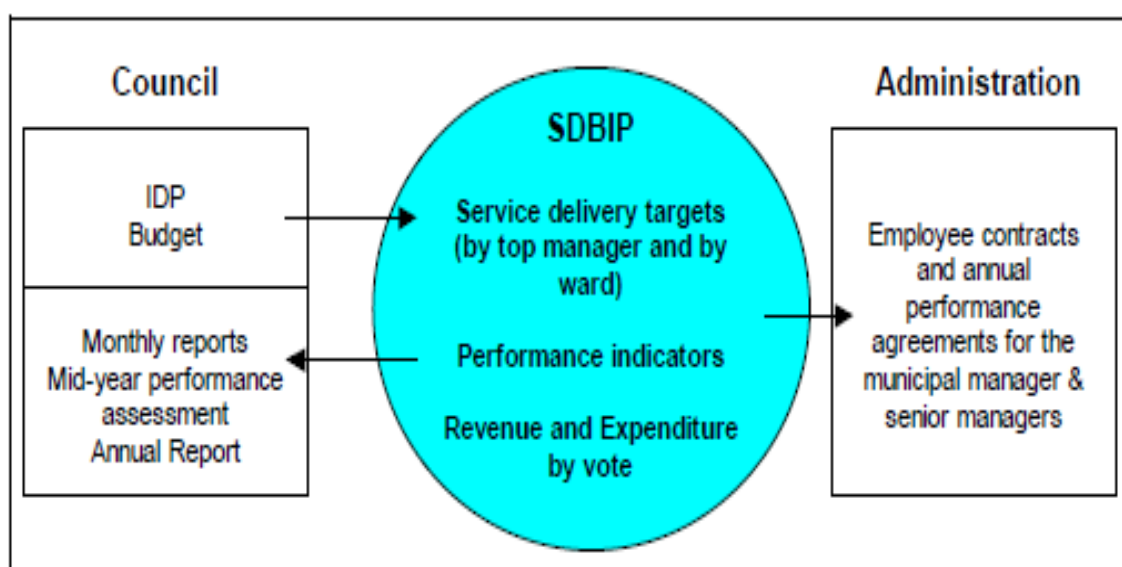
Source: MFMA Circular No. 13. Service delivery and budget implementation plan.
Municipal Finance Management Act no. 56 of 2003. National Treasury

The Service Delivery and Budget Implementation Plan (SDBIP) is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of strategic objectives by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality (MFMA Circular no. 13, 2003).

Jantjes (2008: 60-61) argues that the SDBIP is an implementation, monitoring and management tool. It serves as a contract for a twelve-month period, which specifies the objectives as measurable outcomes, between the council, the community and the administration.

As shown, in figures 3.2 and 3.3, the municipal planning cycle is critical as it ensures that the long-term development framework of the municipality is aligned with the IDP being the strategic document that informs all municipal planning with the budget and the performance management system.

Lastly, IDP is about service delivery to communities which necessitates the involvement of the affected communities in all aspect of planning, implementation and evaluation (Human Science Research Council, 2008).

3.7   Performance management defined

Performance management for local government is part of a national government initiative to create a performance culture and ethos within the public service. This emanated with the Constitution (1996) that outlined the basic principles which should underpin the public service, and later, the Batho Pele White Paper (1997), developed by the Department of Public Service and Administration. The Batho Pele White Paper required national and provincial departments to, among others, develop performance management systems that include the setting of service delivery indicators and measurement of performance. The local government performance management process has to a large degree been guided by the following Batho Pele principles:

- **Consultation**
  Citizens should be consulted regarding the service levels and quality of such services whenever possible.

- **Service standards**
  Citizens must be aware of what to expect in terms of the level and quality of services.

- **Access**

  Citizens should have equal access to the services to which they are entitled.

- **Courtesy**

  Citizens should be treated with courtesy and consideration.

- **Information**

  Citizens must receive full and accurate information about services.

- **Openness and Transparency**

  Citizens should be informed about government departments' operations, budgets and management structures.

- **Redress**

  Citizens are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.

- **Value for money**

  Public services should be provided economically and efficiently (Govender, 2002: 11-12).

Williams (2002: 1) argues that the idea of performance management is far from new – it has long been recognized that performance needs to be managed. This is true whether we are concerned with performance at the organisational level, the individual level, or any level in between. And over the years we have seen many practices, techniques, tools, systems and philosophies which have as their aim the management of performance.

Individual performance on organisations has traditionally centred on the evaluation of performance and allocation of rewards. Organisations are increasingly recognizing that planning

and enabling individual performance have a critical effect on organisational performance (Nel *et al,* 2001: 515).

Individual performance is critical to the execution of strategy and to the organisation achieving success through meeting its strategic objectives. Therefore, performance cannot be left in the hope that it will emerge naturally. It needs to be facilitated and managed (Amos *et al,* 2004: 78).

Performance management is an ongoing communication process, undertaken in partnership, between employees and their immediate supervisors that involves established clear expectations and undertakings about essential job functions each employee is expected to undertake; how each employee's job contributes to the goals of the organisation; how each employee and supervisor will work together to sustain, improve, or build on existing employee and organisational performance; how job performance will be measured; and identifying barriers to performance and removing them. In essence, performance management is a system. It has a number of parts all of which need to be included if the PMS is going to add value to an organisation, its managers and staff (Hope: 2002:539).

Performance management is a process that begins with translating the overall strategic objectives of the organisation into clear objectives for each individual employee. It is a broader concept than performance appraisal, and is based on well-established principles stating that people are more productive when they:

- Are knowledgeable of their results through feedback as to how they are performing;
- Have clear, attainable objectives (also called goals) to achieve; and
- Are involved in the setting of tasks and objectives (Amos, *et al,* 2004 :64)

Spangenberg (1994: 29) cited in Erasmus, *et al* (1998: 375) regards performance management as an ongoing process that involves the planning, managing, reviewing, rewarding and development of performance.

Webb (2003), defines 'performance management' of individuals as mostly referred in literature as 'performance appraisal' – that is formally reviewing and evaluating or assessing a subordinate, usually at the end of the planning year. It is common for a skills development component to be included to ensure that the employee can meet performance targets. Some include a planning component at the beginning of the period, where goals are agreed to and from which a skills-development plan may arise. Overall, it is a formalized or deliberate process mandated by executive management, and is a uniform practice throughout the organisation.

Gay & Sims (2006: xvii) refers to performance management as all organisational processes associated with communicating performance objectives and measuring performance results. This includes establishing work goals, providing feedback and coaching, and the company's performance review process.

The Wikipedia refers to Performance Management (PM) as a term coined by Dr. Aubrey C. Daniels in the late 1970s to describe a technology (i.e., science imbedded in applications methods) for managing both behaviour and results, the two critical elements of what is known as performance. Performance is the sum of behavior and results, and cannot be viewed as independent of either component. It is an outcome of effective management.

According to Armstrong and Baron (1998) as cited in Solomons (2006) defines performance management as a strategic and integrated approach of delivering sustained successes to the company by improving individual and group performances and also developing the capabilities of teams and individuals.

Performance management is the process through which organisations deliver lasting improvement. It does this by ensuring individuals, teams, and ultimately the organisation, know what they should be doing, how they should be doing it and take responsibility for what they achieve. It is about placing the emphasis on managing, supporting and developing staff at all levels within the organisation. An integral part of this is the need to monitor performance, reward staff that perform well, and challenge those who do not.

Armstrong (2000) cited in McAdam, *et al* (2005) defines performance management as a "strategic and integrated process that delivers sustained success to organisations by improving the performance of people who work in them and by developing the capabilities of individual contributors and teams".

Marshall (2000: 184) cited in Swanepoel, *et al* (1998: 374) expressed the idea of performance management as follows: "the concept of performance management is a broadly framed and integrative view of performance appraisal, where performance ratings are de-emphasised, relative to the planning, reviewing, allocating resources, and problem solving aspects of that process. In performance management, appraisal is acknowledged as one of several planning and accountability systems in an organisation. Many of the outcomes of appraisal feedback within performance management are critical to ongoing strategic planning, as well as departmental business and objective setting. The outcomes of feedback provide further opportunity to identify programs and functions to be undertaken by teams and individuals in support of achievement of the corporate plan. Performance management, therefore, is a process of management behaviour and an organisational intervention strategy".

Bennett and Minty (1999: 59-60) cited in (Nel *et al* (2001: 516) state that there are generally three major purposes of performance management:

- it is a process for strategy implementation;

- it is a vehicle for culture change; and

- it provides input to other human resources systems, such as development and remuneration.

Indeed, according to Moullin (2002) and de Bruijn (2001), the objectives of performance management at the heart of the government reform agenda are:

- rationalisation, in terms of size, cost and functions;
- the introduction of more effective systems of financial accountability;
- greater transparency in the operation of these public institutions;

- the upgrading of the skills base of the sector and the modernisation of its functional principles, procedures and systems; and

- the development of a realistic remuneration policy based on performance.

Armstrong (2000) cited in McAdam, *et al* (2005) suggested that performance management be integrated in two senses; first, vertical integration, in terms of the alignment of business, team and individual objectives and second, horizontal integration, linking different aspects of cross cutting activities, to achieve a coherent approach to the management and development of people. Thus, any attempt to develop performance measurement systems in the public sector must consider policy, practice and people in an integrated manner (Rowley, 1997) (McAdam, *et al*, 2005).

Baron and Armstrong (2007) argue that performance management processes provide an important source of information on human capital and its contribution to business. Lawler (2003) cited in Baron and Armstrong (2007) has made the point that: 'It is very difficult to effectively manage human capital without a system that measures performance and performance capability…An effective performance management system should be a key building block of every organisation's human capital management system. At the very basis level the performance management process informs the organisations how well individuals are achieving their objectives (Baron and Armstrong, 2007: 110).

Performance management data can be used to:

- demonstrate an organisation's ability to raise competency levels;

- assess how long it takes for a new employee to reach optimum performance;

- provide feedback on development programmes including induction, coaching and mentoring in terms of increased performance or capacity to take on new roles;

- demonstrate the success of internal recruitment programmes;

- indicate how successful an organisation is at achieving its objectives at the individual, team and departmental level;

- track skills levels and movement in any skills gap in the organisation;

- match actual behaviour against desired behaviour;

- assess commitment to values and mission;

- assess understanding of strategy formulation (Baron & Armstrong, 2007: 111).

Thomson (2002: 134) states that the basic intentions and expectations of performance management are as follows:

- It translates organisational goals into individual, team, and unit goals.

- It helps to clarify the organisational goals.

- It provides a process for measuring outputs compared with objectives but also examines the inputs needed to achieve the objectives.

- It relies on consensus and co-operation of individual performance.

- It is a continuous and evolutionary process, and achieves improvement over time.

- It is strongly associated with development and especially identifying what development is needed.

For performance management to work well it is crucial that employees fully understand the organisation's key corporate objectives, the reasons behind them and what contribution they all make to achieving them (Integrated performance management…2009).

Williams (2002: 19) indicates that the central aim of performance management is to develop the potential of staff, improve their performance and, through linking an employee's individual objectives to business strategies, improve the company's performance.

3.8   Performance management system

Craythorne (2003: 125) states that performance management systems are considered to be operating when the following conditions are met:
- A vision of objectives is communicated to employees.
- Departmental and individual performance targets are set within wider objectives.

- A formal review of progress towards targets is conducted.
- The whole process is evaluated to improve effectiveness.

He also argues that performance management as it is applied in municipalities, the politicians and the administration by the Municipal Systems Act, there are things that a municipality must do (it has not option):

- It must establish a performance management system that is: commensurate with its resources; best suited to its circumstances; and in line with the priorities, objectives, indicators and targets contained in its IDP. The performance management system is accordingly an integral part of the IDP and because the content of the IDP is a matter of municipal choice, so too is the content of the performance management system.
- It must promote the culture of performance management among its political structures, political office-bearers, councillors and its administration. As stated above, performance management is a vehicle for change.
- It must administer its affairs in an economical, effective, efficient and accountable manner.

The executive committee or executive mayor must:

- Manage the development of the system;
- Assign responsibilities in this regard to the municipal manager; and
- Submit proposed system to the council for adoption.

Through a municipality's mechanisms, processes and procedures for community participation, it must involve the local community in the development that is in the drafting, the implementation and the review of the performance management system. In particular, it must allow the community to participate in the setting of "appropriate key performance indicators and performance targets".

A municipality must establish mechanisms to monitor and review its performance management system, for example, by using sub councils, ward committees and the structures of civil society, rather than attempting to be its own judge.

Bevan and Thompson (1992) cited in Price (1997: 303) describe a performance management system as follows:

- The organisation has a shared vision of its objectives or a mission statement, which is communicated to its employees.
- There are individual performance management targets, related to unit and wider organisational objectives.
- There is a regular review of progress towards achieving the targets.
- There is a review process which identifies training, development and reward outcomes.
- The whole process is itself evaluated, feeding back through the changes and improvements.

Webb (2003), argues that first, 70-90 per cent of public and private sector enterprises have some form of centrally formalized system of performance management and most of these have at least one stakeholder group that is not happy with its performance management system. While managers may not be the architects of these performance management systems, they are at the front line of people's performance and therefore affected by any centralized systematization of the role.

More importantly, perhaps, managers are under increasing pressure to achieve higher performance from fewer resources, in an increasingly dynamic and unpredictable operating environment, through a workforce that is becoming increasingly unmanageable. This means that, systems or no system, any ways that help managers to be more effective and efficient should be of value.

Despite the enthusiasm regarding performance management by various companies, a comprehensive survey of nine leading South African organisations undertaken by the University of Stellenbosch, recently revealed a rather bleak picture of the way employee performance is

managed and rewarded in South Africa. Major problems that were identified during the survey included the existing of a rather negative working culture; changes in corporate strategy did not result in corresponding behaviour changes and insufficient line management support for performance management. Regarding period and formal performance reviews, overemphasis was placed on the appraisal aspect at the expense of development, inadequate performance information and maintaining objectivity. Despite these problems, the existence of a good performance review system can be of great value to the organisation, department and the individual (Carell, *et al*, 1996: 258).

Section 38 of the Systems Act prescribes that a municipality must do the following:

(a)   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;

(b)   promote a culture of performance management among its political structures, political office bearers and councillors and in its administration; and
(c)   administer its affairs in an economical, effective, efficient and accountable manner.

Williams (2006: 12-13) laments that according to the Department of Provincial and Local Government (DPLG Guide Pack: VI: Undated), the performance management system, must inter-alia, achieve the following objectives:
- Act as an early warning signal of under-performance so as to enable the implementation of proactive and timely interventions,
- Improve efficiency, effectiveness and accountability of the services delivery programmes,
- Promote decision-making and resource allocation,

- Guide development of municipal capacity building programmes,
- Create a culture of best practice and share learning among municipalities, and
- Create pressure for change at various levels.

3.9 Performance management system framework

Section 39 of the Systems Act provides that the executive committee or executive mayor of a 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.

A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players (Municipal Planning and Performance Management Regulations, 2001: 9).

Webb (2003) argues that the central idea behind performance measurement is a simple one: a professional organisation formulates its envisaged performance and indicates how this performance may be measured by defining performance indicators. Once the organisation has performed its tasks, it may be shown whether the envisaged performance was achieved and how much it cost.

This view is also supported by De Bruijn (2007) who said that performance measurement promotes transparency and innovation; it is an incentive to be productive, may help to de-bureaucratise an organisation, promotes learning and may enhance an organisation's intelligence position.

In terms of section 41(1) of the Systems Act, a municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed-

(a)   set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;

(b)   set measurable performance targets with regard to each of those development priorities and objectives;

(c)   with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)-

  (i)   monitor performance; and

  (ii)   measure and review performance at least once per year;

(d)   take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and

(e)   establish a process of regular reporting to-

  (i)   the council, other political structures, political office bearers and staff of the municipality; and

  (ii)   the public and appropriate organs of state.

(2)   The system applied by a municipality in compliance with subsection (1) (c) must be devised in such a way that it may serve as an early warning indicator of under-performance.

Webb (2003) laments that once a professional organisation has defined its products, it can plan the volume of its output over a certain period and establish at the end of this period what output was achieved. As a result, a professional organisation – like many organisations in the private sector – may pass through a planning cycle, in which performance is planned, achieved and measured. This is often accompanied by a strong orientation on goals. Performance measurement forces an organisation to formulate targets for the various programmes for which it

is responsible and to state the period within which they must be achieved. It will then show its ambitions for each of these targets in performance indicators.

A key aspect of performance management is performance measurement. Whatever the process being driven with performance management, clear and concise measures are required in order to properly define the desired goals. Most performance management systems fail to achieve the desired goals of the process owner or project sponsor because goal measurement is ambiguous, not specific enough, poorly communicated or because results cannot be measured effectively.

In the case of business, the typical approach is to create "smart goals", those which are specific, measurable, achievable, relevant, and timely (Performance management... 2009). Performance measurement may be considered standards used to evaluate and communicate performance against expected results (Niven, 2008: 211).

Webb (2003) argues that it has been claimed that the principal reason performance systems fail is low management commitment, but this is generally because systems are seen to be of no help. Managers who believe they can make a difference are more likely to undertake personal development, which improves their work group's performance and strengthens their managers' commitment.

3.10   Performance Management System Elements

The performance management process is cyclical, consisting of three stages:

- **Defining and Planning**: identifying what type of performance is required and how it can be met.
- **Delivering and Monitoring**: providing appropriate support and development and checking progress.
- **Evaluating:** assessing whether or not performance is to the required standard, recognising where standards have been met and seeking improvements where they have not.

At any of the three stages of the performance management cycle, at least one of a range of formal processes will be operating (Integrated performance management framework... 2009).

The same phases are echoed by Williams (2002: 23) who indicates that the components of performance management are as follows:

- **Directing/planning;**
- **Managing/supporting;**
- **Reviewing/appraising; and**
- **Developing/rewarding.**

Williams (2002: 12) argues that performance planning is concerned with such activities as formulating the organisation's vision and strategy and defining what is meant by performance. Performance improvement takes a process perspective, that is, including such activities as business process engineering, continuous improvement, benchmarking, and total quality management. Performance review embraces performance measurement and evaluation.

There are three components of the performance management cycle:
- goal setting and planning;
- ongoing feedback and coaching; and
- appraisal and reward.

The annual performance appraisal clearly speaks to the third issue, but appraisal and reward cannot be accomplished in a vacuum. That third stage is the culmination resulting from ongoing efforts in the first two stages. The performance management cycle is a continuum leading to a particular resolution in the final (third) step, but all three stages are intrinsically linked to the end result – the performance appraisal and associated merit increase (reward) (Falcone, 2005:4-5).

Hough, *et al* (2008: 198-199) argues that the performance and development process has four distinct phases that are applied during the annual performance and development management cycle, as well as on a daily basis, supported by the principles of continuous improvement. The

annual performance and development management cycle, applied on a daily basis, provides a formal structure for continuous improvement:

- Phase 1: Plan (Performance contacting).

- Phase 2: Do (Implementing the performance contract).

- Phase 3: Check (Reviewing performance).

- Phase 4: Act (Performance re-contracting).

A manager who defines performance ensures that individual employees or teams know what is expected of them, and that they stay focused on effective performance. *Goal setting* has a proven track record of success in improving performance in variety of settings and cultures.
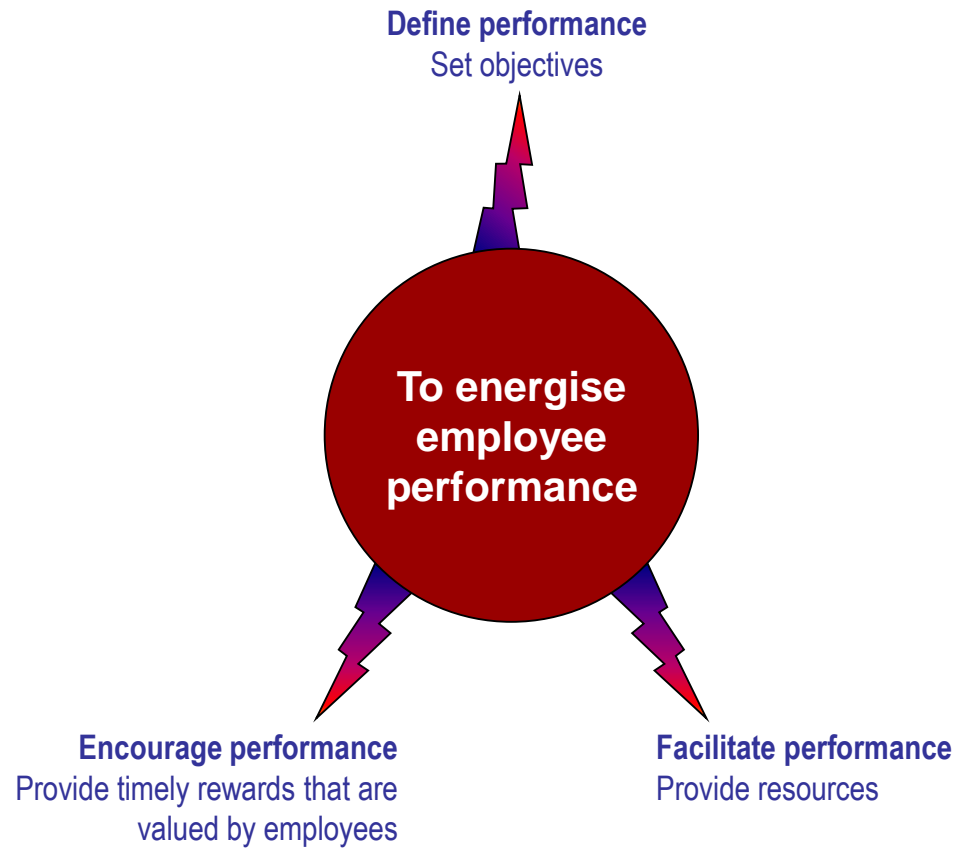
Managers who are committed to managing for maximum performance recognise that one of their major responsibilities is to eliminate roadblock to successful performance. Another is to provide adequate resources to get the job done right and on time, and a third is to pay careful attention to selecting employees, all of which are part of performance facilitation.

The last are of management responsibility in a coordinated approach to performance management is performance encouragement. To encourage performance, especially repeated good performance, it's important to do three more things well: (1) provide a sufficient amount of rewards that employees really value, (2) in a timely, (3) fair manner (Cascio, 2006: 329-332).

At a general level as shown in Figure 3.4, the broad process of performance management requires that three of the following things be done well:

- Define performance.

- Facilitate performance.

- Encourage performance.

Figure 3.4: Elements of a performance management system

Define performance
Set objectives

To energise
employee
performance

Encourage performance
Provide timely rewards that are
valued by employees

Facilitate performance
Provide resources

Source: Cascio W. F. (1988). *Applied Psychology in Human Resource Management* (5th ed.). Upper Saddle River, NJ: Prentice-Hall Inc.

Swanepoel, *et al* (1998: 376), provides a theoretical foundation of the performance management approach which may be operationalised within an integrated cycle of separate but related managerial process as outlined in Figure 3.5.

Figure 3.5: An integrated performance management cycle

Organising strategy

Performance planning

- Setting unit's mission
- Define roles and duties
- Establish goals and performance standards

Performance managing

Ongoing process of:

- Maintaining progress
- Feedback
- Counselling

Performance appraisal

Appraisal performance outputs against expectations

HR department application (system linkages)

- Reward processes
- Training and development
- Succession planning
- Disciplinary procedures
- Reviewing and maintaining appraisal system and process

Source: Swanepoel *et al* 1998 and adapted and expanded from Mitrani, A, Dalziel, M and Fitt, D. 1992. *Competency Based Human Resource Management*, 97. London: Kogan Page.

3.10.1 Performance planning

In an effective organisation, work is planned out in advance. Planning means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organisational objectives. Getting employees involved in the planning process will help them understand the goals of the organisation, what needs to be done, why it needs to be done, and how well it should be done.

The regulatory requirements for planning employees' performance include establishing the elements and standards of their performance appraisal plans. Performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable (Abbay, 2004: 41).

3.10.2 Performance monitoring

In an effective organisation, assignments and projects are monitored continually. Monitoring well means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals.

The regulatory requirements for monitoring performance include conducting progress reviews with employees where their performance is compared against their elements and standards. Ongoing monitoring provides the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards. And by monitoring continually, unacceptable performance can be identified at any time during the appraisal period and assistance provided to address such performance rather than wait until the end of the period when rating levels are assigned (Abbay, 2004: 41).

3.10.3 Developing performance

In an effective organisation, employee developmental needs are evaluated and addressed. Developing in this instance means increasing the capacity to perform through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or other methods. Providing employees with training and developmental opportunities encourages good performance, strengthens job-related skills and competencies, and helps employees keep up with changes in the workplace, such as introduction of new technology.

Carrying out the processes of performance management provides an excellent opportunity to identify developmental needs. During planning and monitoring of work, deficiencies in performance become evident and can be addressed. Areas for improving good performance also stand out, and action can be taken to help successful employees improve even further (Abbay, 2004: 41-42).

Craythorne (2003) states that the developmental approach relates to developing an employee's skills and motivation for future performance.

3.10.4 Performance rating/appraisal

Craythorne (2003) states that performance appraisals are a key element in the use and development of an organisation's most resource, its employees. Performance appraisal falls into tow classes, evaluative and developmental. The evaluative approach looks at past performance with a view to future pay.

Abbay (2004: 41-42) argues that from time to time, organisations find it useful to summarise employee performance. This can be useful for looking at and comparing performance over time or among various employees. Organisations need to know who their best performers are.

Noe, et al, cited in Abbay (2004: 42) laments that within the context of formal performance appraisal requirements, rating means evaluating employee or group performance against the elements and standards in an employee's performance plan and assigning a summary rating of record.

The rating of record is assigned according to procedures included in the organisation's appraisal programme. It is based on work performed during an entire appraisal period. The rating record has a bearing on various other personnel actions, such as granting within-grade pay increases and determining additional retention service credit in a reduction in force (Abbay, 2004: 42).

Craythorne (2003) argues that appraisals should preferably be done over a period of time, that is, not on the events of one day. Different appraisal techniques can be used:

- Peer appraisal by colleagues. This has the potential for skewing the result because of friendship and enmities.
- Reverse appraisals by subordinates, for example, on how well a manager delegates, communicates, plans and organises. The anonymity of the subordinates should be assured.
- Self appraisal, combined with goal setting and the opportunity of adding value to the organisation, improves the employee's motivation and reduces defensiveness during the interview.
- Customer appraisal by internal and external customers can provide a perspective on job performance and can provide an input for decisions on promotion, transfer and training.
- Computerised performance appraisals using software packages, for example, used by managers to log notes on their subordinates during a year.
- 360-degree feedback is a multi-voter system which uses a questionnaire that asks many people, for example, superiors, subordinates, peers and internal and external customers, to respond to questions on how well a specific individual performs in a number of behavioural areas.
- Team appraisals require a combination of appraisals on how well each member contributes to the team and how well the team accomplishes its goals.

3.10.5 Reward and recognition

In an effective organisation, rewards are used well. Rewarding means recognising employees, individually and as members of groups, for their performance and acknowledging their contributions to the company's mission. A basic principle of effective management is that all behaviour is controlled by its consequences. Those consequences can and should be both formal and informal and both positive and negative.

Good performance is recognised without waiting for nominations for formal awards to be solicited. Recognition is an ongoing, natural part of day-to-day experience. Nonetheless, awards regulations provide a broad range of forms that more formal rewards can take, such as cash, time off, and many non-monetary items (Abbay, 2004: 43).

A paper by Bititci (1997) asserted that performance management should be viewed as a key business process which is central to the future wellbeing and prosperity of any manufacturing enterprise. The performance measurement system is seen as the information system which enables the performance management process to function effectively and efficiently.

The performance management process is the process by which the company manages its performance in line with its corporate and functional strategies and objectives. The objective of this process is to provide a proactive closed loop control system, where the corporate and functional strategies are deployed to all business processes, activities, tasks and personnel, and feedback is obtained through the performance measurement system to enable appropriate management decision.

In essence, the performance management process defines how an organisation uses various systems to manage its performance. These systems include, but are not limited to: strategy development and review; management accounting; management by objectives; non-financial performance measures – informal; non-financial performance measures – formal; incentive/bonus scheme; personnel appraisal and review. At the heart of the performance

management process, there is an information system which enables the closed loop deployment and feedback system. This information system is the performance measurement system, which should integrate all relevant information from the relevant systems (as listed above). In this context integration means that the performance measurement system (Bititci, *et al*, 1997: 524).

Gomez-Meija *et al* (2001: 226) cited in Erasmus, *et al* (1998: 372) support Bititci's assertion that the overall purpose of appraisal is to provide information about work performance. This information, again, can serve a variety of purposes, which generally can be categorized under two main headings of administrative purposes and developmental purposes.

Webb (2003) argues that managing your people's performance well takes effort and it's when we can't make the effort that we resort to positive ('carrot') and negative ('stick') sanctions. 'Stick' sanctions include ignoring, denigrating or humiliating an employee, disadvantaging by withholding high-value work or career opportunities and threatening to dismiss. 'Carrot' sanctions include reward incentive schemes, bonuses, annual pay increments linked to annual appraisal, here/heroine status and favoured treatment. Both approaches have been shown to be short-term motivators only, at best.

Plaatjies (2009: 9) argues that if the public is dissatisfied, the top management team of the state at all levels – the principals – must be held accountable, especially for failure to deliver services. This accountability is the ultimate measure of competence.

Management must ensure operational mechanisms and procedures are in place to quickly deliver quality services and products to the public. Management must also detect inefficiencies, graft and fraud risks, given that corruption and fraud are mostly committed by public servants, not politicians. Senior managers who use public service to get a salary must be identified.

Williams (2002: 10) laments that one of the things that writers on performance management agree about is that performance management is difficult to define – this is true, of course, of many other initiatives, such as total quality management (TQM) and business process re-

engineering (BPR). Nonetheless, it seems possible to discern three main perspectives or types of model:

- Performance management as a system for managing organisational performance;
- Performance management as a system for managing employee performance;
- Performance management as a system for integrating the management of organisational and employee performance.

By having an integrated performance management system, communities would have a say in the development of same and give the municipality the mandate to deliver on its priorities. Again, AbaQulusi will be measured according to those priorities agreed to with the members of the community. The setting of these priorities will be in line with the municipality's planning and budgeting processes. Consequently, this requires the municipality to improve its capacity to manage at a higher level of productivity and service delivery accomplishments. Clearly, a proper assignment of work is primary, entering into a performance agreement between the manager and the employee, and ensuring that performance is managed and evaluated through informal and formal feedback inclusive of performance reviews as well performance management mechanisms in ensuring compliance.

From the above, scholars have different views as to the elements or stages of a performance management system but all the elements share common goals and understanding and includes performance planning, performance managing and performance evaluation. In the sections below, a system of managing work performance will be explained which is the foundation for the formulation of a performance contract, monitoring, evaluation and development of an employee's performance.

3.10.6 Work assignment

Work is defined as something an employee has to do or achieve. The overall reason for good work assignment (as shown in Figure 3.6) is that your employees have the best potential to achieve the required performance (Webb, 2003: 29-30):

Figure 3.6: A system of managing work performance
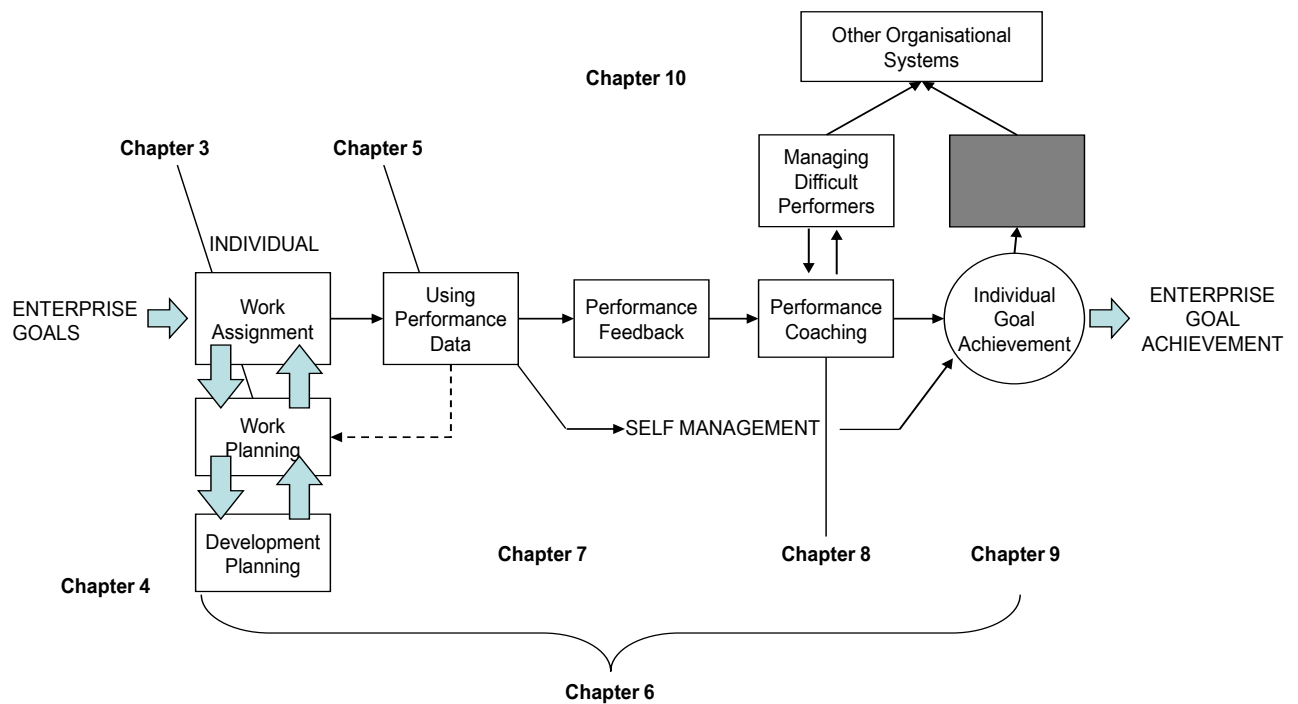
Source: Webb, J. (2003). Putting management back into performance: a handbook for managers and supervisors. Sydney: Ligare Book Printer.

Webb's view is also supported by Williams (2002: 12) who argues that performance management supports a company's or organisation's overall business goals by linking the work of each individual employee or manager to the overall mission of the work unit.

3.10.7 Formal performance agreements

Most performance systems have a formal objective-setting component for individuals which, when agreed between employee and manager, is often termed a performance 'agreement' of 'plan'. This objective – setting process has two aims – business and system – and, unless approached thoughtfully, one or the other aim may be compromised (Webb, 2003: 59).

3.10.8 Performance feedback

Webb (2003: 110) defines performance feedback using a classing analogy of the thermostat in a room heater. The thermostat is set to a certain desired temperature (performance target) and, while the room temperature is below that level (actual performance), the thermostat registers the deficiency (measures the performance) and keeps the heater on (responds). As soon as the set temperature is reached, the thermostat switches off the current and the heater stops. When the room temperature falls, the thermostat once again switches on the current and the cycle repeats. The essential elements therefore are a performance target, actual performance, measurement of performance and an action response.

The appraisal interview should be both evaluative and developmental. Goals that have been met do not warrant long discussion, except for the praise that must accompany these achievements (Nel, *et al,* 1987: 528).

Meyer *et al* (2007: 410) states that appraisal feedback should be used for employee development rather than for making personnel decisions regarding pay, promotions or terminations.

3.10.9 Manage and coach

When the subject of coaching is raised, one of the most common questions is 'Am I supposed to be a coach or a manager?' The answer is that you should be both – coaching is particular way of managing by focusing on the performance development of your people.

Coaching is a relationship between you and your employee, with defined roles and responsibilities and a defined purpose that relates to the employee's performance development (Webb, 2003: 133).

Meyer *et al* (2007: 412) defines coaching as a form on-the-job training, using work to provide planned opportunities for learning under the guidance of a line manager or an external third party such as a coach or executive coach.

The manager uses coaching skills to help the employee to improve, offers advice on coaching behaviours and approaches, and encourages progress towards achieving goals and adding value. According to Gomez-Meija *et al* (1998: 219-223) as cited in Nel, *et al,* (2001) supervisors who manage performance effectively generally share four characteristics:

- They explore the causes of performance problems;
- They direct attention to the causes of problems;
- They develop an action plan and empower workers to reach a solution; and
- They direct communication at performance and emphasise non-threatening communication (Nel *et al* 2001).

The above view is supported by Hargrove (1995: p.15) cited in Bianco-Mathis, *et al* (2002: 4) that coaching is challenging and supporting people in achieving higher levels of performance while allowing them to bring out the best in themselves and those around them.

3.10.10   Employee development

Closely aligned with the notion of work and performance is the idea of personal effectiveness, describes the contribution to performance made by the person as distinct from that made by the rest of the work system (Webb, 2003: 51).

The need for development is likely to arise during the work assignment, work planning, on-the-job monitoring or formal periodic reviews. Indicators of the need will include the following:

- In assigning or planning new work – role, goal or task – it is clear that the employee is currently not capable.

- The employee is not meeting the performance expectations and non-personal work factors have been eliminated.

- There is an agreed process of ongoing improvements in personal effectiveness, linked to ongoing improvement in work performance. This occurs mostly in conjunction with a formal review process and/or the commencement of the annual planning cycle.

The inclusion of a personal development plan in annual performance review requires comment. Although the plan provides a perspective of a whole year's work, development needs arise mostly during the period, not after it.   Therefore, the most appropriate time to consider development is the point at which work is being assigned and planned or when performance is not meeting expectations (Webb, 2003: 53).

3.10.11   Managing difficult performers

In some organisations, poor performance is handled by simply passing on the underperformer to another department.   Sometimes, managers find difficulty in confronting aspects of poor performance because they lack confidence in their ability to handle the conflict which might arise (Holbeche, 1999:126).

Webb (2003: 175) uses the term 'difficult performers' to describe those who lack the degree of will, or intention, to perform at the required level. To describe them as difficult is a reflection both of their unwillingness to fulfil their basic employment obligations and if the complexity that often surrounds the management of these employees. The overall aim of managing difficult performers is to restore their will to the point that their performance ability can be ascertained. At this point they will fall into one of the two quadrants in the will-skill dynamic and can be coached appropriately from there. If an employee is ultimately unwilling to perform, your pathways will include your organisation's performance management system and practices and procedures on formal discipline and termination.

The strategy for dealing with any C players in your group centres on addressing their underperformance. The first step is to try to move them up to an acceptance performance level. To do this:

- Provide them with clearly defined expectations for performance.
- Create a prescribed path and timeline for achieving those goals.
- Be explicit about the ways in which they must improve.
- Be willing to coach and provide candid feedback (Harvard Business Press, 2009: 50).

3.10.12   Formal review

Grobler *et al* (2006: 262) defines performance appraisal (PA) as the ongoing process of evaluating and managing the behaviour and outcomes in the workplace. Organisations use various terms to describe this process such as performance review, annual appraisal, performance evaluation, employee evaluation and merit evaluation.

The annual performance review, sometimes referred to as 'appraisal', is a significant event in many large organisations. This is the time when employees, individually, sit down with their manager and, following a formal process, the whole of their performance over the whole year is reviewed and they come out of the meeting with some form of evaluation. The formal review process is also defined as the 'crunch time' (Webb, 2003: 197).

Suutari & Tahvanainen (2002) as cited by Marley (2009:1) laments that performance appraisal is considered to be one of two key elements of performance management, with the other being the communication of organisation strategy through individual objective setting, development and compensation.

Gay & Sims (2006: xvii) defines the performance review as the practice of evaluating and discussing an individual's past performance, behaviours, and the achievement of work goals, typically using a rating scale and written comments. Most organisations conduct formal performance review processes on an annual, semi-annual, or quarterly basis.

Webb (2003: 205) defines evaluation as the process of taking an employee's actual performance and attributing some meaning to it. In this process, comparability is a requirement. Thus, it is necessary to be able to take all the various measures of personal effectiveness that exist in the organisation or in a work group and make them comparable with each other. In this way, you hope to be able to compare the evaluation of a cost accountant with that of a production manager and with that of a field person.

Erasmus, *et al* (1998: 372) defines performance appraisal as a formal and systematic process by means of which the job-relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed. Gomez-Meija, Balkin and Cardy (2001: 225) as cited in Erasmus, *et al* (1998: 372) laments that the above definition captures the essential components of what the process of performance appraisal should ideally entail:

- Identification refers to the rational and legally defensible determination of the performance dimensions to be examined;
- Observation indicates that all appraisal aspects should be observed sufficiently for accurate and fair judgments to be made;
- Measurement refers to the appraiser's transaction of the observations into value judgments about how "good" or "bad" the employee's performance was;
- Recording concerns the documentation of the performance appraisal process outcomes; and

- The development component indicates that appraisal is not simply an assessment of the past but that it should also focus on the future and on the improvement of individual performance.

Randell (1984) cited in Thomson (2002: 134) suggests that an appraisal system should have some – but not, necessarily, all – of the following purposes:
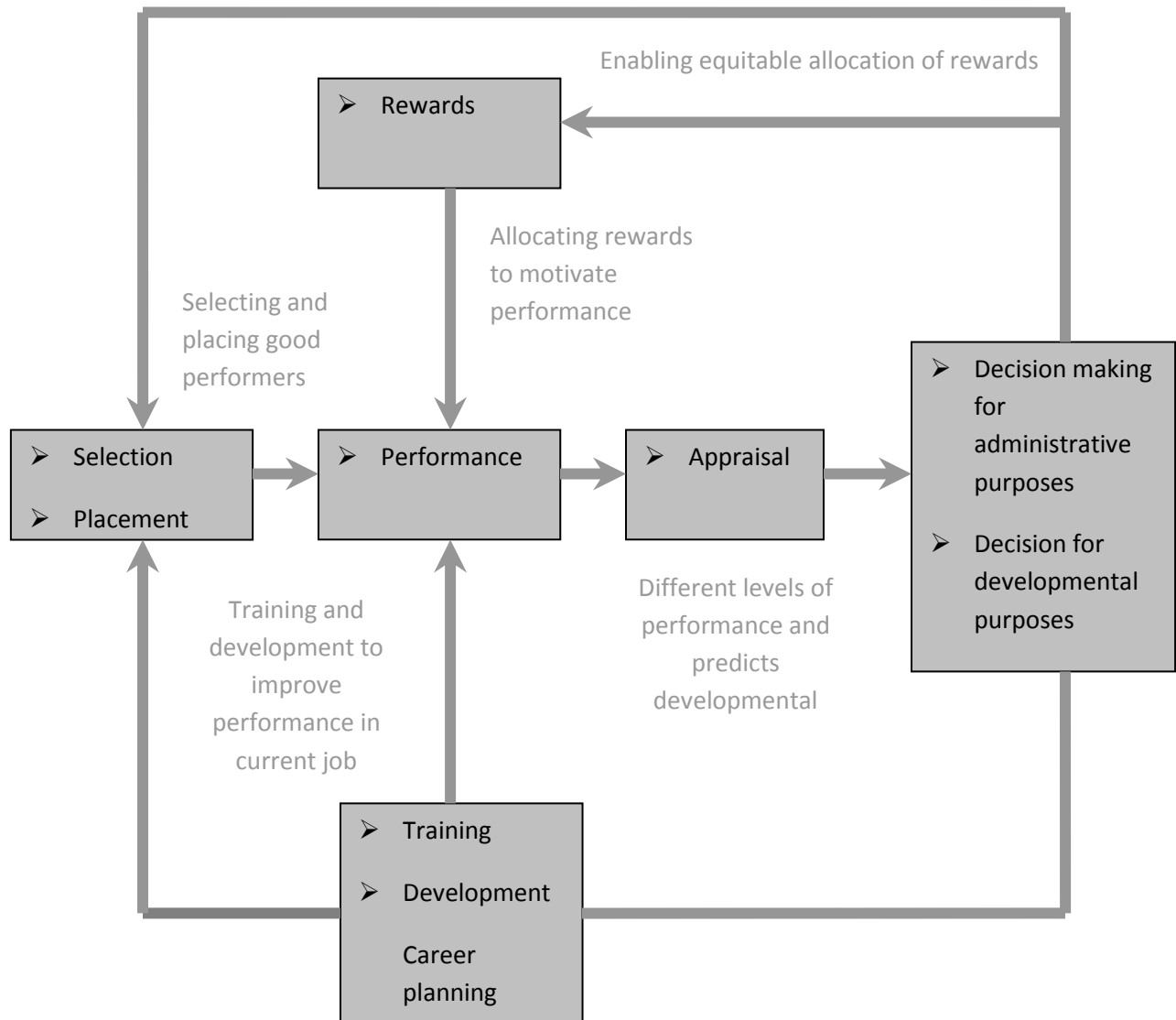
- Evaluation – to enable the organisation to share out financial and other rewards apparently 'fairly'.
- Auditing – to discover the work potential, both present and future, of individuals and departments.
- Constructing succession plans – for human resource departmental and corporate planning purposes.
- Discovering training needs – by exposing inadequacies and deficiencies that could be remedied through training.
- Improving standards – to reach organisational standards and objectives.
- Developing individuals – by offering advice, information, praise and sanctions.
- Improving standards – and thus performance.
- Checking the effectiveness – of personnel procedures and practices.

Webb (2003: 199) argues that in many organisations and in the minds of many people, the evaluation process dominates the whole system, to the point that it is common for performance management systems to be referred to as performance appraisal systems. All of this should say two things to us, as managers: (1) we must not treat formal evaluation as the whole system, or over the principal driver of the system, and (2) there are many negative views that must be taken into account in its execution.

Gratton (2000) Milliman, Nason, Zhu & De Cieri, (2002) cited in Marley (2009: 1) states that performance appraisals are an integral part of the wider performance-management system and are extensively used to evaluate international employees. In support of the view by Webb (2003) that formal evaluation should not be treated as the whole performance management system but forms part of it. Erasmus, *et al*, (1998: 374) clearly indicates as to where

performance appraisal should be positioned in human resource cycle for purposes of a performance management systems and depicted in Figure 3.7.

Figure 3.7: Performance appraisal in the human resource cycle

Enabling equitable allocation of rewards

> Rewards

Allocating rewards to motivate performance

Selecting and placing good performers

> Selection
> Placement

> Performance

> Appraisal

> Decision making for administrative purposes
> Decision for developmental purposes

Different levels of performance and predicts developmental

Training and development to improve performance in current job

> Training
> Development
Career planning

Source: Adapted and expanded from Fombrun, CJ, Devanna MA and Tichy NM. 1988. the human resources management audit. In *The Strategic Human Resources Management Sourcebook,* eds LS Baird, CE Schneier and RW Beatty, 252. Amherst, Mass: HRD Press.

Performance appraisals are a key element in the use and development of an organisation's most vital resource – its employees. Appraisals are used for a wide range of administrative purposes, such as making decisions about pay, promotion and retention. Effective appraisals can significantly contribute to the satisfaction and motivation of employees – if they are used correctly. For the most part, the objectives of PA fall into two categories: evaluation and developmental (Carell, *et al* 1996: 260).

Fombrun, *et al,* (1984: 112) argues that in the design of performance appraisal systems, several factors should be considered. Of primary importance is clarity of purpose. Will the system be used basically to measure performance behaviour, improve performance behaviour, give rewards, increase communications, identify managerial talent, isolate training needs, provide data for a human resources inventory, or improve communication?

A good place to begin the process of selecting appraisal system goals is in defining the corporate or business mission. Ambiguous understanding of the mission or corporate goals causes difficulty for workers relating to the significance of their particular functions. Explanations of the how, what, and why of jobs as they relate to the total entity contributes to defining appropriate workplace behaviours. Feedback on behaviour then becomes the link between the specific job goals and the corporate mission.

Strategically, the appraisal system could be used to promote a variety of goals. For instance, appraisal systems could drive employees towards increasing productivity, identify fast-trackers, punish poor work behaviour, or create a psychological work union, while at the same time provide information to the human resource systems by systematically compiling data (Fombrun, *et al* 1984: 118).

The most common decisions based on evaluative objectives concern compensation, which includes merit increases, employee bonuses and other increases in pay. Developmental objectives – encompasses developing employee skills and motivation for *future* performance (see Figure 3.8).

Figure 3.8: Evaluative and developmental objectives in performance appraisal
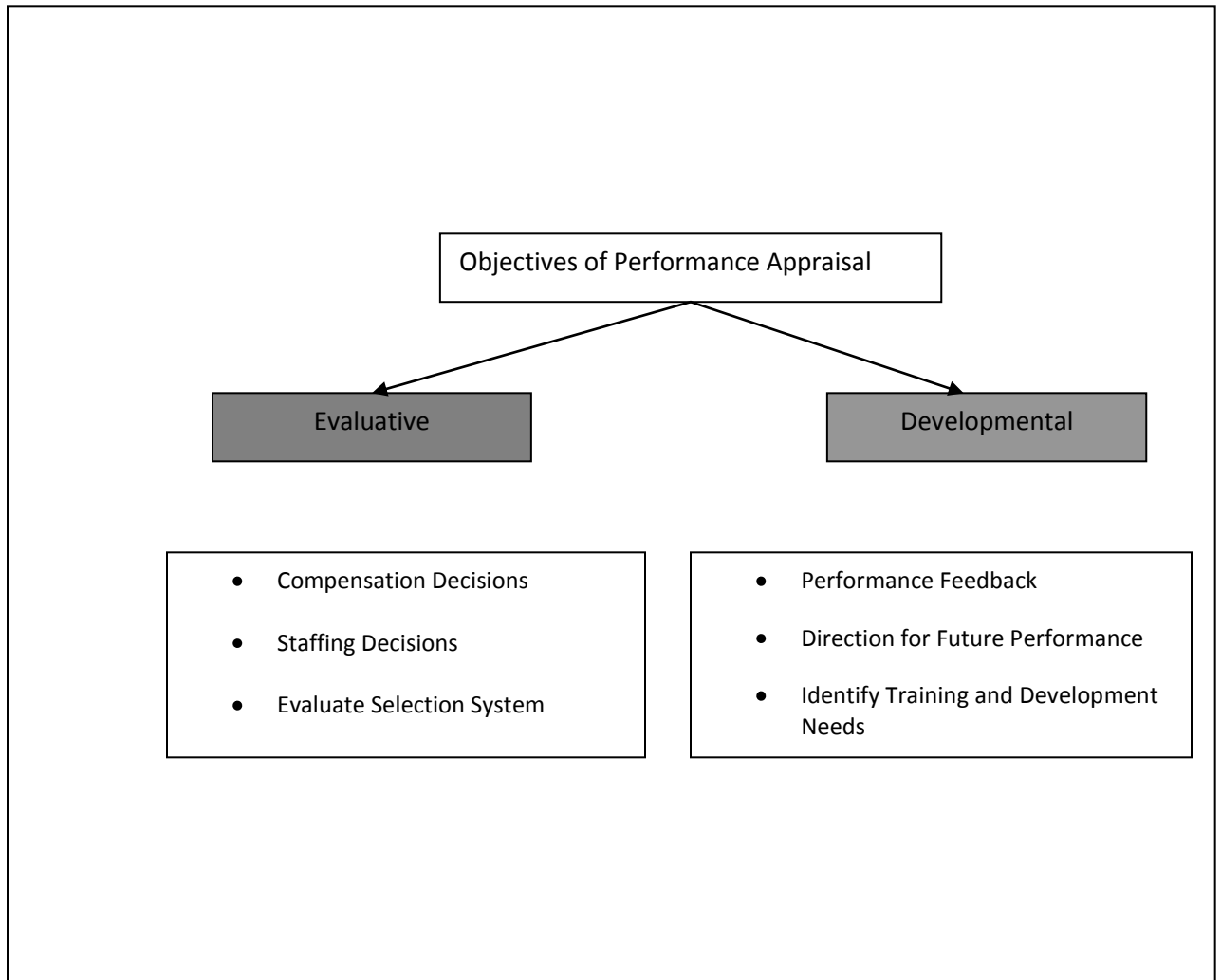
Source: Carell, M.R. Grobler, P. A. Elbert, N. F. Marx, M. Hatfield, R. D. van der Schyfy,
S. (1996). Human Resource Management in South Africa. Upper Saddle River, New
Jersey: Prentice-Hall Inc.

Abbay, (2004: 16) states that the purposes of performance systems are of three kinds:

- **Strategic purpose** – it should link employee activities with the organisation's goals. One
  of the primary ways strategies are implemented is, through defining the results,

behaviours, and to some extent, employees' characteristics that are necessary for carrying out that strategy.

- **Administrative purpose** – organisations use performance management information (performance appraisal, in particular) in many administrative decisions: salary administration (pay raises), promotions, retention-termination, layoffs, and recognition of individual performance, and

- **Developmental purpose** – purpose of performance management is to develop employees who are effective in their jobs.

3.10.13   How effective is performance evaluation?

Webb (2003: 204) states that generally, the process of performance review and evaluation ('performance appraisal') fails to live up to the expectations of its proponents and users, as evidenced by a large amount of field research. The reasons associated with failure are many and relate to the needs and the expectations. They include:

- **Flaws in intent:** for example, espoused aims cannot be met by the process as designed.
- **Flaws inherent in the process:** for example, evaluation involves judgements and therefore the manager-employee relationship is part of the result.
- **Flaws inherent in the manager:** for example, lack of relevant abilities.
- **Flaws inherent in the employee:** for example, employee antagonism or fatalism towards the process.

Webb's view is also supported by authors Maley & Kramar, (2007), Whitford & Coetsee (2006) cited in Marley, (2009:1) who argued that despite their (performance appraisals) importance and prevalent use, their implementation is frequently defective in a number of ways. These limitations include erroneous judgements about performance, unproductive feedback, invalid performance criteria and a lack of transparency about the purpose of the system.

Hough, *et al* (2008: 204) states that the formal results review takes place once a year and evaluate results obtained. The formal results review evaluates the extent to which overall objectives have been achieved for the specific performance and development cycle. During the formal results review, the following steps can be followed:

- Discuss the individual's expectations of the performance review.
- Clarify any issues you or the individual may want to raise before analysing his/her results.
- Determine the individual's overall score for the performance and development management cycle.
- Determine whether or not the individual is meeting the required performance standard.
- Interpret the individual's overall score on the task/behaviour.
- Discuss the non-achievement with regards to the individual's key result areas, compliance or contribution and discuss why he/she has not achieved the objectives (where applicable).
- Provide suggestions regarding what actions the individual can take to ensure that his/her performance improves or is kept up to standard.
- Assist the individual in developing an action plan to achieve his/her objectives and targets

Webb (2003: 224) argues that whenever one attempts to reduce the whole year's work of an individual into a single evaluation – descriptive or score – it is fraught with dangers. He recommended three ways that can be used to achieve the best results which are to (1) know your own system, (2) understand some principles behind overall evaluation and (3) have a clear purpose for the exercise.

Stiles, Gratton, Truss, Hope-Hailey & McGovern (1997) cited in Marley (2009:1) states that at the same time, a performance appraisal cannot be an exclusive process, and the consequences of the appraisal may influence a number of human resource management areas. One of the important processes that the appraisal may influence is the psychological contract.

Annual performance appraisals are not meant to be a paper chase – a mandatory exercise that creates a snapshot of the impressions as a supervisor about a subordinate's work. Instead, they

should be a collaborative effort that builds on open communication and constant feedback. Thus investing in goal setting should be a two-way communication: employees who have advanced input into their own career development will typically buy in to the suggestions much more readily than when those goals are imposed above (Falcone, 2005: 5).

Performance-appraisal acceptability and the purpose of appraisal emerge from the literature to be both paramount and interdependent. Evidence suggests that, from an employee perspective, in order to be acceptable the appraisal needs to have a clear purpose, and the appraisal purpose has to be acceptable. The relationship between purpose and acceptability reinforces the need for appraisal to be embedded in a performance management system rather than to stand alone as a human resource event. For example, if appraisal is part of a fully fledged performance-management system, it is more likely that the appraisal will be linked to the organisation's strategy and that both compensation and training and development needs will be achieved. Under these conditions the appraisal is more likely to be acceptable to the rate (Marley, 2009: 2).

It is obvious that the performance evaluation process can no longer stand on its own, and must become an integral part of a holistic performance management system that adds value to the organisation (Nel *et al,* 2001: 530).

3.11 Studies on performance management in the public and municipal sector using the Balanced Scorecard

Although there are various models on performance management but this section will briefly review two studies conducted on performance management using the balanced scorecard in the City of Cape Town and the Department of Water Affairs and Forestry.

Jantjes' (2008) thesis focuses on an analysis of organisational performance management in the City of Cape Town from legislation to implementation. The City of Cape Town adopted the balanced scorecard as a methodology for organisational performance in 2003 till to date. The City's indicators in the four perspectives in the Balanced Scorecard are: (1)

Community/Customer, (2) Financial, (3) Internal Business Processes and (4) Learning and Growth.

Organisational and individual performance management was rolled out further in the municipality in 2005. Individual performance management was implemented for Section 57 employees i.e. the City Manager and Executive Directors as well as the next two levels in the organisation i.e. Directors and Managers.

Jantjes commended the City of Cape Town for the progress it has made in the use of the Balanced Scorecard as a methodology for organisational performance. She concluded that Balanced Scorecard was being utilised to an extent and that some aspects were difficult to introduce uniformly, e.g. cause and effect linkages as a result of differing business complexies and resources.

Jantjes recommended that the phased programme should be put in place to plan for the full implementation to ensure that the Balanced Scorecard was fully utilised. She also recommended that more emphasis be placed on the full implementation of the balanced scorecard at organisation and individual level and it should be used when Section 57 scorecards were being compiled.

Maila's (2006) thesis focuses on performance management and service delivery in the Department of Water Affairs and Forestry (DWAF). After extensive exploration of a variety of instruments available to measure performance in the South African market, Maila opted to focus on the BSC. Maila argues that the balanced scorecard allows organisations to determine what the value drivers or right things are towards achieving its mandate. Key performance indicators should be used as a basis for establishing how the organisation is doing at any specific time. The BSC as an instrument in measuring performance in DWAF as well as an exposition of how the BSC could be used to align performance management with strategy. Maila concluded that the absence of a formal and completely functional balanced scorecard in DWAF meant that a self-adjusted one had to be designed and used to measure the organisation's performance.

### 3.12   Local Government Performance Management Framework

Chapter Six of the Systems Act outlines the following core components of the performance management system:

- Set appropriate performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
- Set measurable targets;
- Monitor performance;
- Measure and review performance at least once a year;
- Improve performance; and
- Establish a process of reporting (Govender, 2002: 16-17).

Following the adoption of the White Paper on Local Government, the Department of Provincial and Local Government started the process of developing a policy framework for performance management (See Figure 3.9). The process involved extensive consultation with key stakeholders in provinces, convening theme-based national seminars and undertaking research. In developing the framework, the Department was guided by the following principles:

- The system must be owned by the municipalities and supported by the other spheres of government;
- The system must place the communities at the centre of the local government processes;
- The system should be non-punitive;
- The system should be seen as a developing one;
- The system should be linked to the integrated development plan framework;
- The development and implementation of the system needs to cater for capacity variations between and among municipalities; and
- The system needs to build on or at least be linked to existing initiatives (Govender, 2002: 13).

Figure 3.9: Typical Performance management Framework for Local Government
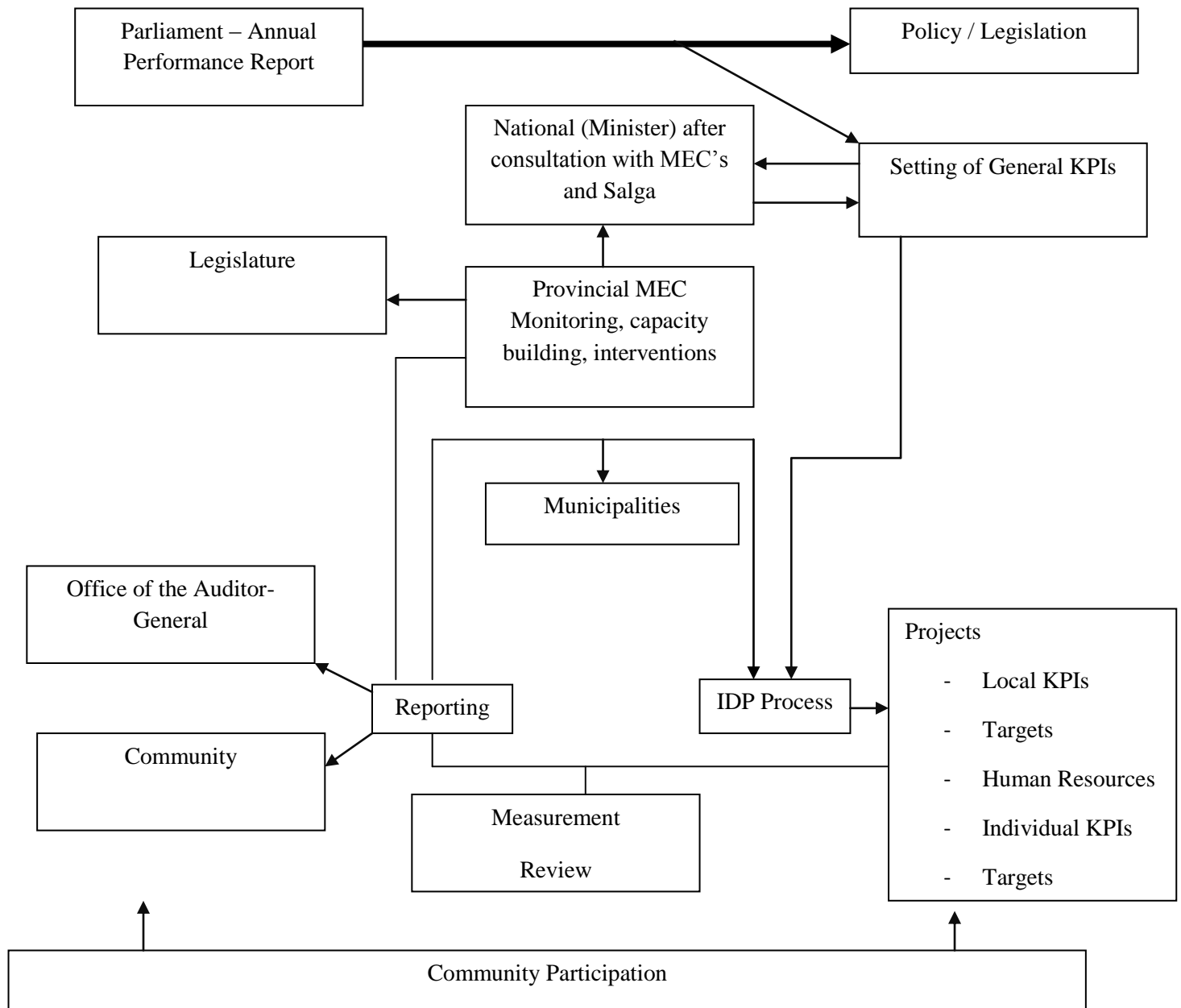
The question of how to measure performance in the public sector has taken centre-stage in discussion forums amongst development practitioners and in academic circles nationally and locally. This is because for the first time in the history of our country municipalities are now compelled to actually implement their strategies and install effective, ongoing monitoring systems that deliver on the strategy (eThekwini Municipality, 2004: 38).

Pretorius and Schuring (2007) argues that a municipality has the developmental duty to manage its administration and budgeting and planning processes in such a way that, firstly, the basic needs of the community are prioritised, and secondly, that the social and economic development of the community is promoted and to participate in national and provincial development programmes is increased. Their research underlined that in order to reach their goals, municipalities should be able to identify their shortcomings, address the identified problems and consistently monitor their progress. It also clearly showed the need for the development of an integrated model whereby a transformation plan for the municipal area could be developed, implemented and monitored. Such a plan should pertinently address conditions for sustainable service delivery and economic development.

The outcome of this research was the development of a model, the **Retro Advanced Leadership Model,** which is aimed at helping municipalities to meet their goals. These goals include the following: good governance, developing human resources, environmental stability, inter-municipal co-operation, economic development, public participation and programme management.

The Retro Advanced Leadership Model presents key components for enhancing service delivery in local government, namely, (1) management of leadership performance, (2) legislative imperatives, (3) achieving realistic goals; and (4) continuous maintenance and monitoring of achievements has been identified as shown in Figure 3.10. The model is a modest theoretical contribution in that it places the focus on the following aspects of service delivery:
- The creation or strengthening of a culture of performance excellence amongst employees;
- Leadership qualities that lead to service delivery excellence;

- The contribution of internal systems (policy, procedures, budget, integrated development planning and performance management system) to intergovernmental relations and infrastructure development;

- Legislation that stipulates local government's responsibility and accountability in terms of service delivery;

- The importance of human capital, good governance, environmental stability and economic growth for achieving realistic service delivery goals; and the need for continuous monitoring to maintain and enhance the quality of service delivery.

Figure 3.10: Retro Advanced Leadership
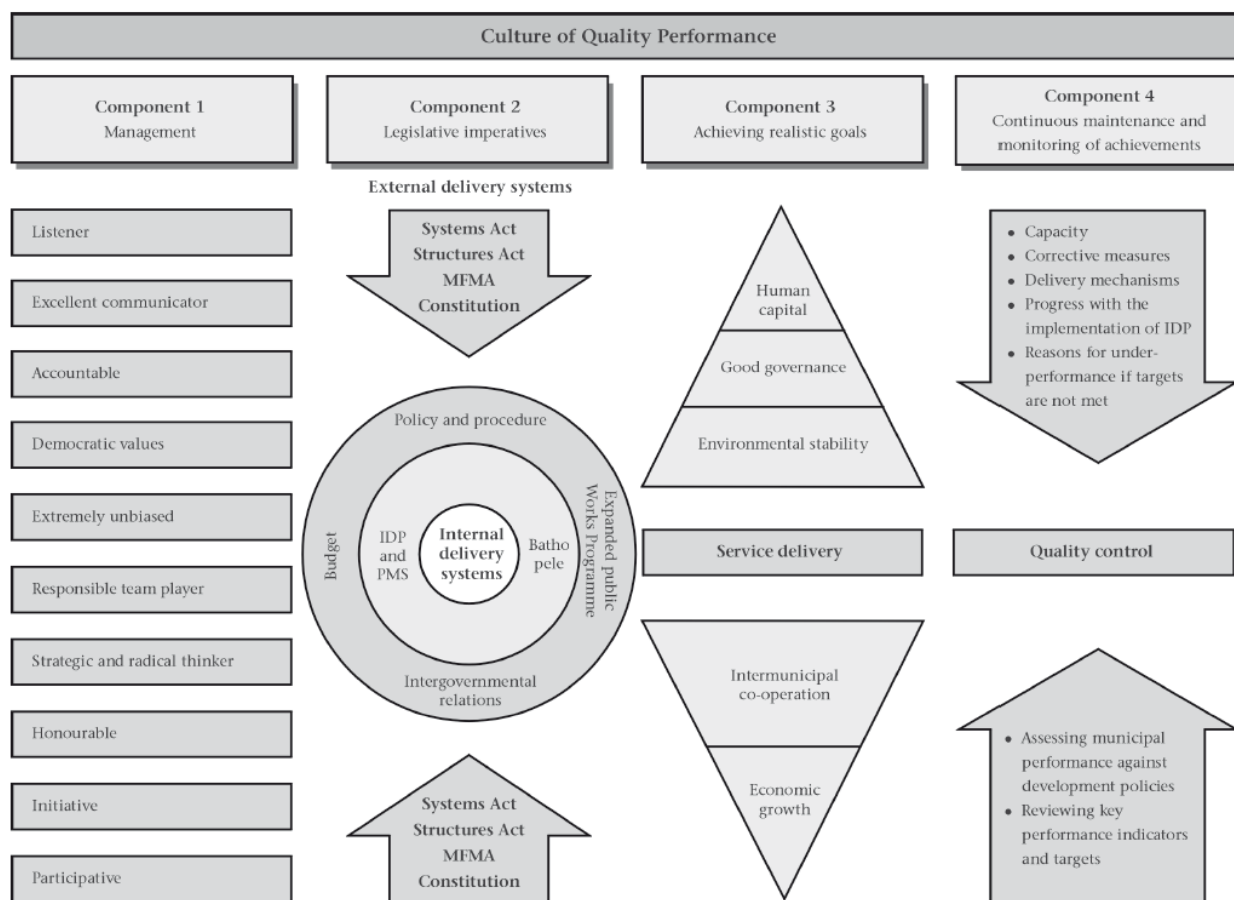
Source: Pretorius, D. & Schurink, W. (2007). Enhancing Service Delivery in Local Government: The case of a district municipality. South African Journal of Human Resources Management.

3.13   Integrated Performance Management System: Balanced Scorecard

Hough, *et al* (2008: 14) argues that managing alignment is seen as a key management process particularly in strategy implementation. Kaplan and Norton cited in Hough, *et al* identified organisational alignment as the biggest gap between the practices of so called "Hall of Fame" organisations and the other two groups: namely high-benefit and low-benefit users of the Balanced Scorecards (BSC). Enterprises enjoying the greatest benefit from their performance management systems are much better at aligning their corporate, business unit and support strategies and this indicates that alignment produces synergies and also big benefits. Understanding how to create this strategic alignment is crucial because this will be able to produce significant benefits for all types of businesses.

Niven (2008: x-xi) argues that public and non-profit organisations today face unprecedented challenges in carrying out their vital mission-oriented tasks. Increased public scrutiny, demands for accountability, cries of enhanced transparency, and donations linked to stipulations of success, are but a few of piercing calls you must answer in meeting stakeholder expectations. And of course, you are required to achieve all of this and more in an environment marked by shrinking budgets, strict regulations, and changing workforce demographics. In the years to come, enhanced productivity, performance improvements, and strategy execution will be transformed from private sector topics that drive bestseller lists to survival imperatives for every public sector agency.

There are three factors that are fundamental to the success of any organisation, whether public sector, non-profit, or private: increasing role of intangible assets in creating value in today's economy, our long-standing over-reliance on financial measures of performance to gauge success, and most importantly, the challenge of executing strategy (Niven, 2008: 3).

Most successful companies have introduced the balanced scorecard as part of their strategy execution and this view is supported by Niven (2008: 3) who argues that the balanced scorecard has been a proven framework for tracking organisational performance and executing strategy and

that organisations around the globe are taking notice and turning to the Balanced Scorecard. In the United States, about 60% of the Fortune 1000 companies are using the Balanced Scorecard.

Another look at the list of achievements private sector firms have seen from their investment in the Balanced Scorecard: accountability, collaboration, alignment, resource allocation improvement, enhanced financial results, and strategy execution. Each and every one of those benefits is equally available to government and non-profit agencies willing to implement the Balanced Scorecard system with rigor and discipline (Niven, 2008: xi).

What you measure is what you get. Senior executives understand that their organisation's measurement system strongly affects the behaviour of managers and employees. Executives also understand that traditional financial accounting measures like return-on-investment and earnings-per-share can give misleading signals for continuous improvement and innovation – activities today's competitive environment demands. The traditional financial performance worked well for the industrial era, but they are out of step with the skills and competencies companies are trying to master today (Kaplan & Norton, 2007: 124).

Williams (2002: 66) argues that one approach which has become popular in recent years which attempts to capture some of the contradictory nature of organisational performance is termed the balanced scorecard (Kaplan and Norton 1992, 1993, 1996). The aims to measure performance in terms of four sets of indicators, each, each taking a different perspective (Kaplan and Norton 1996: 76):

- **Financial:** to succeed financially, how should we appear to our stakeholders?
- **Customers:** to achieve our vision, how should we appear to our customers?
- **Internal business process:** to satisfy our shareholders and customers, what business processes must we excel at?
- **Learning and growth:** to achieve our vision, how will we sustain our ability to change and improve?

Maila (2006: 50) argues that in utilising the BSC approach, organisations can begin the process by indentifying customers or clients. In a case where competition is desirable, the segment in which the organisation intents to compete can also be outlined in order to understand what financial results should be attained to sustain future survival. The value proposition to be offered to customers must also be outlined. This could range from customer satisfaction by providing functional and quality services, building strong customer relationships by responding to their needs, as well as maintaining good corporate image. A direct link can be maintained between the two of the *Batho Pele* belief sets, namely: We care and We belong.

"There is often a disconnect between organisational goal-setting and the way individuals establish objectives and are reviewed. Total Performance Scorecard fills the gap with a complete system that unites individual and organisational performance scorecards, linking continuous improvement efforts with individual learning and developing programs." - Phillip Anderson, Professor of Entrepreneurship, INSEA Alumni Fund Chair in Entrepreneurship, Director, 31 Venturelab.

This view of Total Performance Scorecards is also supported by Edward Barker, Professor at the University of LaVerne quoted as follows:" Total Performance Scorecard is a desperately needed direction that management of organisations should adopt. It stresses the importance and need of developing an organisational structure and philosophy that combines the goals and aspirations of an individual with those of the company. It is a melding process which results in a corporate culture that is both individually and organisationally driven. The concepts embodied in this management concept provide solutions to preserving and utilizing individual rights and capabilities while adjusting the organisational structure and philosophy to this new environment."

Rampersad (2003:1-2) defines Total Performance Scorecard (TPS) as a systematic process of continuous, gradual, and routine improvement, development, and learning that is focused on a sustainable increase of personal and organisational performances. It encompasses an amalgamation and expansion of the Balanced Scorecard, Total Quality Management,

Performance Management and Competence Management. Improving, developing, and learning are the three fundamental powers in this holistic management concept.

Rampersad (2003:10) argues that the Personal Balanced Scorecard (PBSC) encompasses the personal mission, vision, key roles, critical success factors, objectives, performance measures, targets, and improvement actions. It includes the continuous improvement of your personal skills and behaviour, focusing on your personal well-being and success in society. Here personal mission, vision, and key roles are called personal ambition. Self-management, self-development, and self-coaching stand central and focus on the managers as well as the employees within the entire organisation.

Niven (2008: 267-268) laments that throughout the performance period, there is infrequent feedback to employees, and even when feedback is offered, it typically concerns outcomes and results, not behaviours. But the most egregious of the process is the lack of alignment between personal and organisational goals. Employees have little or no idea how success on their performance review will positively impact the company's success.

Cascading the Balanced Scorecard to the individual employee level can mitigate, if not entirely eliminate, many of the issues we find with the normal performance appraisal process. Some of the many benefits derived from having employees develop their own personal Balanced Scorecards are:

- Builds awareness of the Balanced Scorecard
- Generates commitment to the Scorecard
- Increases comprehension of aligned Scorecards
- Offers a clear line of sight from employee goals to organisational strategy
- Builds support for the goal setting process

Niven (2008: 13) defines the Balanced Scorecard as a carefully selected set of measures derived from an organisation's strategy. The measures selected for the Scorecard represent a tool for

leaders to use in communicating to employees and external stakeholders the outcomes and performance drivers by which the organisation will achieve its mission and strategic objectives.

Kaplan and Norton introduced the balanced scorecard concept. The balanced scorecard supplemented traditional financial measures with criteria that measured performance from three additional perspectives – those of customers, internal business processes, and learning and growth.   It therefore enabled companies to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets they would need for future growth (Kaplan and Norton, 2007: 2).

As shown in Figure 3.11, Engen has also adopted the Balanced Scorecard as espoused by Kaplan and Norton its performance management planning framework.   This shows how strategic objectives and strategic results each organisation has to achieve are important in the measuring of performance which is integrated from either the eyes of a customer or stakeholder.

**Figure 3.11: Private Sector Strategy Map**
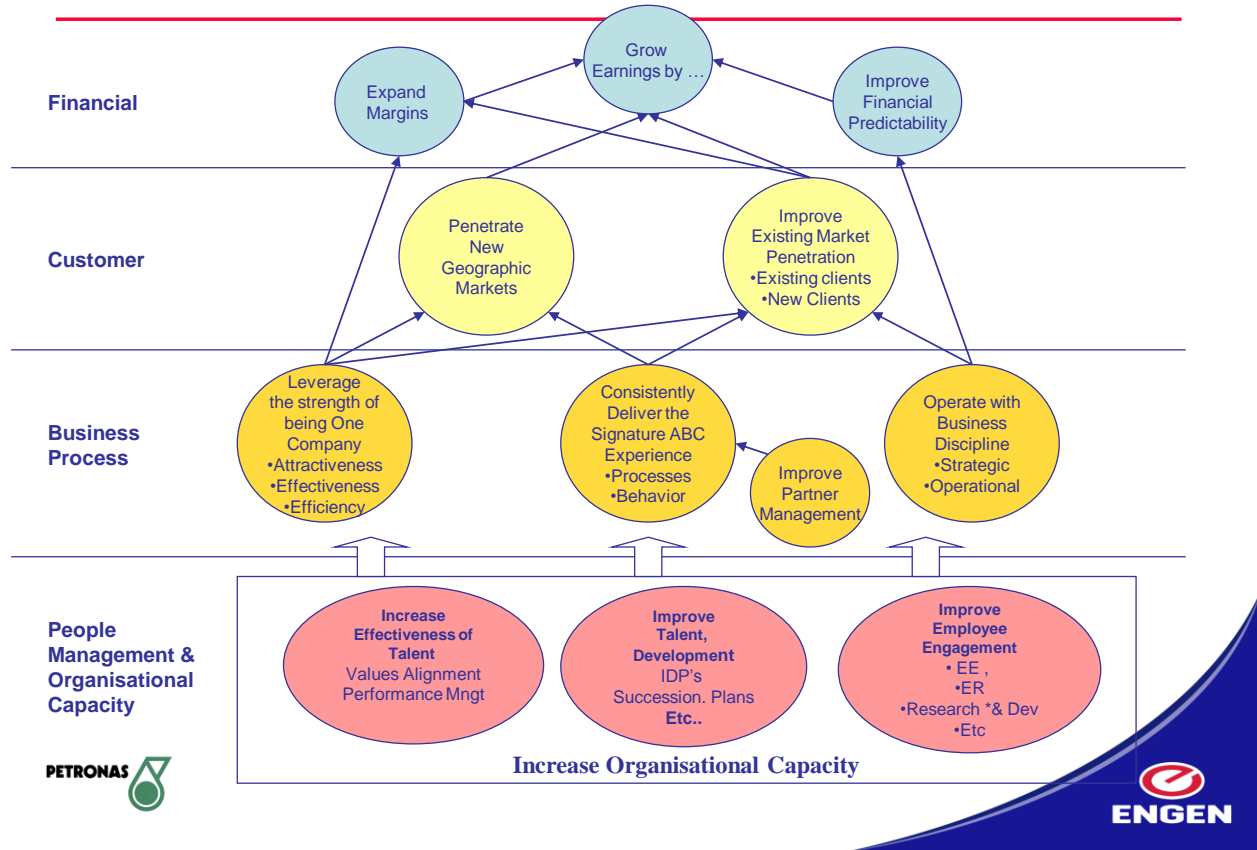
Source: Engen Performance Management Planning, 2010

As shown in Figure 3.12, the public sector Balanced Scorecard as espoused by Kaplan and Norton is different for a public sector one. This shows how strategic objectives and strategic results each organisation has to achieve are important in the measuring of performance which is integrated from either the eyes of a customer or stakeholder with the Customer/Stakeholder perspective being the focus.

Figure 3.12: Public Sector Strategy Map
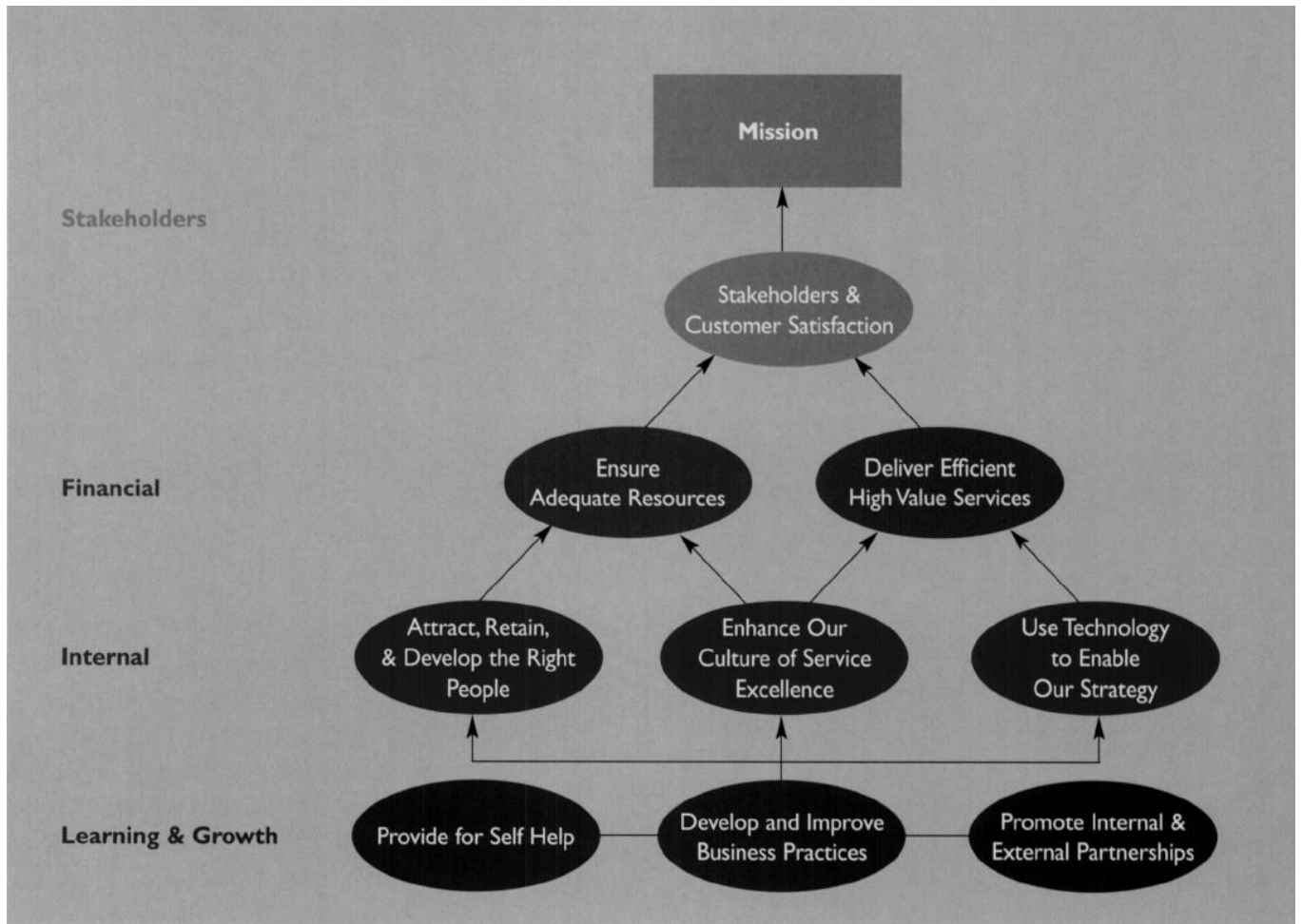
Source: Dawe, T. (2007). Performance management and measurement in small communities: Taking the first step towards implementing a Balanced Scorecard approach. Government Finance Review, pg 54. Public Sector Digest.

Kaplan and Norton as cited in Hough, *et al* (2008: R26) proposed that the balanced scorecard can be used as a strategy map to create value within an organisation, through the customer value proposition, internal business processes and the alignment with enterprise strategy.

Figure 3.13: Using a Balanced Scorecard as a strategic management system

Translating Vision and Strategy: Four Perspectives
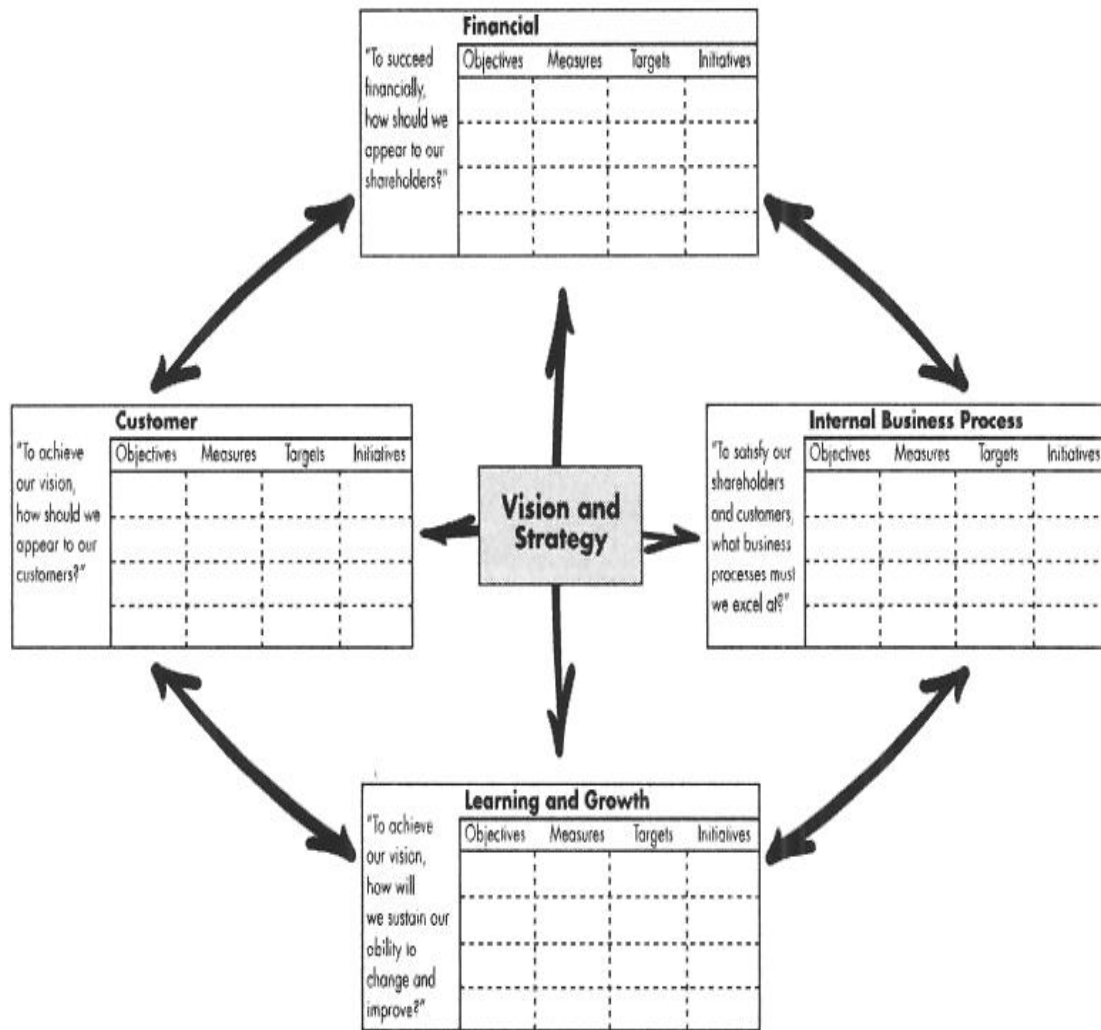
As companies around the world transform Kaplan and Norton, (1996, 2000) cited in Rampersad (2003: 10), developed the **Organisational Balanced Scorecard (OBSC)** which encompasses the

organisational mission, vision, core values, critical success factors, objectives, performance measures, targets, and improvement actions. Here organisational mission, vision, and core values are called shared organisational ambition. This concept includes continuous improvement and control of business processes and the development of strategies that focus on achieving competitive advantages for the company. This corporate scorecard is communicated and translated into business unit scorecards, team scorecards, and performance plans for individual employees. The emphasis here is on strategy development implementation which is at the centre stage as shown in Figure 3.13 above.

All of the boxes are connected by arrows to illustrate that the objectives and measures of the four perspectives are linked by cause-and-effect relationships that lead to the successful implementation of strategy. Achieving one's perspective's targets should lead to desired improvements in the next perspective, and so on, until the company's performance increases overall (Pearce and Robinson, 2003: 159).

In the for-profit Balanced Scorecard model, all the measures appearing on the Scorecard should lead to improved bottom-line performance. Improving shareholder value is the endgame for profit-seeking enterprises and they are accountable to their financial stakeholders to do just that. No so in either the public or non-profit organisation (Niven, 2008: 32).

Hough, *et al* (2008: 193) again argues that in order to test whether the organisation's strategy will lead to success, a strategy map, indicating the ways in which the organisation intends to be successful, could be drawn up through a process of balanced performance measures. Balanced performance measures visually map the unique strategy of the organisation and the balanced scorecard is often used for this purpose, as well as a powerful technique used to align the various levels of performance in the organisation.

Imai, (1996); Rampersad, (2001A) cited in Rampersad (2003:10-11), **Total Quality Management (TQM)** is a disciplined way of life within the entire organisation whereby continuous improvement is central. Defining problems, determining root causes, taking action,

checking the effectiveness of these actions, and reviewing business processes are accomplished in a routine, systematic, and consistent way. TQM emphasizes the mobilization.

Total quality management (TQM) practices have been implemented by firms interested in enhancing their survival prospects by including quality and continuous improvement into their strategic priorities. Using financial and non-financial measures, the balanced scorecard (BSC) approach appraises four dimensions of firm performance: customers, financial (or shareholders), learning and growth, and internal business processes. This paper attempts to establish a link between these two approaches and in so doing it identifies future research opportunities in relation to these two approaches. The paper suggests that TQM does not consider employee satisfaction in its search for continuous improvement, but the BSC does consider employee satisfaction. Therefore, by adopting a BSC a firm that has adopted TQM will overcome this oversight which will in turn increase employee satisfaction and subsequently firm performance (Hoque, 2009).

Rampersad (2003:11) argues that **Performance and Competence Management** encompasses the process of the continuous development of human potential within the organisation. Performance Management and Competence Management are discussed here because they have common goals – namely, continuously deliring top performances with a motivated and developed community. They are both focused on the maximum development of employees and make optimal use of their potential in order to achieve the goals of the organisation. The development cycle is central here, which consists of the following phases: *result planning, coaching, appraisal, and job-oriented competence development.*

There are overlaps between the Personal Balanced Scorecard, the Organisational Balanced Scorecard, and Total Quality Management as shown in Figure 3.14. In the Total Performance Scorecard, the PBSC focuses on your personal life, well-being, and behaviour. The OBSC, on the other hand, is a strategic management concept used for the development and implementation of the organisational strategy, as well as the systematic management of the organisation based on its mission, vision, core values, critical success factors, objectives, performance measures,
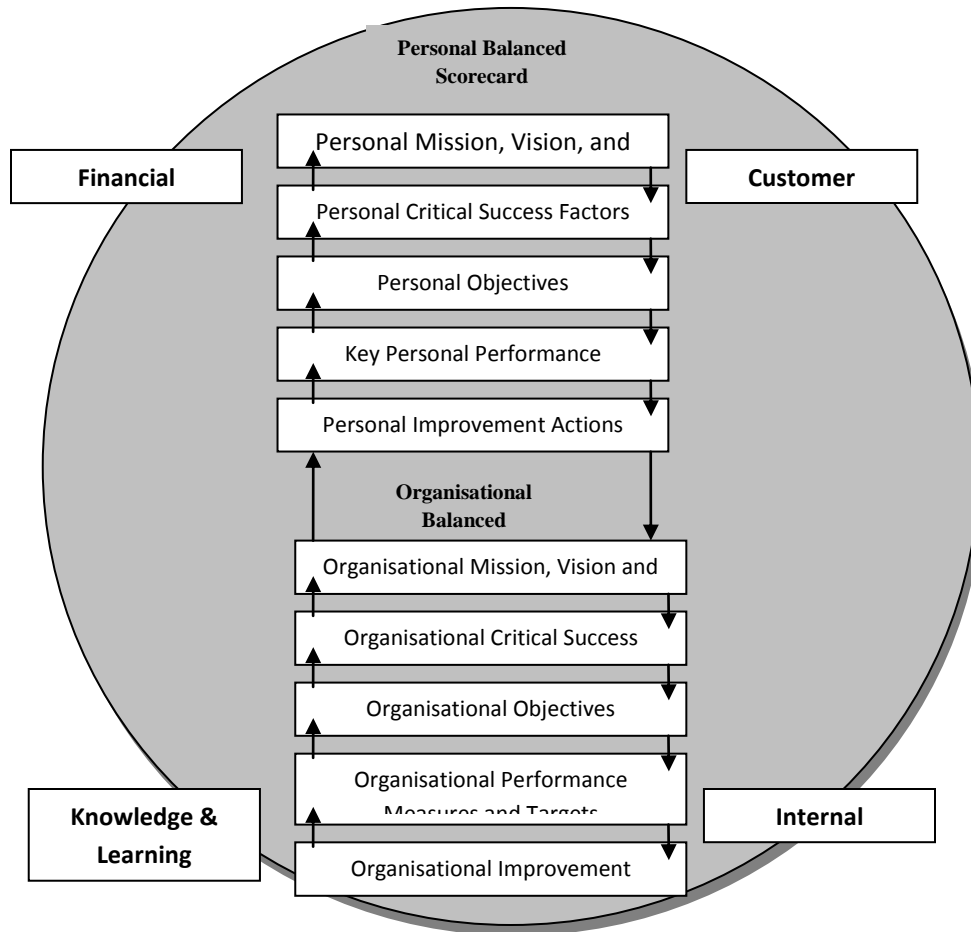
targets, and improvement actions (Rampersand, 2003:12). Total Performance Scorecard is a continuous voyage of discovery involving improvement, development, and learning (Rampersad, 2003:15).

Figure 3.14: Interrelated parts of the TPS concept
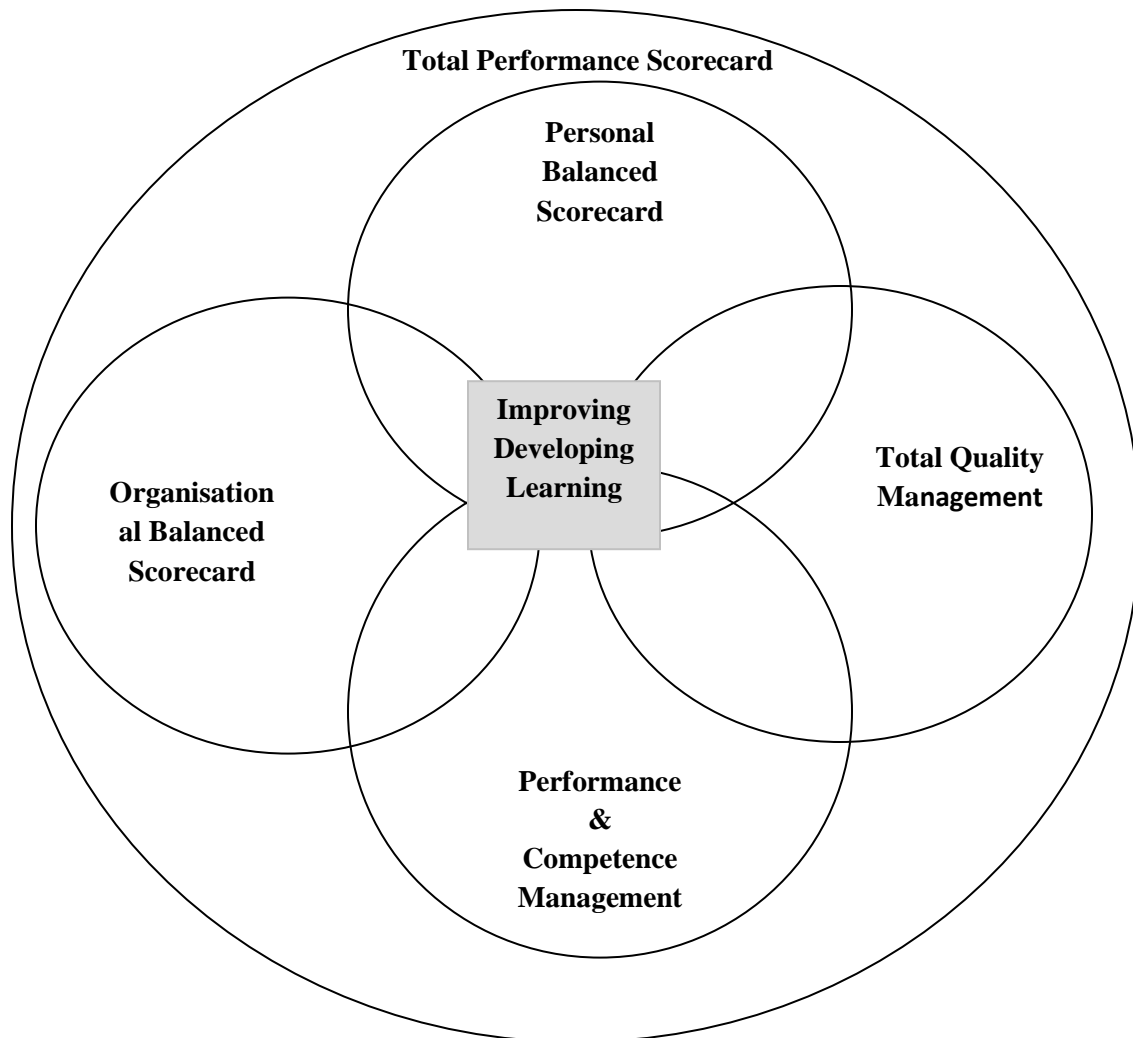
Source: Rampersad, H. K.   (2003). Total performance scorecard: Redefining management to achieve performance with integrity. United States of America: Butterworth Heinemann.

Figure 3.15: Element of the Personal and Organisational Balanced Scorecards

Personal Balanced Scorecard

Financial

Customer

Personal Mission, Vision, and

Personal Critical Success Factors

Personal Objectives

Key Personal Performance

Personal Improvement Actions

Organisational Balanced

Organisational Mission, Vision and

Organisational Critical Success

Organisational Objectives

Organisational Performance Measures and Targets

Organisational Improvement

Knowledge & Learning

Internal

Source: Rampersad, H. K. (2003). Total performance scorecard: Redefining management to achieve performance with integrity. United States of America: Butterworth Heinemann.

3.14   Creating a high performance management culture

Holbeche (1999: 123) argues that high performance does not occur in a vacuum.   The organisation's culture must be conducive to productivity and quality improvement.

Webb (2003) refers to the performance management culture as the collective ideas we have about the right or best ways to go about managing the performance of people, ideas that lead to how we behave and the decisions we make. Such a culture usually arises by people learning

'what gets recognized and rewarded around here' and is expressed mostly as *values* – for example, 'Good work gets recognised'.

Why create a performance culture? Because the prevailing culture determines behaviours and decisions and we have to be sure that it supports food performance management practices rather than runs counter to them. For example, in a supportive culture managers and work colleagues always give recognition to someone who does a good job, leading the associated belief that 'Good work gets recognised'. In a non-supportive culture, no matter how good a job someone does, there is never any recognition of it (but is mentioned when you do a bad job). Jokes and symbols of cultures and the relevant joke here is 'You know you're dong a good job if the boss hasn't said anything'.

Webb (2003: 257) argues that introducing and maintaining new performance management practices will involve some degree of *change* – in you, your people and your workplace. The scope of such change might include the following:

- Change in your approach to performance management;
- Development of your abilities;
- Change in your employees' approach to performance management;
- Development of your employees' performance management abilities;
- Development of your employees' work abilities; and
- Change in work practices, processes and systems.

Webb (2003: 264) being a manager of the performance of other people is a privileged role. On the one hand it allows us to achieve greater results than we could alone and on the other we have the ability to affect the lives of others – our staff. Both aspects of the role should be taken seriously so as to provide best value for the enterprise and the best work fulfilment and reward for our people.

Rampersad (2006: 271) argues that the successful implementation of the Total Performance Scorecard approach is closely related to the review and change of the existing organisational culture.

Performance management is fundamentally a feedback process and research indicates that feedback may result in increases in performance varying from 10 to 30 percent. Feedback programs require sustained commitment. The challenge for managers, then, is to provide feedback. From an employee's perspective, lack of regular feedback about performance detracts from his or her quality of work life. Most people want improve their performance on the job, to receive constructive suggestions regarding areas they need to work on, and to be commended for things they do well. The cost of failure to provide such feedback may result in the loss of key professional employees, the continued poor performance of employees who are not meeting performance standards, and a loss of commitment by all employees. In sum, the myth that employees know how they are doing without adequate feedback from management can be an expensive fantasy (Cascio, 2006: 356).

Hough, *et al* (2008: 296) argues that the culture that exists within an organisation cannot be separated from the behaviour and styles of the leaders in the organisation. The manner in which leaders lead will directly impact on the organisation's culture and teamwork. An effective and robust culture is a critical ingredient in ensuring an increase in bottom-line results for any organisation. The relationship between an organisation's culture and performance can be attributed to the fact that culture usually controls the way in which individual members make decisions, interpret and manage the organisation's environment, use information, and how they behave.

The importance of the development of an integrated performance management system for the AbaQulusi municipality will be to improve its performance both at the employee and municipal level, respectively and accordingly improve its service delivery to communities within its area of jurisdiction. As indicated above, the culture and the environment have to be conducive for the

high performance working culture. They should create a high work performance culture because of passion for excellence, with a focus on diversity and inclusion.
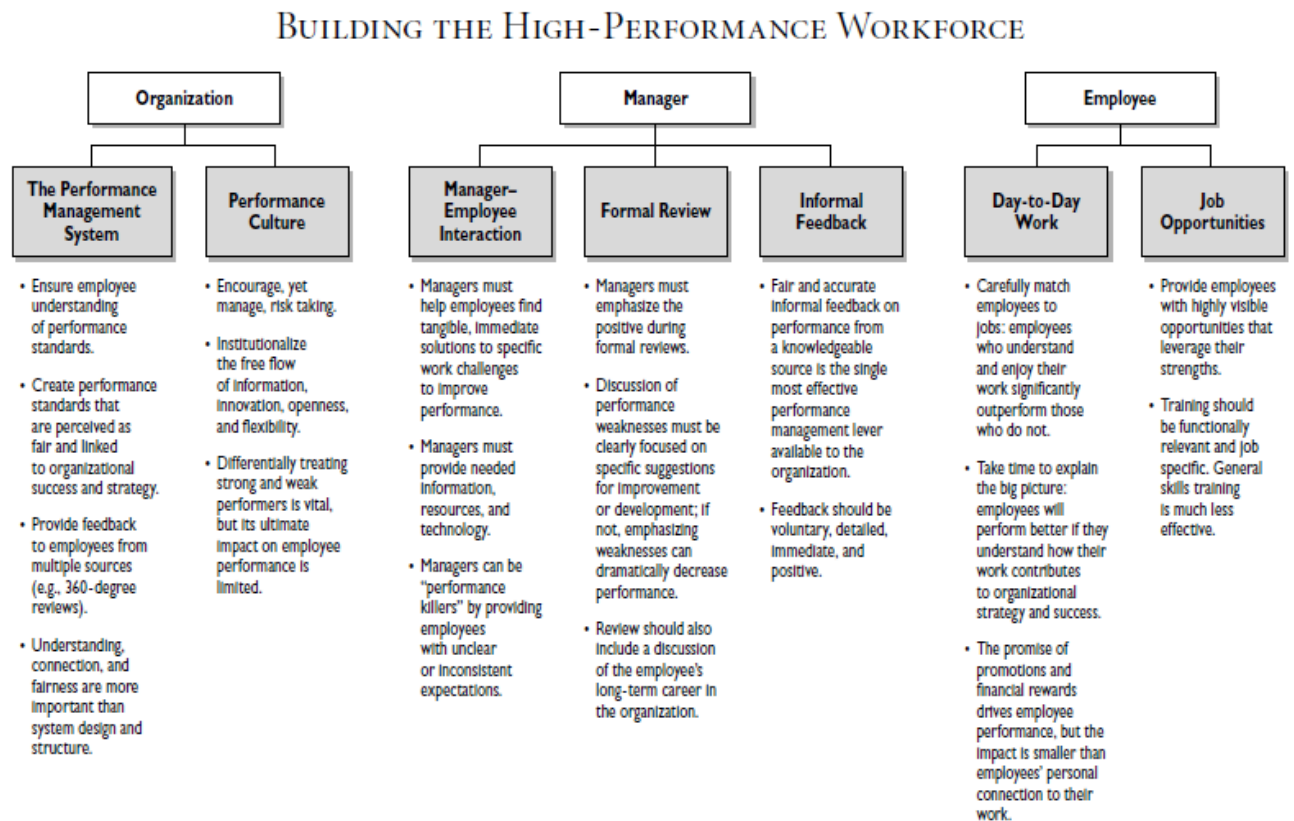
According to Christopher Rice, High-performance cultures are shaped around the following three components:

- **A clear, compelling corporate mission**. A mission, or *purpose* as some firms call it, is a statement that answers the question of why the company exists: "What's your reason for being?" It needs to inspire, inform business decisions, generate customer loyalty, ignite employee passion, and motivate discretionary effort. "Making money" doesn't qualify as a mission, although profitability is essential to a firm's survival. And although a mission does not have to reflect a "save the world" tone, it does need to be aspirational and clear enough to engage employees. Its mere existence serves as the organisation's North Star, providing a fixed point to which the workforce can connect.

- **Shared organisational values**. Core values guide employee behavior and influence business practices as your organisation delivers on its promises to customers, employees, and other stakeholders. Core values answer the question: "What are your guiding principles, your authentic, enduring 'rules of the road'?" Your business strategies shift to meet market demands. Your core values don't.

- **Shared accountability**. High-performance cultures require an environment that encourages employee ownership of both the organisation's bottom-line results and its cultural foundation. Culture affects everyone and is everyone's business. It's essential, then, that the entire workforce understands the core drivers of your culture and share responsibility for sustaining them (Rice, 2007: 1).

As shown in Figure 3.16, the Corporate Leadership Council conducted performance management survey research on building the high-performance workforce indicating the role of each stakeholder in the performance management system.

Figure 3.16: Building the High-Performance Workforce

BUILDING THE HIGH-PERFORMANCE WORKFORCE

Organization		Manager			Employee	
The Performance Management System	**Performance Culture**	**Manager–Employee Interaction**	**Formal Review**	**Informal Feedback**	**Day-to-Day Work**	**Job Opportunities**
• Ensure employee understanding of performance standards. • Create performance standards that are perceived as fair and linked to organizational success and strategy. • Provide feedback to employees from multiple sources (e.g., 360-degree reviews). • Understanding, connection, and fairness are more important than system design and structure.	• Encourage, yet manage, risk taking. • Institutionalize the free flow of information, innovation, openness, and flexibility. • Differentially treating strong and weak performers is vital, but its ultimate impact on employee performance is limited.	• Managers must help employees find tangible, immediate solutions to specific work challenges to improve performance. • Managers must provide needed information, resources, and technology. • Managers can be "performance killers" by providing employees with unclear or inconsistent expectations.	• Managers must emphasize the positive during formal reviews. • Discussion of performance weaknesses must be clearly focused on specific suggestions for improvement or development; if not, emphasizing weaknesses can dramatically decrease performance. • Review should also include a discussion of the employee's long-term career in the organization.	• Fair and accurate informal feedback on performance from a knowledgeable source is the single most effective performance management lever available to the organization. • Feedback should be voluntary, detailed, immediate, and positive.	• Carefully match employees to jobs: employees who understand and enjoy their work significantly outperform those who do not. • Take time to explain the big picture: employees will perform better if they understand how their work contributes to organizational strategy and success. • The promise of promotions and financial rewards drives employee performance, but the impact is smaller than employees' personal connection to their work.	• Provide employees with highly visible opportunities that leverage their strengths. • Training should be functionally relevant and job specific. General skills training is much less effective.

Source: Corporate Leadership Council 2002 Performance Management Survey.

Source: Performance management processes at best-in-class companies. (2000). Corporate Leadership Council.

3.15   Summary

In this chapter the researcher discussed performance management overview of local government, legislation regulating performance management in local government, strategic linkage of the IDP, budget, performance management as well as the service delivery budget implementation plan.

The performance management concepts, framework and its elements were defined.   The integrated performance management system was defined focusing on the use of the balanced scorecard and total performance scorecards. Lastly, the researcher discussed the creation of high performance culture in organisations.

The next chapter deals with the research methodology and design which was followed in this study.

Chapter Four

Research Design and Methodology

4.1   Introduction

Research is a systematic and objective process of generating information to solve managerial problems. Business research is therefore a systematic inquiry that provides information to guide business decisions. It is aimed at uncovering certain truths or facts or to verify the acceptability of given theories or answer questions about a specific problem or to make strategic business decisions (Cooper and Schindler, 2003).

This chapter provides a discussion on the research design and methodology to be utilized in conducting the research. The research methodology is discussed by considering the research design, sample design, data requirements, data collection procedures and proposed analysis for the study.

It will include research design followed, the sampling methods that was used, a full description of processes and procedures to be followed in the data collection and the questionnaire development.

This study aims to ascertain as to whether the formulation and implementation of an integrated performance management system has a positive impact on the municipality's performance (both organisational and individual) and municipal service delivery. The study will achieve this by obtaining views of councillors, top managers, senior managers, middle managers and junior managers. Upon receiving the said views, they will be analysed with a view to providing recommendations to improve the municipality's performance management system.

4.2 Planning the research design

Coopler and Schindler (2003) define research design as the strategy for a study and the plan by which the strategy is to be carried out. It is important for any researcher to establish a design in which to conduct the research. A good research design forms an essential framework for research action and minimises the danger of collecting haphazard data. It also ensures data collected meets the research objectives and more importantly fulfils the information needs of the decision maker.

Welman and Kruger (1999) define research design as the plan according to which we obtain research participants (subjects) and collect information from them. In it we describe what we are going to do with the participants with a view to reaching conclusions about the research problem (research hypothesis or research question).

After the researcher has formulated the research problem, the research design must be developed. A research design is a master plan specifying the methods and procedures for collecting and analysing the needed information. It is a framework of the research plan of action. The objectives of the study determined during the early stages of the research are included in the design to ensure that the information collected is appropriate for solving the problem. The research investigator must also determine the sources of information, the design technique (survey or experiment, for example), the sampling methodology, and the schedule and cost of the research (Zikmund, 1997:48-49). Figure 4.1 shows the research design framework.

Figure: 4.1: Planning the Research Design
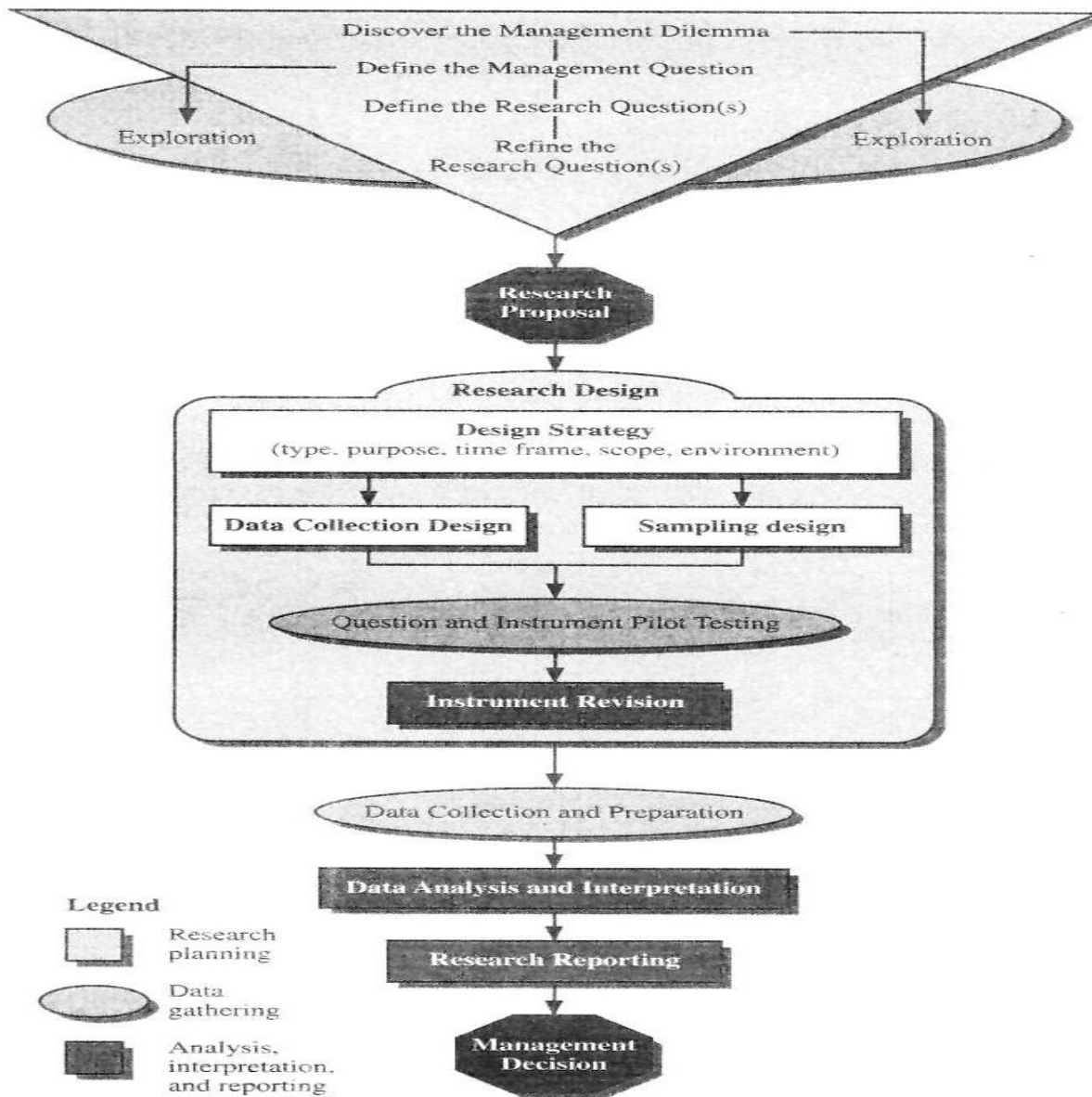
Source: Zikmund, W.G. (1997). The business research methods (5th Ed.). USA: Dryden Press.

Joubert and Ehrlich (2008: 77) refer to study design as the structured approach followed by researchers to answer a particular research question. Study design has also been called the 'architecture' of the study, because the choice of a study design determines how we sample the

population, collect measurements and analyse the data. Cost and ethical considerations also influence and are influenced by the choice of study design.

Mancosa (2005) cited in Mpungose (2006: 50) defines research design as the systematic planning of research, usually including the formulation of a strategy to resolve a particular question; (2) the collection and recording of the evidence; (3) the processing and analysis of these data and their interpretation. There are essentially two schools of thought about science and knowledge that are used in primary research: the quantitative or deductive approach and the qualitative or inductive research.

4.3 Selecting the appropriate research design

Joubert and Ehrlich (2008: 106) argue that the collection of information for a study is called *measurement. Self-administered questionnaires:* These require the respondents to fill in the questionnaire themselves. In most instances, the respondent reads the questionnaire independently.

According to Robson (2002) questionnaires "work best with standard questions that you can be confident will be interpreted the same way by all respondents". Furthermore, questionnaires should be used for descriptive research (ascertaining the attitudes and opinions of people as well as organisational practices) and explanatory research (where relationships between variables are examined or explained).

As stated by Cooper and Schindler (2001), the following attributes of on line (e-mail and internet), postal/delivery and collection questionnaires:

- E-mail can be used where individuals are computer literate, who can be contacted by e-mail or internet.

- If e-mail is used, there is a high confidence level that the correct (target) person has responded.
- The likelihood of contamination or distortion of respondents' answers is low in the case of e-mail and the internet.
- On line and postal questionnaires is useful where there is a large or geographically dispersed sample.
- On line, postal and delivery/collection questionnaires should ensure that questions are close-ended, but not too complex and be of interest to the respondent.

A structured questionnaire comprising of sections A and B with a five-point likert scale as a quantitative approach was used. The target respondents of this survey are councillors who members of the Executive Committee, management and employees of the AbaQulusi Municipality who are computer literate individuals and who all have access to the internet and e-mail.

Section A of the questionnaire collected biographical data such as gender, qualification and length of service. This section gathered information on the background of the respondents including length of service with the municipality and knowledge of the municipality's integrated development plan. Closed questions were used in this section.

Section B of the questionnaire comprised of structured questions answered using a five-point likert scale. This section covered a mixture of statements based on the literature on performance management system with regard to legislation and/or regulations regulating performance in the public and local government. These statements were also based on the major components parts of performance planning, implementation, monitoring and evaluation. The data collected was based on the perceptions of the targeted respondents on the current municipal performance management system.

The study's proposition is that the formulation and implementation of an integrated performance management system has a positive impact on the municipality's performance and municipal service delivery. The advantage of this research approach is that the findings can be generalized to a larger population, subject to valid sampling and significance techniques being utilized.

4.4   Data collection

Once the research design (including the sampling plan) has been formalized, the process of gathering information from respondents may begin. Because there are many research techniques, there are many methods of data collection. When the survey method is utilized, some form of direct participation by the respondents is necessary during the process. The respondent may participate by filling out a questionnaire or by interacting with an interviewer (Zikmund, 1997: 55-56).

The collection of information in this research was through self-administered questionnaires to be filled in by the members of the Executive Committee, the Municipal Manager/Chief Executive Officer and his senior management team, middle and junior management levels within the municipality.

In the development of the questionnaire, the following steps were considered:

3.1.1   Literature review;

3.1.2   List of variables to be measured;

3.1.3   Question formulation and answer options;

3.1.4   Structure and organisation of the questionnaire;

3.1.5   Determination of question sequence;

3.1.6   Layout and design of the questionnaire;

3.1.7   Scale of measurement of the variables; and

3.1.8   Data analysis means (SPSS).

The questionnaire was developed in an iterative process through literature review and discussions with local government practitioners and/or experts.

Informed consent will be obtained from respondents and a consent form has been attached on the questionnaire indicating that their responses will be treated as 'private and confidential'.

4.5 Population and sample

When conducting a study, it is important to define clearly the group about which we want to gather information and draw conclusions. This group, called the study (target) population, should be clearly defined in respect of person, place and time, as well as other factors relevant to the study. The sample should therefore be representative of the study population (Joubert and Ehrlich: 2008: 94).

Any group of individuals or objects that share common characteristics and represent the whole or sum total of cases involved in a study is called the universum or the population. The separate individuals or objects belonging to the population are called the elements of the population (Technikon SA, 2005: 137). The population in this study comprised of thirty-nine (39) councillors and four hundred and sixty two (462) employees.

Researchers are often forced to limit their observation/study to a part of the population, since it is physically impossible to obtain information from the entire population. This is usually the case when the population is unending, or when some other reason makes it impossible to study the elements of the population. This part of the population is called the sample. Therefore, a sample is any subset of the elements of the population that is obtained (according to some process) for the purpose of being studied (Technikon SA, 2005: 138).

Sampling involves any procedure that uses a small number of items or that uses parts of the population to make a conclusion regarding the whole population. In other words, a sample is a

subset from a larger population. There are two basic sampling techniques: probability and non-probability sampling. A probability sample is defined as a sample in which every member of the population has a known, nonzero probability of selection (Zikmund, 1997: 54-55).

Saunders *et al* (2005: 51) cited in Mpungose (2006) defines sampling as selecting a number of cases or elements of a population with a view to conducting a research, thereby engaging them to respond to questions either in questionnaire or in interview format. He argues that sampling is a valid alternative to a census due to it being quicker and cost effective from the point of view of time and practicalities. Again, Saunders et al., 2003 cited in Mpungose (2006) argues that sampling techniques provide a range of methods that enable the researcher to reduce the amount of data needed by considering only data from a sub-group rather than all possible cases or elements.

To make a sample representative, the procedures of sampling and the procedures of analysing the sample should be considered carefully. Although samples can be drawn according to a variety of methods, all these techniques fall into one of the two categories, namely **probability sampling** and **non-probability sampling.** Probability sample is a sample in which each element in the population has a known and not-zero probability (chance) of being included in the sample (Technikon SA, 2005: 139).

In probability sampling every element in the population has a known non-zero probability of selection. The simple random sample is the best known probability sample, in which each member of the population has an equal probability of being selected (Zikmund, 1997: 427).

Emory & Cooper (1991: 245) argue that the unrestricted, simple random sample is the simplest form of probability sampling. Since all probability samples must provide a known nonzero chance of selection for each population element.

A population that is very heterogeneous (dissimilar) with regard to the phenomenon being studied is first divided into a number of natural and non-overlapping groups or strata that are more or less homogenous with regard to the phenomenon concerned. A number of elements are then drawn randomly from each group (Technikon SA, 2005: 140). In stratified sampling a sub sample is drawn utilizing a simple random sample within each stratum (Zikmund, 1997: 433).

Emory and Cooper (1991: 266) argue that there are three reasons why a researcher chooses a stratified random sample. They are (1) increase a sample's statistical efficiency, (2) provide adequate data for analysing the various subpopulations, and (3) enable different research methods and procedures to be used in different strata.

The sample was one hundred respondents. The respondents were Executive Committee members, top managers, senior managers, middle and junior managers. They were representative of the municipal leadership, management and employees. The stratified random sampling was used in this study because of the various stakeholders/participants. The other reason for using this method is because the group is internally homogenous but comparatively different between groups as a result of the different exposure and experience as regards performance management systems, its formulation and implementation.

4.6   Measuring instrument

Zikmund (1997, 56) argues that there are two phases to the process of collecting data: pretesting and the main study. A *pretesting phase,* using a small sub sample, may determine whether the data collection for the main study is an appropriate procedure. Thus a small-scale pretest study provides an advance opportunity for the investigator to check the data collection form to minimize errors due to improper design elements, such as question wording or sequence. Additional benefits are discovery of confusing interviewing instructions, learning if the questionnaire is too long or too short, and uncovering other such field errors.

Bless and Higson (1995) defines a pilot study as testing actual programme on a small sample taken from the organisation for which the programme is planned. This allows the evaluator to identify any difficulty with the method, investigate the accuracy and appropriateness of the instrument and check the average time taken to complete the questionnaire. If problems are encountered, the questionnaire can be refined so that all respondents understand it.

Bless and Higson's (1995) definition is supported by Emory and Cooper (1991: 88) who argue that a pilot test is conducted to detect weaknesses in design and instrumentation and provide proxy data for selection of a probability sample.

Prior to administering the questionnaire, a pilot study was conducted to a sample of ten (10) respondents. The questionnaire was completed by 10 employees randomly selected from the sample and returned to the researcher via the municipality's internal mailing system. The analysis of the questionnaire from this sample revealed some flaws and some of the questions were reviewed to make them clearer, specific and relevant. Communication with the respondents was conducted during the pilot phase with a view to ensuring that the contents of the questionnaire were well understood. This was done through telephone calls and e-mail correspondence. Each questionnaire was accompanied by a letter stating the purpose of the research and assurance was given to respondents that their identities and responses will be treated confidential. A copy of the questionnaire used is included in the appendix.

Following the pretesting phase, the main study was done. The questionnaire was distributed to the entire sample by means of the municipality's intranet mailing service, and was completed by participants in various municipal offices at different times. The completed questionnaires were returned through the municipality's internal mailing system to the researcher.

4.7 Sample size and accuracy

Sekaran & Bougie (2010: 263) defines a sample as a subset of the population. It comprises some members selected from it. In other words, some, but not all, elements of the population form the sample. A sample is thus a subgroup or subset of the population. By studying the sample, the research should be able to draw conclusions that are generalizable to the population of interest.

The idea of significance comes from sampling theory. It indicates the probability that, if a sample of the given size was drawn at random from a large population, an outcome of that level would have been obtained. Conversely the accuracy or confidence level indicates the likelihood, as a percentage, that the observed result could not have arisen by chance. When conducting a survey with a genuine sample drawn from a population the confidence level indicates the likelihood that the true attributes of the population lie close to those identified in the sample (Easterby-Smith, et al; 2004: 145).

4.8 Reliability and validity

Validity refers to the extent to which a test measures what we actually wish to measure. Reliability has to do with the accuracy and precision of a measurement procedure (Emory and Cooper, 1991: 179).

Validity is a question of how far we can be sure that a test or instrument measures the attributes that it is supposed to measure. Reliability is primarily a matter of stability: if an instrument is administered to the same individual on two different occasions the question is, will it yield the same result?

Ideally, tests for validity and reliability should be made at the pilot stage of an investigation, before the main phase of data collection (Easterby-Smith, et al; 2004:134).

Zikmund (1997, 341) argues that reliability applies to a measure when similar results are obtained over time across situations. Broadly defined, reliability is the degree to which measures are free from error and therefore yield consistent results. He defines validity as the ability of a scale of measuring instrument to measure what is intended to be measured.

4.9 Quantitative data analysis

After the questionnaires have been forwarded to the population sample and responses returned, the data will be verified for accuracy. Descriptive statistics were used to analyse the data using statistical software SPSS. Tables and bar graphs and pie charts were developed using the data from the questionnaire.

4.10 Values and ethics

The research is guided by fundamental ethical considerations that relate to responsible research in the human sciences. Participation in the study was entirely voluntary and informed consent was obtained from the employer and the respondents prior to proceeding with the study. The identity of all respondents was kept confidential and full assurance was given to them in this regard. The information gathered was required mainly for academic purposes and such was explained to the employer and the respondents.

4.11 Summary

This chapter explored the research design and how data was actually collected and analysed. The research methodology followed in this study was a quantitative one. It is believed that the data collection techniques employed were sufficient to generate valid and reliable data. The

results of the data collected by the methodology outlined in this chapter are detailed in the next chapter.

Chapter Five

Presentation of Results

5.1   Introduction

This chapter will concentrate on the evaluation and analysis of the information solicited in chapter four.

Data analysis usually involves reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques (Easterby-Smith, et al; 2004:89). Zikmund (1997: 57) argues that analysis is the application of logic to understand and interpret the data that have been collected about a subject. In simple description, analysis may involve determining the consistent patterns and summarizing the appropriate details revealed in the investigation. The appropriate analytical technique for data analysis will be determined by management's information requirements, the characteristics of the research design, and the nature of the data collected.

5.2   Data analysis

In this chapter, the researcher presents the results of the survey conducted in the sample of the AbaQulusi municipality. The results were first logged onto the Microsoft Excel and SPSS with a view to analyse their meaning from a quantitative process and were thereafter interpreted using tables, bar graphs and pie charts.

The proposition of this study is that the implementation of an integrated performance management system will result in the improvement of performance both at an organisational and employee levels, respectively. The improved performance will result in improved service delivery in the AbaQulisi municipality's area of jurisdiction. This study does not involve hypothesis testing.

5.2.1   Section A

Section A represents the biographical details of the sample. The intention of this section was to indicate the demographics of the respondents in terms of gender, age, length of service, qualifications and positions held.

5.2.1.1 Describing the sample

The target sample was 100 respondents. This consisted of nine (9) councillors and top management, thirteen (13) senior managers, thirty-three (33) middle managers and forty-five junior managers and/or semi-skilled employees. The results presented in this study are based on the responses obtained from thirty-four (34) municipal workers who completed the survey questionnaire that was distributed to them.

Table 5.1 shows the category of participants who were requested to participate in the survey.

Category	Administered	Returned	Not Returned
Junior Management/Semi-skilled	45	19	26
Middle Management	33	7	26
Senior Management	13	5	8
Top management & Councillors	9	3	6
Total	**100**	**34**	**66**

Table 5.1 Survey participants

The questionnaire consisted of twenty five questions that measured respondents' responses on a rating scale. It used a five-point scale in order to allow for a varied response rate – from strongly agree – strongly disagree.

5.2.1.2 Discussion of the sample

Figure 5.1: Gender distribution of the sample
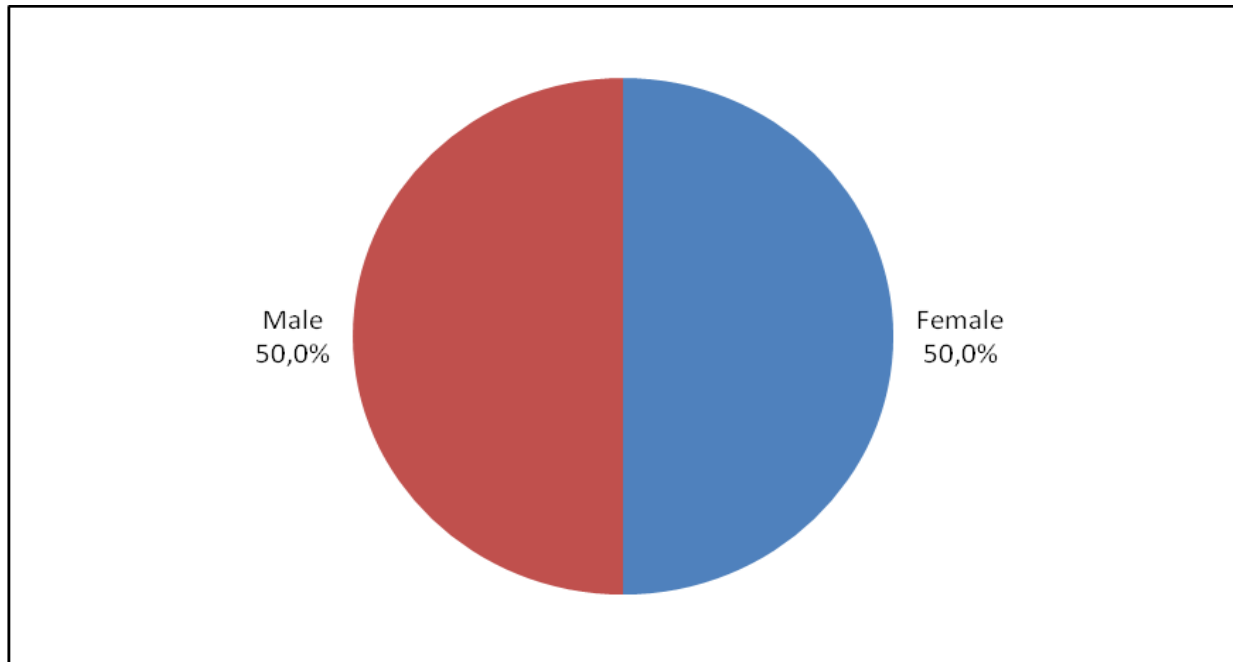
The employees of the municipality were equally distributed along gender lines as 50,0% were men and the other 50,0% were women.

Figure 5.2:   Samples' level of seniority
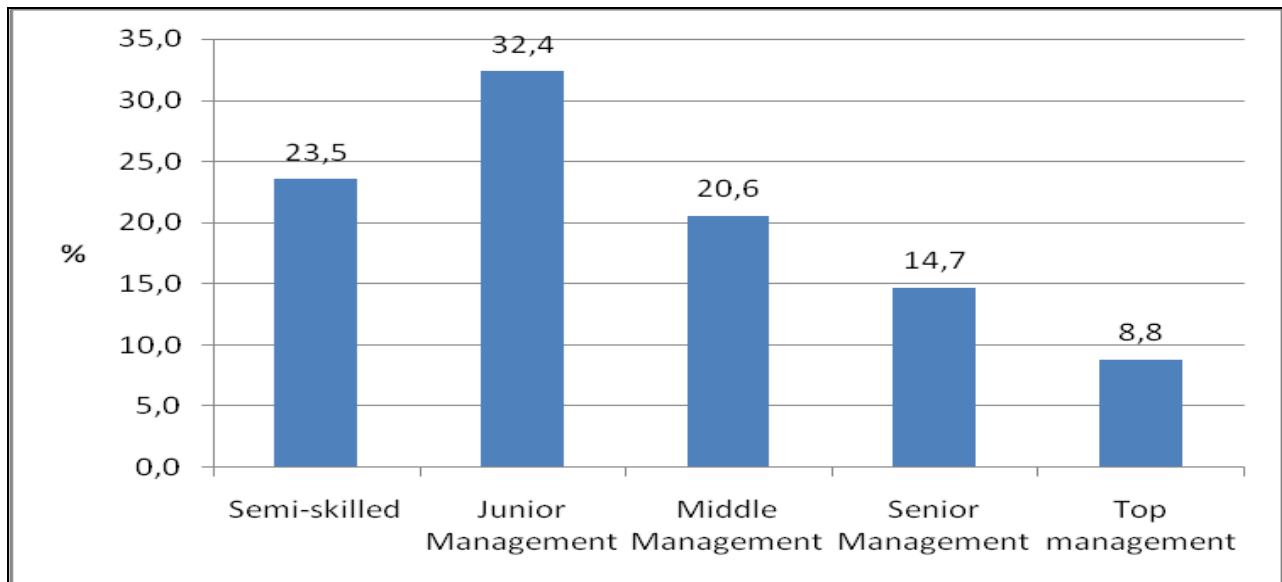
Figure 5.2 shows that the highest proportion (32,4%) of the respondents were in junior management, followed by semi-skilled workers with 23,5% and top management accounted for only 8,8% of the responses.

Figure 5.3:   Level of education of the sample
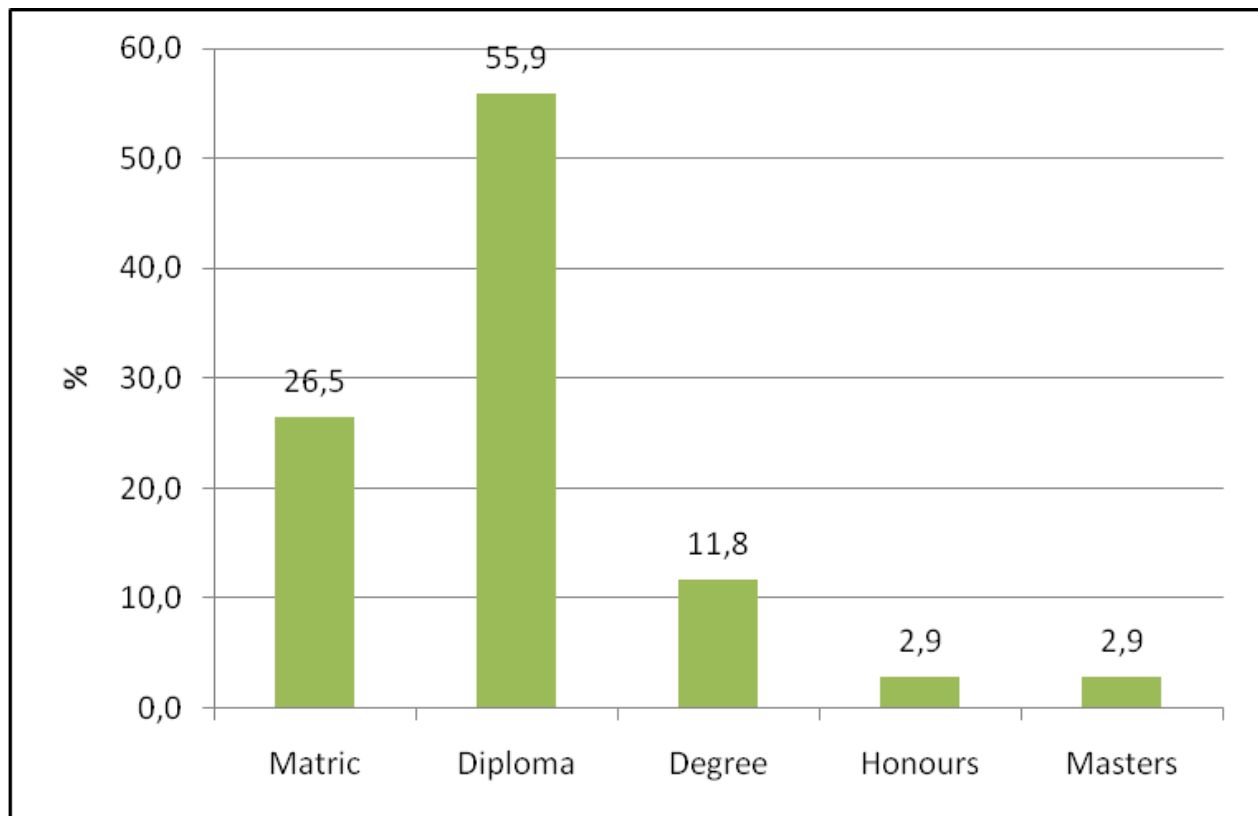
More than half (55,9%) of the respondents have Diplomas as their highest level of education, 26,5% have only matric as their highest level of education while the remaining 17,6% had Degree or higher educational attainment. If the municipality was to thrive, the situation would have to be reversed wherein most employees would have Degrees or higher as their highest level of education. This would mean that the municipality would have to invest in capacity building programmes for it to achieve its goals and deliver on its mandate. The advantage of such a population with a relatively high number of diploma holders is that it is easy to involve them in decision-making and solicit their views in the improvement of the municipality's performance management system.

Figure 5.4:   Length of service of the sample
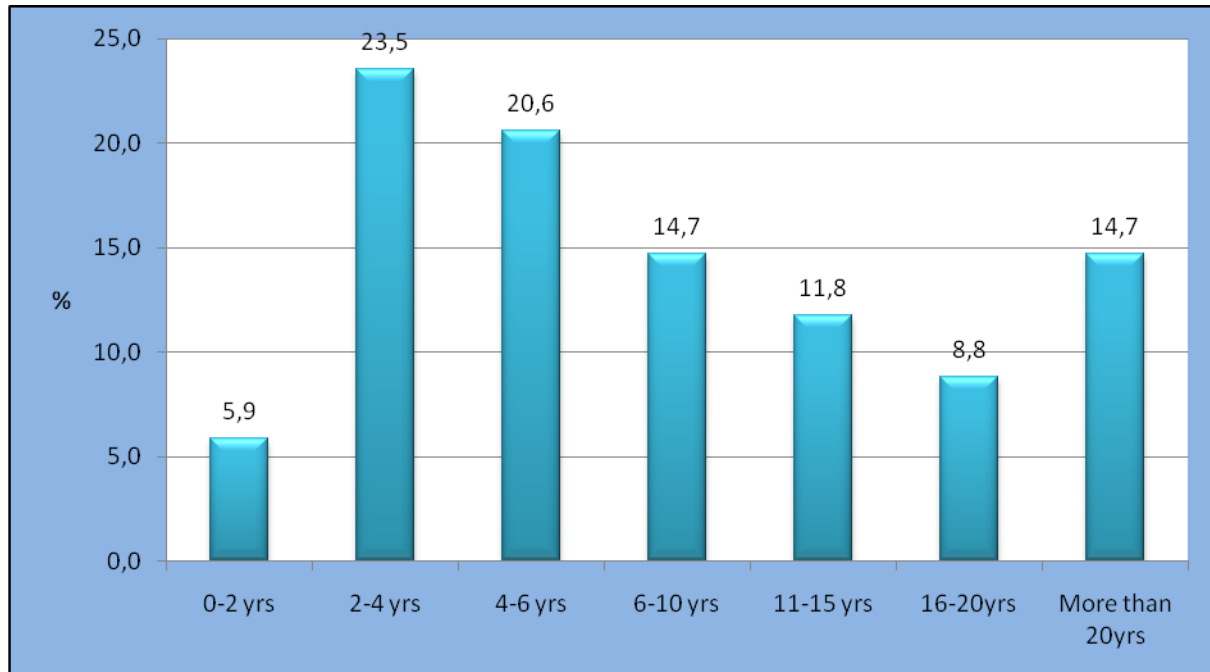
About 15% of the municipal employees have been with the municipality for more than 20 years and the advantage of having such a high number is that these employees can impart their knowledge and experince to the new employees. More than a quarter (29,4%) have only been employed by the municipality for less than 4 years.

The modal length of service of the respondents is 2-4 years with 23,5%. This means that the population is comprised of employees who are relatively inexperienced. Howover, top management's challenge is to ensure that these employees are properly groomed and trained in the municipal environment.

Figure 5.5:   Sample's knowledge of the municipality's vision and mission
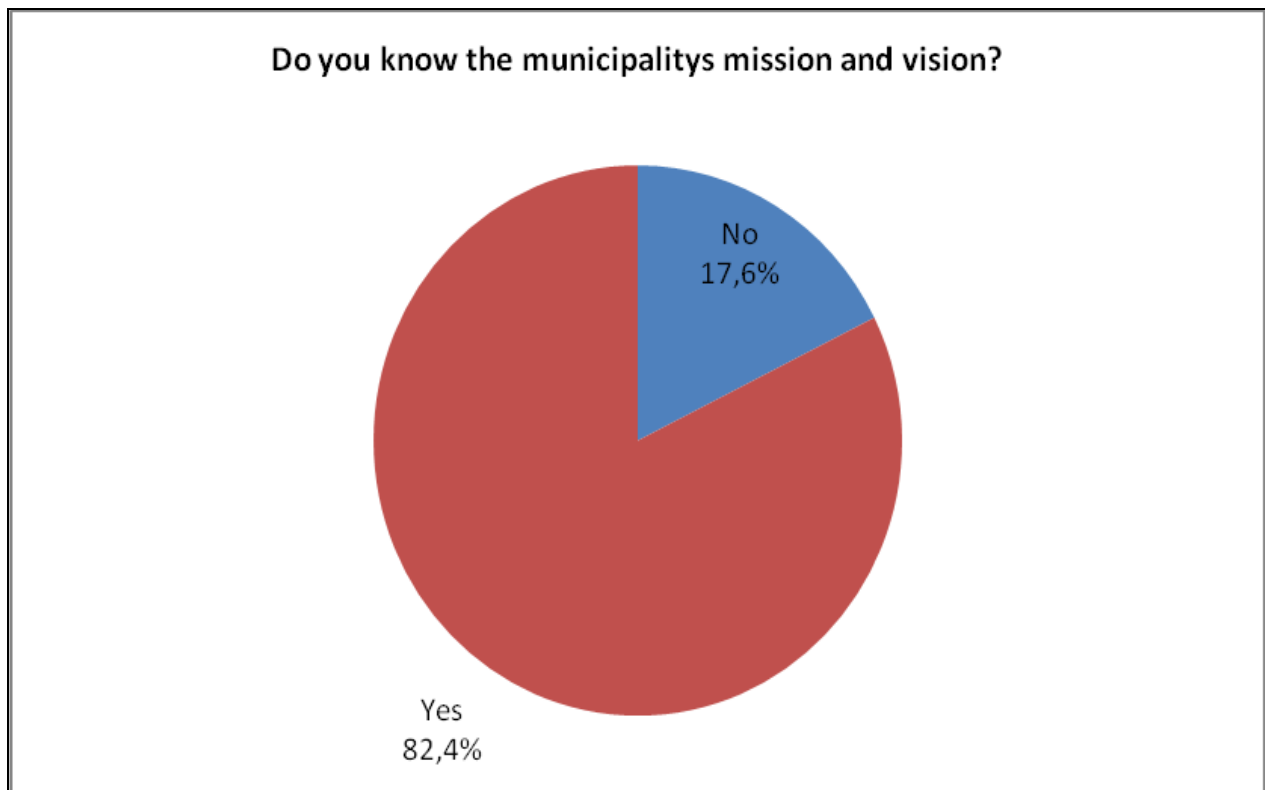
The respondents were asked if they knew the municipality's vision and mission, more than 4 out of 5 employees (82,4%) indicated that they knew the vision and mission while the rest did not know the mission and the vision.

The mission and the vision provide the purpose and the direction of the municipality. The knowledge of the municipality's vision and mission by the majority of the respondents serves a good starting point to achieve the desired goals as employees are aware of the desired destination.

It is clear that 17,6% of respondents are not aware of the vision and mission of the municipality. This mean that lack of knowledge will result in the no link between the goals of the municipality and what should be done by the employees and that the employees are not aware of the destination. The goal by top management should be to ensure that clarity is provided on the municipality's vision and mission.

Figure 5.6:   Sample's knowledge of the municipality's IDP
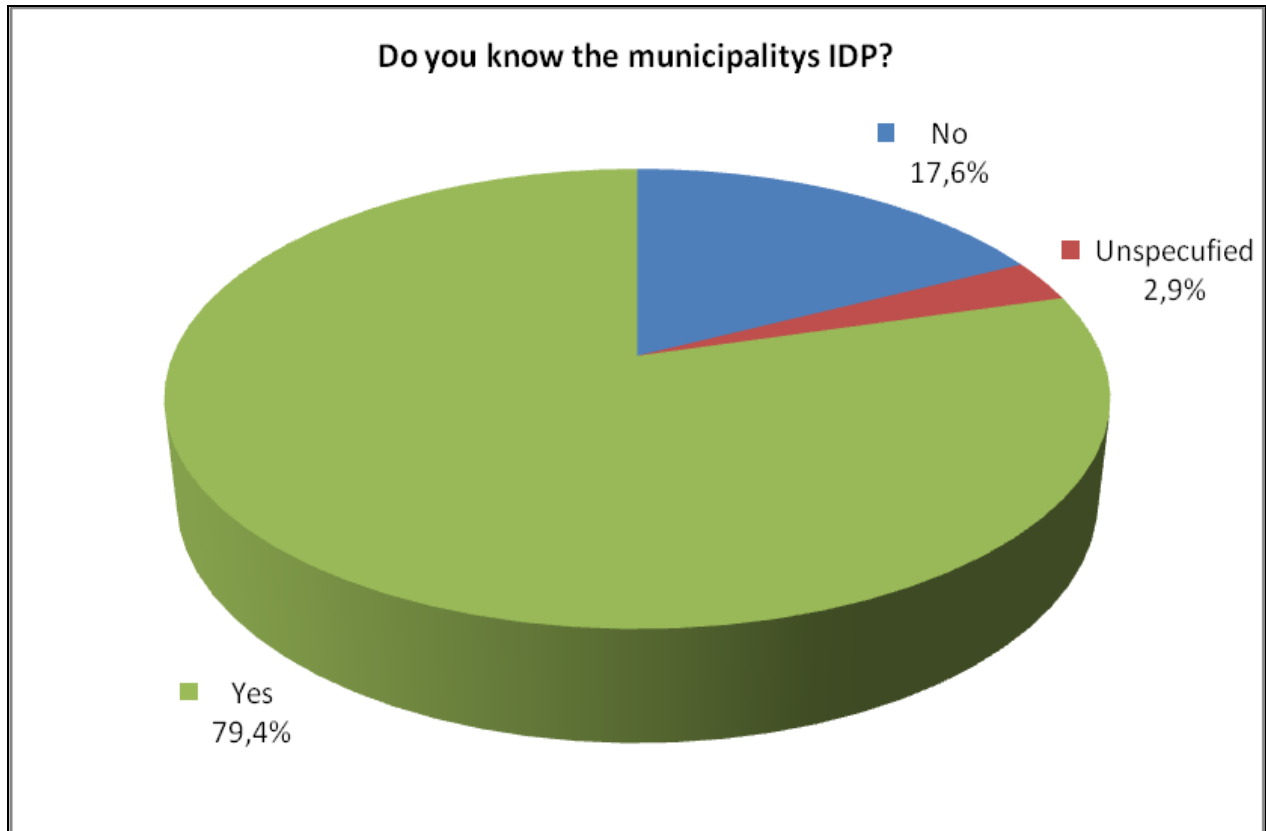
Asked if they knew the municipality's Integrated Development Plan (IDP), 79,4% of the respondents point out that they knew it, 17,6% did not know the municipality's IDP while 2,9% of the respondents didn't specify whether they knew it or not.

The municipality's IDP is a strategic document that guides the development in a municipality's area of jurisdiction. The implication of the above responses indicate that 17,6% of responses do not know such a strategic document. The goal should be to train such employees on the IDP and its impact on service delivery and performance of the municipality.

5.2.2   Section B

To make the results more meaningful, the options 'strongly agree' and 'agree' as well as 'strongly disagree' and 'disagree' were combined in the analysis to come up with more meaningful responses of 'agree' and 'disagree'. As indicated, the instrument used to measure employees' perception was a five-point positively scored likert scale. The more positive the perception the higher was the score. If the respondents' scores were low, they perceived the PMS to have been poorly implemented and had limited understanding of it.

Responses from the questionnaire were coded individually for all the thirty-two (32) respondents and the data was entered into the statistical package (SPSS) with a view to obtaining frequencies and percentages and bar diagrams for the responses.

Presentation of findings from this section was further sub-divided into sub-section/themes/topics. These sub-section/themes/topics form the major component parts of performance management in general, the legislation regulating performance management in local government including municipal planning and performance management regulations. These themes are as follows:

- (i)   Planning
- (ii)   Implementation
- (iii)   Monitoring
- (iv)   Review/Improvement
- (v)   Consultation/role of role-players including the community
- (vi)   Reporting

5.2.3   Explanation of Findings

5.2.3.1 Questionnaire responses

5.2.3.1.1   Performance Planning

QUESTION 1

The Integrated development Plan (IDP) is a strategic document that clearly outlines the municipality's development objectives and provides a policy framework that guides management in decision making related to budgeting and planning for the municipality.

Figure 5.7
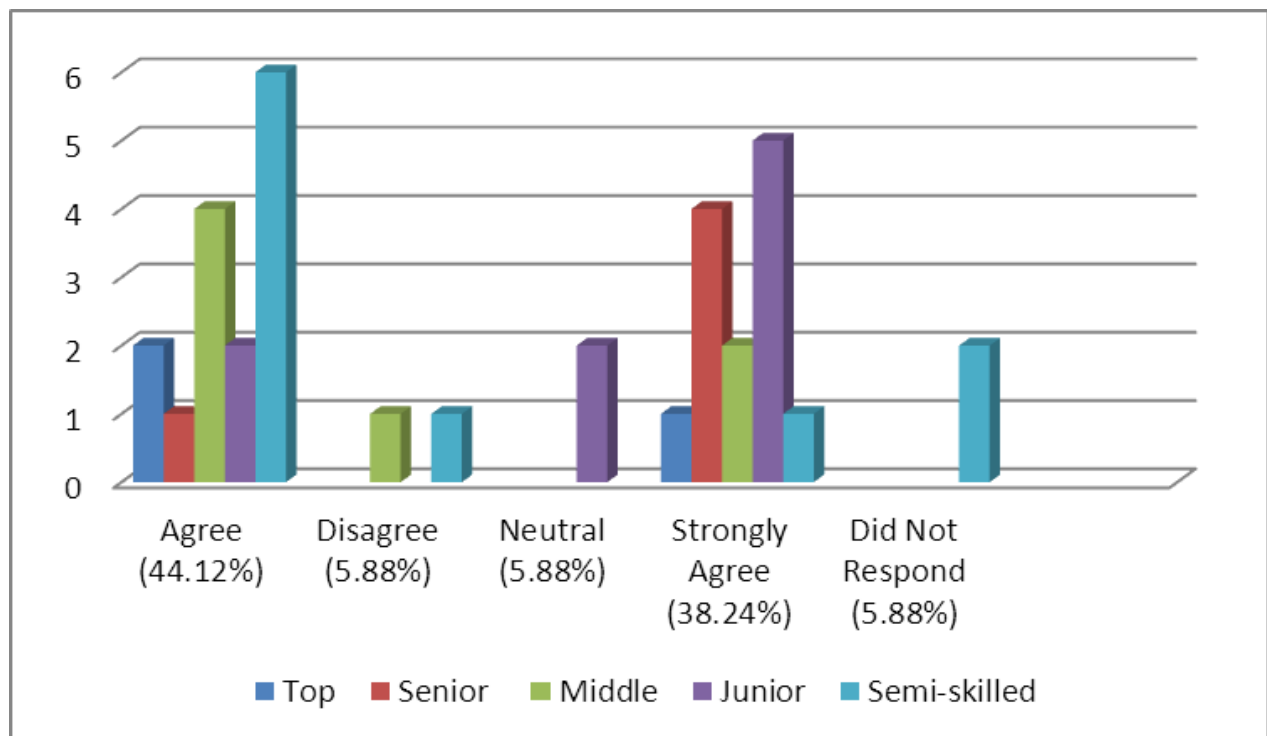
Over 80% of the municipal workers agree with the statement that "The Integrated Development Plan (IDP) is a strategic document that clearly outlines the municipality's development objectives and provides a policy framework that guides management in decision making related to

budgeting and planning for the municipality"; only 5,9% disagree with the statement; while the remaining 11,8% were indifferent.

The results from the respondents indicate that the IDP as a strategic document for the municipality has been communicated to a majority of employees at all levels of management. This situation serves as a good starting point for the municipality to achieve its overall goals when employees are aware of the strategies that the municipality is pursuing in its quest for the delivery of services to its citizens. However, the challenge for senior management is to ensure that the IDP is communicated to all employees. If employees are aware and understand an organisation's strategic document, they can ensure that their actions are aligned towards the achievement of an organisation's vision, mission, goals and objectives.

QUESTION 2

Strategic planning role is important as it clearly define the goals and objectives of the municipality.

Figure 5.8
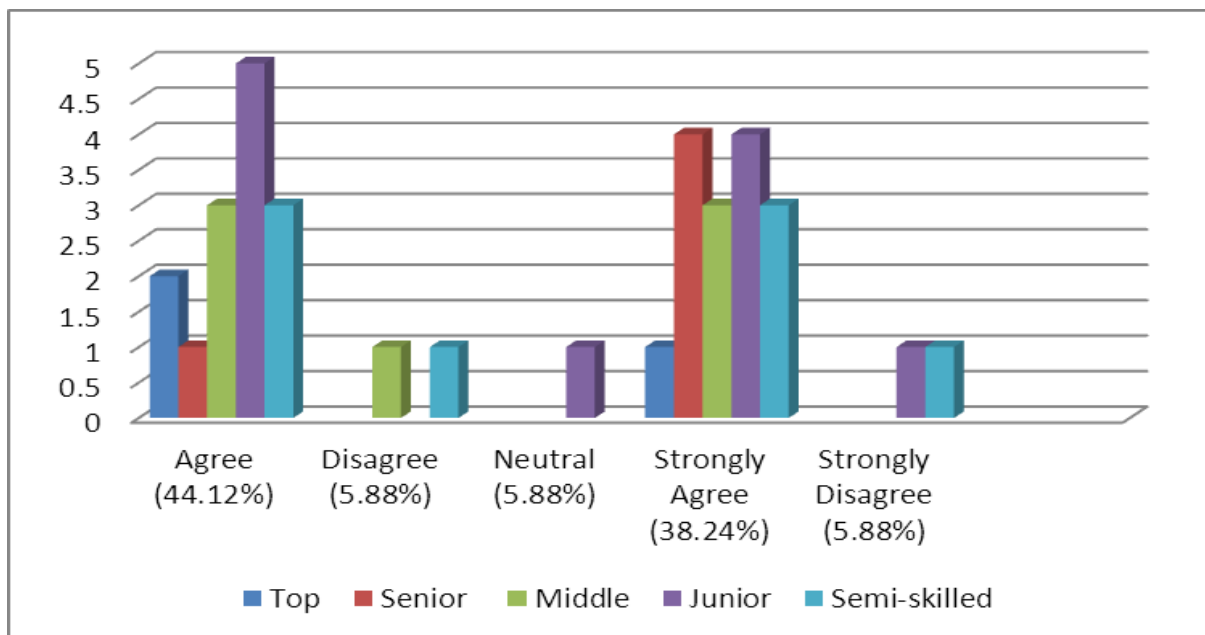
The largest proportion (85,3%) of the municipal workers believe that the role of strategic planning is important as it clearly defines the goals and objectives of the municipality with those strongly agreeing with the statement accounting for 44,1% of all employees who responded to the research questions. Just over 10% of the respondent did not agree with the statement and 2,9% did not have an opinion of the matter.

Clearly defined goals and objectives are important if top management and employees at lower levels of management are to work together as a winning team in the delivery of services to its citizens. The results indicate that employees strongly believe that strategic planning role is important as it clearly defind the goals and objectives of the municipality. The implication is that when employees understand the role of strategic planning, they can define individual and team goals and objectives which are in line with the municipal goals and objectives. This serves as an excellent platform for ensuring that every employee undestands what the municipality wants to achieve.

QUESTION 3

The municipality's budget must be informed by and aligned to the IDP objectives.

Figure 5.9
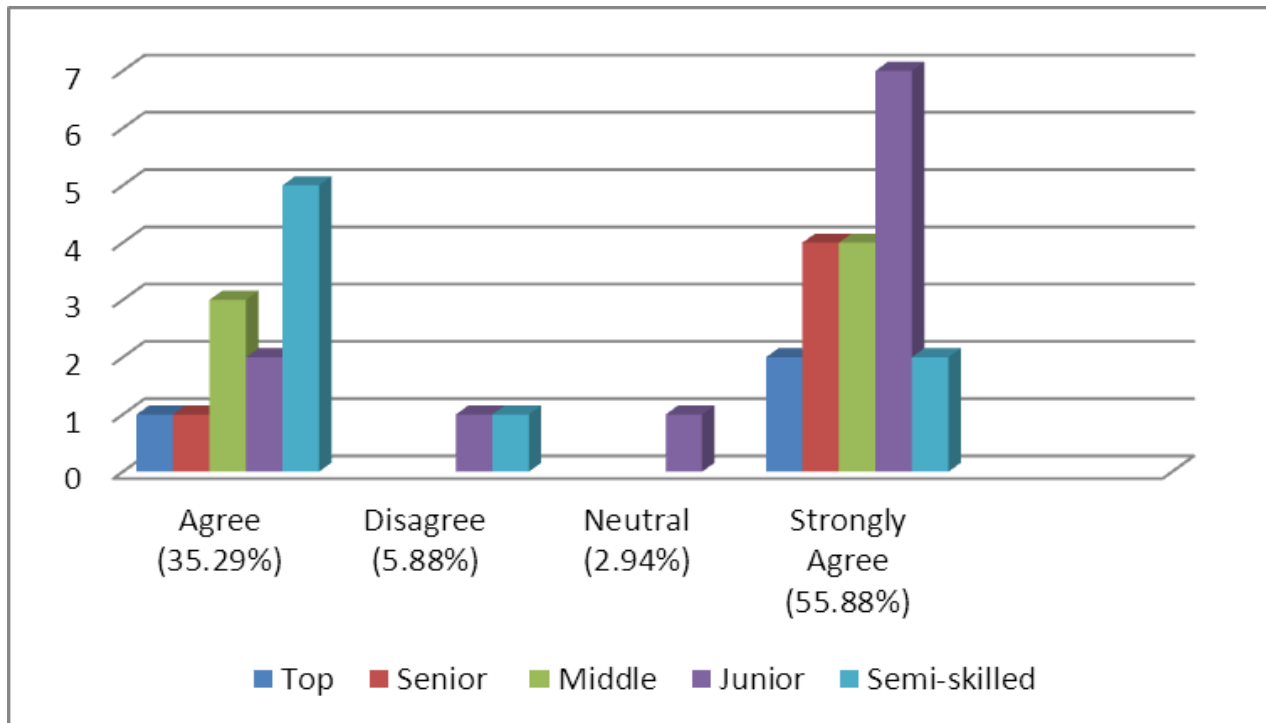
The budget gives effect to the strategic priorities of the municipality. The priorities of the municipality are informed by the services demanded and/or required by its citizen. The overwhelming majority (90%) of respondents are in agreement that that the municipality's budget must be informed by and aligned to the IDP objectives. Respondents who disagreed only accounted for 5,9% disagree and 2,9% neither agreed nor disagreed with the statement.

Although a majority of employees are in agreement that the municipality's budget must be informed by and aligned to the IDP objectives, one could argue that there is still an understanding gap within some employees as to the importance of the IDP in municipal development and how it impacts on the budget and how the budget gives effect on the municipality's priorities. The higher the demand for services from the municipality's citizen, more money is required for such services to be delivered and/or provided and *vice versa.*

QUESTION 4

There is a strong link and relationship between the IDP, Budget and the PMS.

Figure 5.10
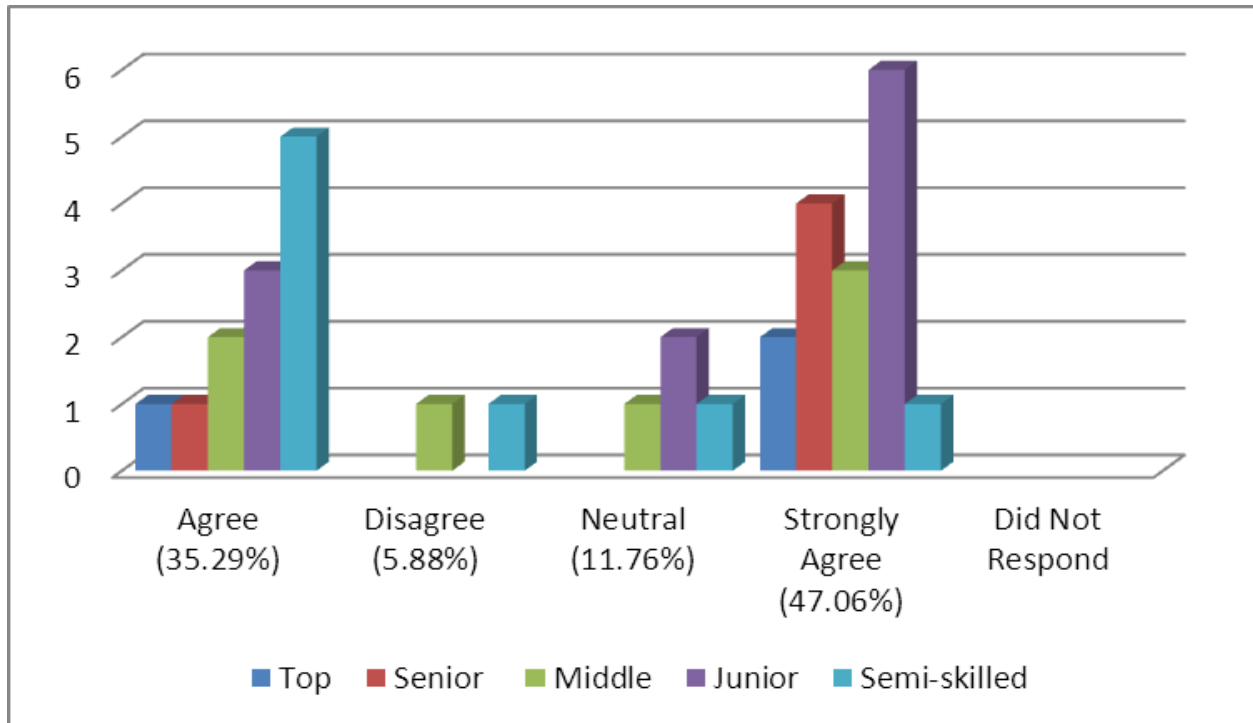
Only 5,9% of the municipal employees disagree with the statement that "there is a strong link and relationship between the IDP budget and the PMS", while the majority (over 80%) are in agreement with the statement (with most of them strongly agreeing) and 11,8% did not indicate whether they agreed or not.

Although the majority of employees believe that there is a strong link between the IDP, budget and the PMS, it is evident that such an understanding does not exist with other employees. The goal for top management should be to ensure that education and awareness is conducted to all employees on the importance and interrelatedness of the IDP, budget and PMS.

QUESTION 7

Performance Management System (PMS) is a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities are aligned with the IDP strategy.

Figure 5.11
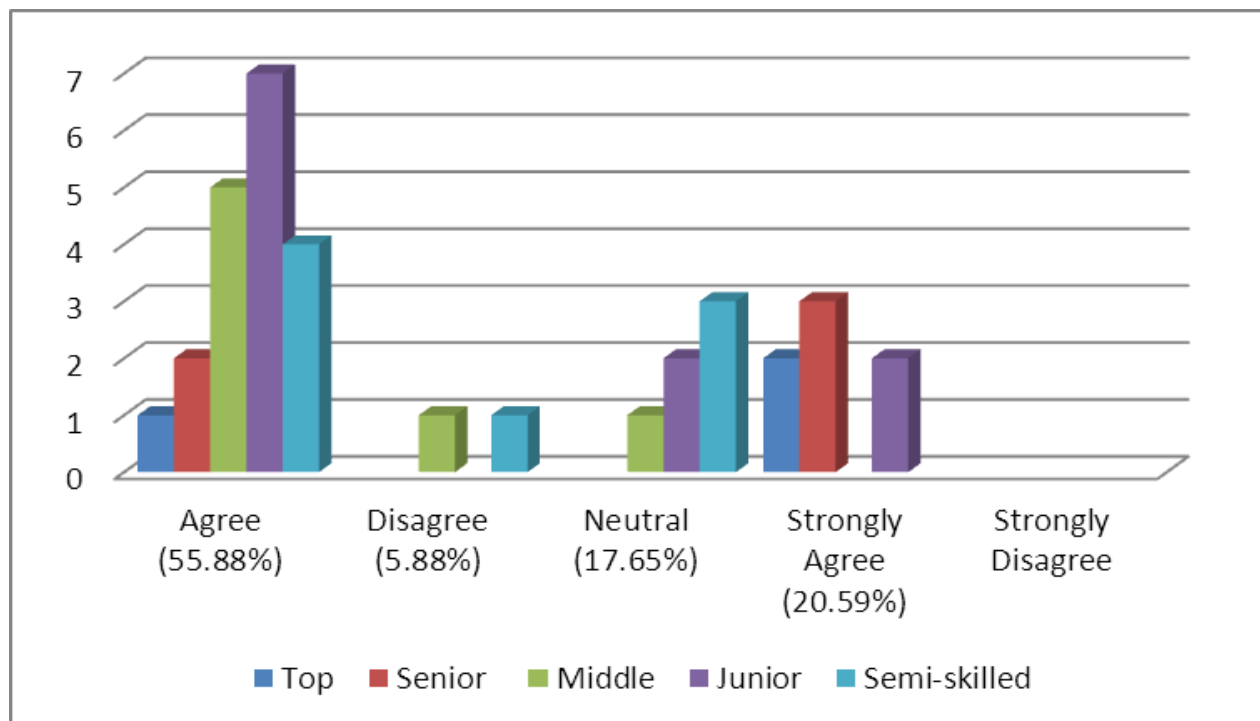
Seventy six percent of the respondents are in agreement that the performance management system (PMS) is a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities are aligned with the IDP strategy. The implication of this is that the respondents understand that the municipality has to develop key performance target and indicators that can have an impact on the effective spending of the municipal budget.

Eighteen percent of respondents were neither agreeing nor disagreeing whilst six percent disagreed with the statement. The implication of the above responses could be that the employees are still not aware of the importance of the IDP, budget and PMS as well as to their

inter-relatedness. This supports the perception of the respondents whereby more than 12% of them neither agreed nor disagreed that the PMS provides the base for the implementation, management, monitoring and evaluation of the IDP.

However, the challenge for top management is to ensure that education and awareness is conducted to all employees as regards the importance of the IDP, budget and PMS and how these relate.

QUESTION 12

The municipality's integrated Performance Management System shows the cycle of performance planning, development, monitoring measurement, review and reporting.

Figure 5.12
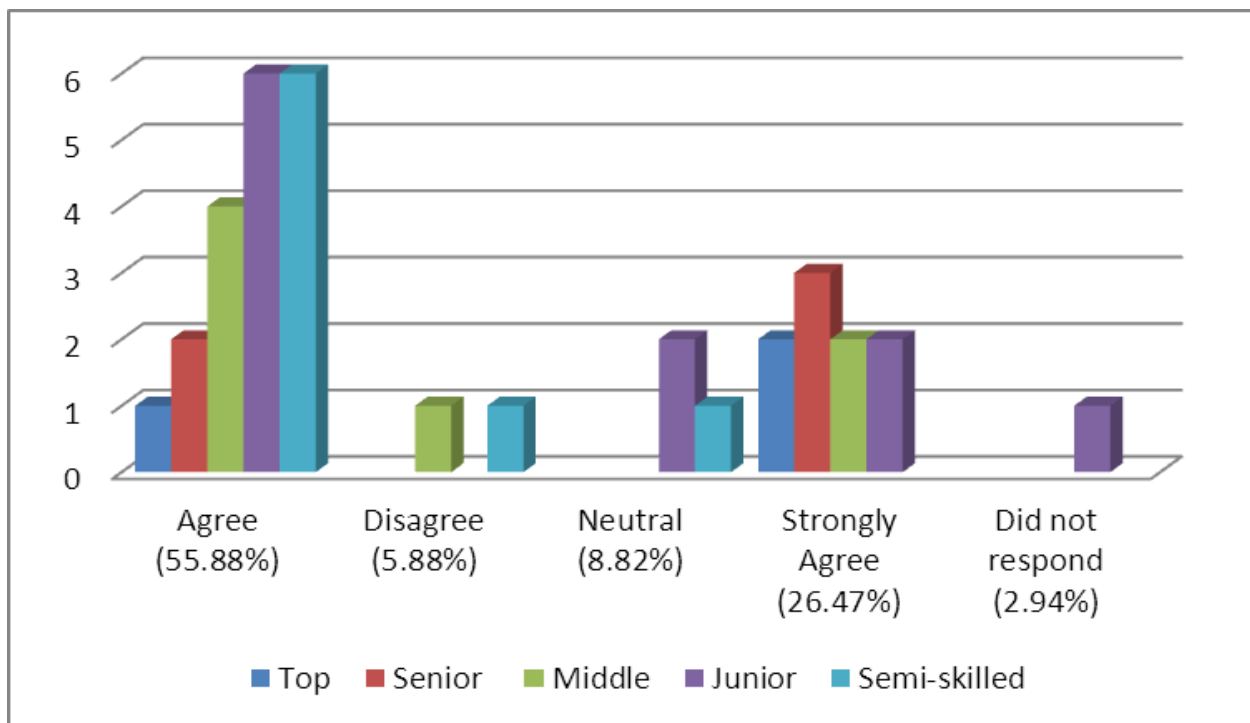
Eighty two percent of respondents (55.88% agreed and 26.47% strongly agreed) are in agreement that the municipality's integrated performance management system shows the cycle of

performance planning, development, monitoring measurement, review and reporting and only six percent disagreed.

The results reveal that employees do understand what is performance management and its cycles of planning, development, implementation, monitoring, review and reporting. This aspect of understanding coins very well with the fact that they (employees) had earlier on indicated that performance mangement process is a process whereby municipalities continuously seek to improve their service delivery/functioning and accountability.

QUESTION 21

Linkages between IDP, Budget and Performance targets have not been easily established and discernible.

Figure 5.13
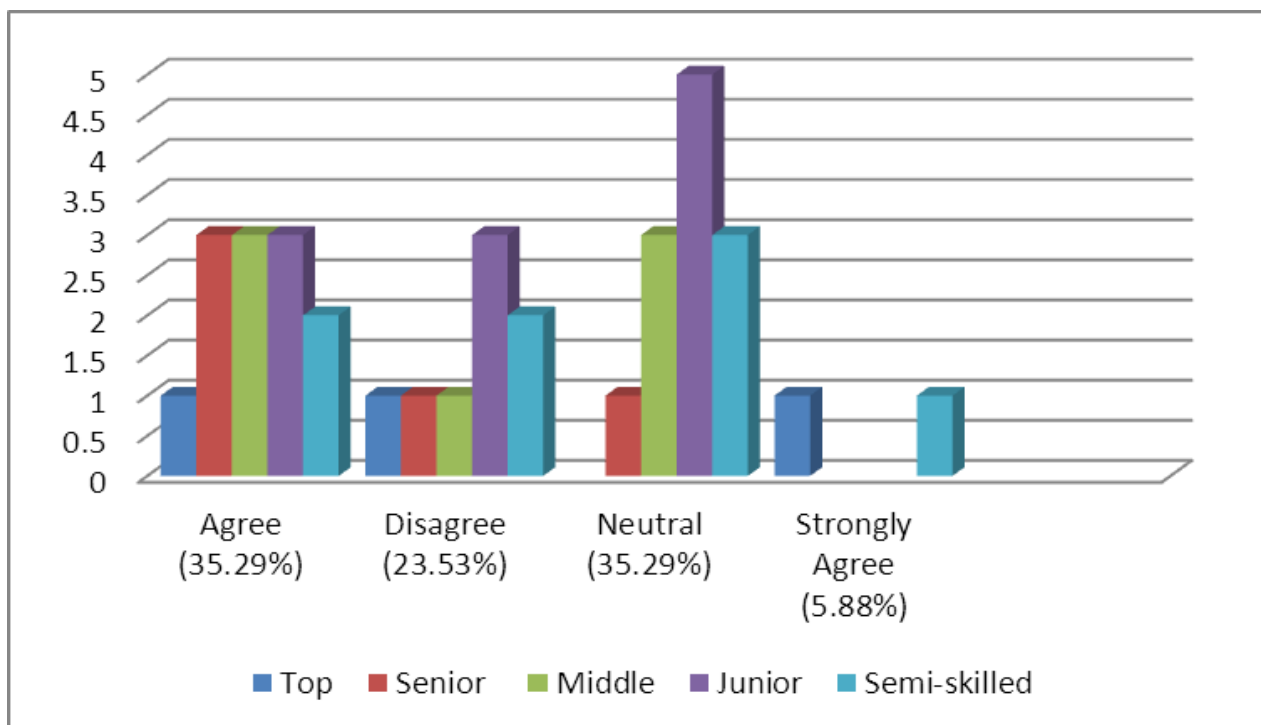
Although the majority of respondents (35.29% agreed and 5.88% strongly agreed) are in agreement that linkages between IDP, Budget and Performance targets have not been easily established and discernible twenty four percent of respondents are not in agreement that linkages between IDP, Budget and Performance targets have not been easily established and discernible. Thirty five percent of the respondents neither agreed nor disagreed with this statement.

The results reveal that there is some lack of understanding as to the importance of the IDP as a strategic document for the municipality's development. There is still lack of understanding as to the inter-relatedness of the IDP, budget and PMS. This implies that employees are not aware of what the municipality objectives and what impact these objectives will have on the budget and how the municipality will assess as to whether it is delivering according to the will of its citizens.

5.2.3.1.2   Performance Implementation

QUESTION 5

The PMS provides the base for the implementation, management, monitoring and evaluation of the IDP.

Figure 5.14
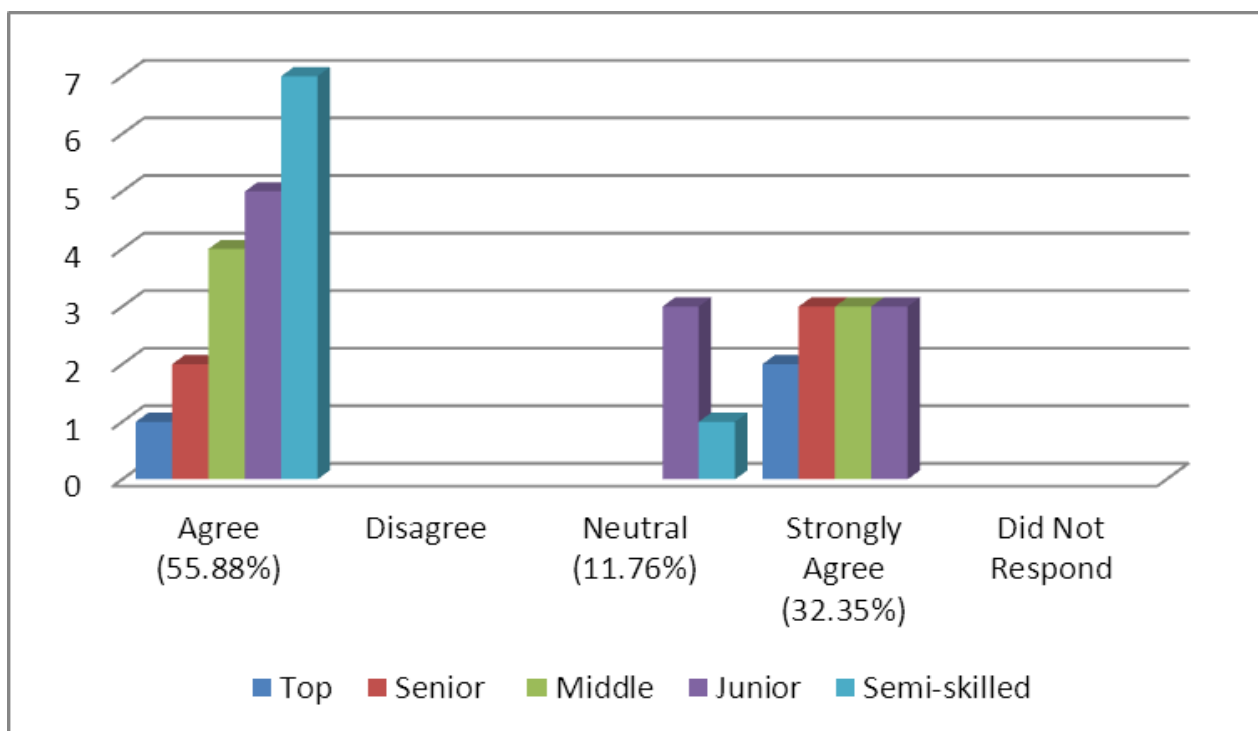
The majority (55.88% agreed and 32.35% strongly agreed) of respondents are in agreement that the PMS provides the base for the implementation, management, monitoring and evaluation of the IDP. Twelve percent of respondents neither agreed nor disagreed that the PMS provides the base for the implementation, management, monitoring and evaluation of the IDP

The results reveal that employees do understand what performance management is and the various phases in performance management, namely, implementation, monitoring and evaluation.   The results also reveal that employees understand the role of performance

management in the implementation, monitoring and evaluation of the IDP. Only a few employees were indifferent and this aligns with the responses relating to their lack of understanding as regards the strong link and relationship between the IDP, budget and the PMS.

QUESTION 6

The municipality developed and adopted a performance management system which is linked and aligned with the IDP and the budget.

Figure 5.15
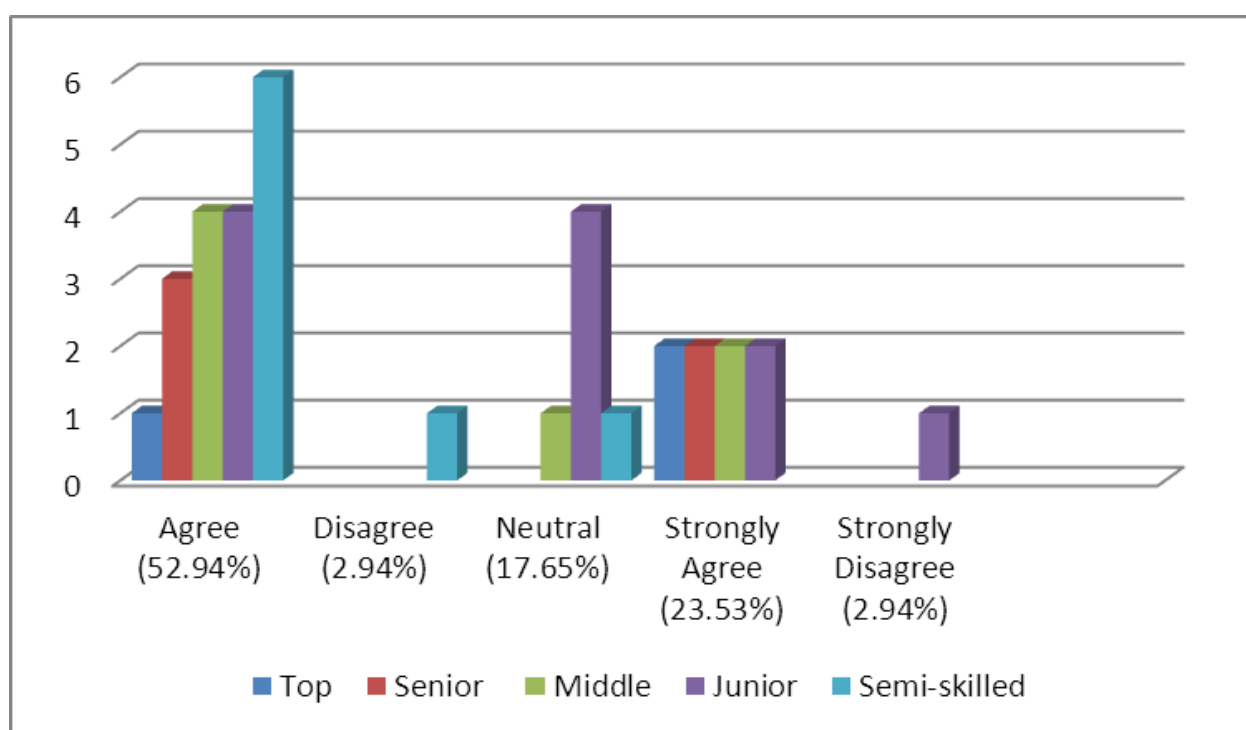
The majority of respondents (52.94% agreed and 23.53% strongly agreed) agreed that the municipality developed and adopted a performance management system which is linked and aligned with the IDP and budget. Six percent of respondents disagreed that the municipality developed and adopted a performance management system which is linked and aligned with the IDP and budget.

The results corroborate the fact that the majority of employees believe that the IDP is a strategic document that clearly outlines the municipality's development objectives and that the municipality's budget must be informed by and aligned to the IDP objectives. When employees are aware of the IDP, budget and PMS and their inter-relatedness, they can see the impact of their performance on the overall objectives of the municipality.

QUESTION 14

The PMS Framework clearly shows the link between the Organisational/municipal and the Individual employee PMS.

Figure 5.16
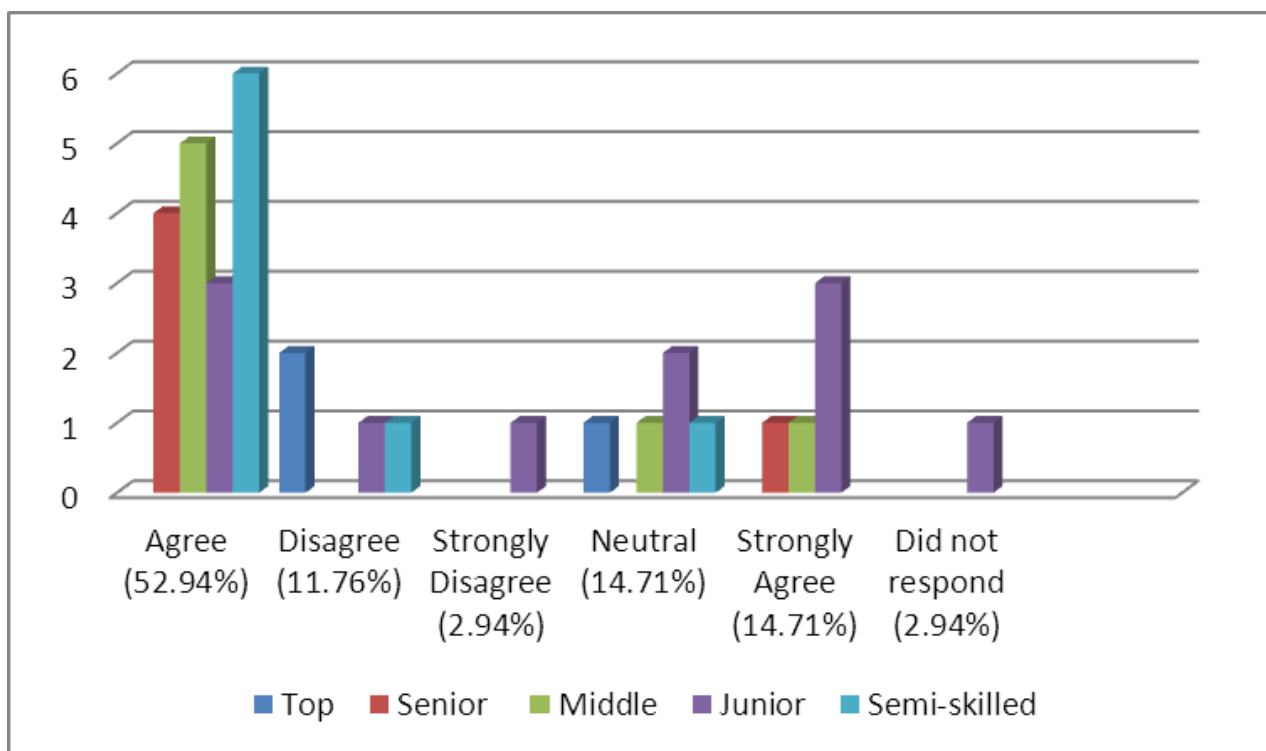
Although the majority of respondents (52.94% agreed and 14.71% strongly agreed) are in agreement that the PMS Framework clearly shows the link between the Organisational/municipal and the Individual employee PMS, one could argue that there is still an understanding gap within

some employees. The results show that fourteen percent disagreed (11.76% disagreed and 2.94 strongly disagreed) and eighteen percent neither agreed nor disagreed that the PMS Framework clearly shows the link between the Organisational/municipal and the Individual employee PMS.

The implication of the above responses is that employees do not clearly understand how the municipal vision, mission, IDP objectives are linked to their performance plans at an organisational/municipal, departmental/team and individual levels, respectively. This could be as a result of performance management not being fully entrenched and/or implemented at all levels of management. The significance of these results is that top management should embark on the education, awareness and training of staff as regards performance management. Moreover, more focus by senior management should be to entrench an integrated performance management system.

QUESTION 16

Performance contracts/agreements are linked to a Performance Plan stipulating in detail the performance requirements for each year.

Figure 5.17
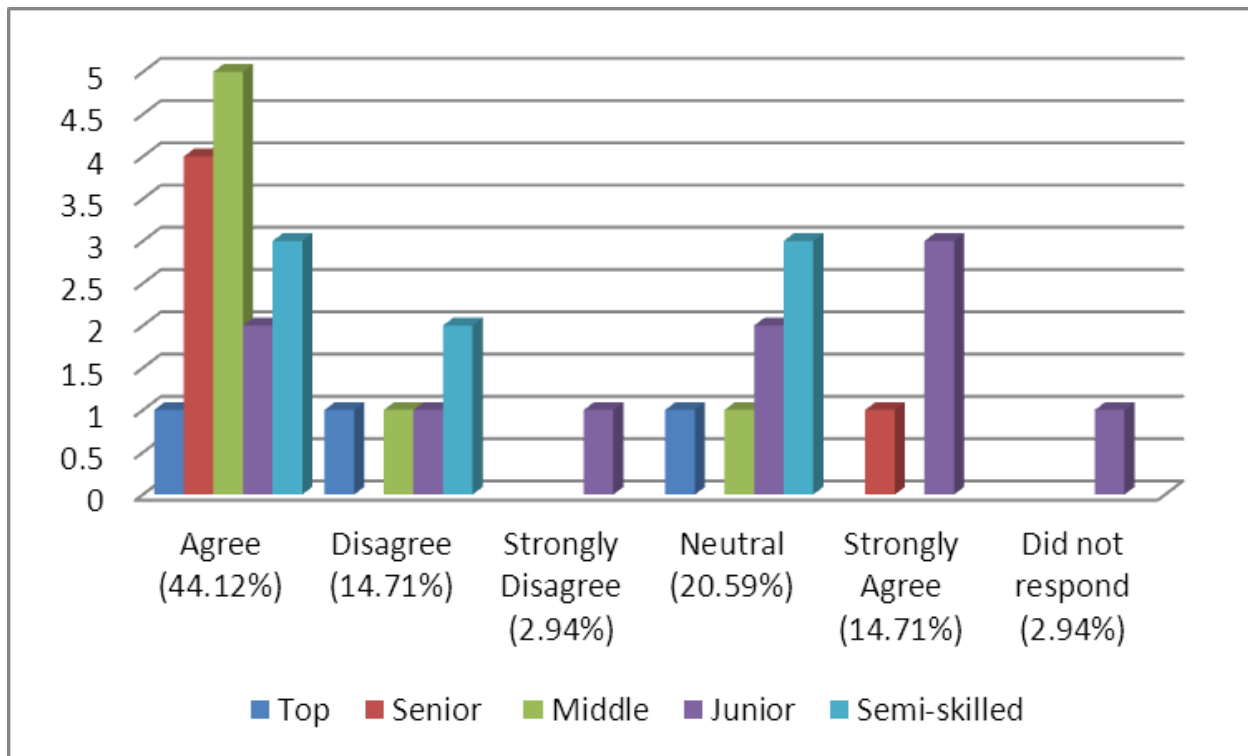
Although the majority of respondents (44.12 agreed and 14.71 strongly agreed) are in agreement that the performance contracts/agreements are linked to a Performance Plan stipulating in detail the performance requirements for each year, the results show that eighteen percent disagree (14.71% disagreed and 2.94 strongly disagreed) whilst twenty one percent of respondents neither agreed nor disagreed.

The results show that once the performance objectives have been set following the adoption of the IDP by the municipal council, no performance plans are developed that will indicate the targets set and to be achieved in any given year. The implication of this is that employees are not

aware of the expected deliverables/goals to be achieved for a specific year. The challenge for top management is develop performance plans in line with the municipality's performance management system. This will help employees understand the deliverables for the year and assist them in measuring their team and individual performance.

QUESTION 17

The PMS implementation has been cascaded from organisational, senior management, departmental to middle management level.

Figure 5.18
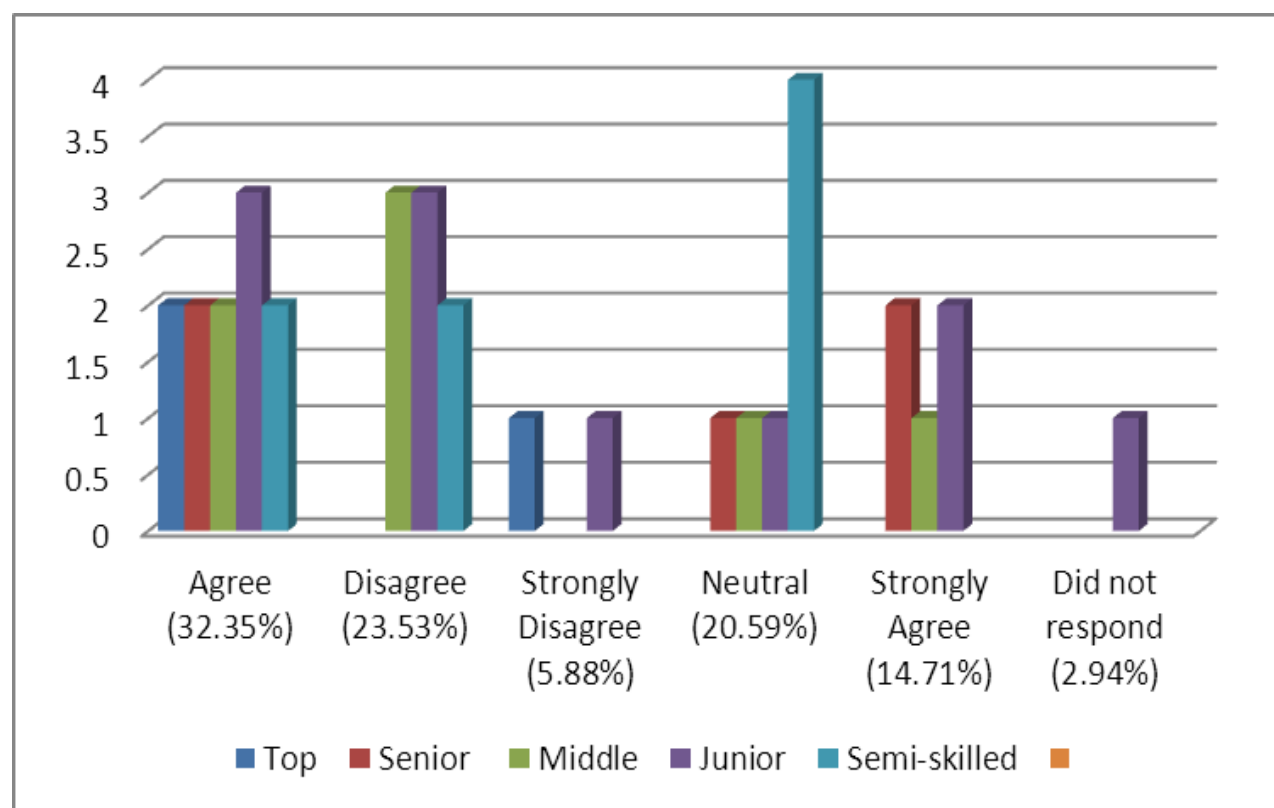
Forty seven percent of respondents (32.35% agreed and 14.71% strongly agreed) are in agreement that the PMS implementation has been cascaded from organisational, senior management, departmental to middle management level. Twenty nine of respondents (23.53%

disagreed and 5.88% strongly disagreed) are not in agreement that the PMS implementation has been cascaded from organisational, senior management, departmental to middle management level while twenty one percent neither agreed nor disagreed. Three percent of the respondents did not respond to this statement.

The results corroborate the respondents' perception that the employees were not involved in the formulation and/or development of the PMS. The implication of this is that there is lack of understanding from employees as regards the cascading of the PMS implementation from organisational, senior management, departmental to middle management levels, respectively.

The results also reveal that there is no consistency and linkages between the organisational/municipal, departmental/team and individual team objectives and as such there is no measurement whether objectives have been achieved or not.

5.2.3.1.3 Performance Monitoring

QUESTION 8

PMS is a process whereby municipalities continuously seek to improve their service delivery/functioning and accountability.

Figure 5.19
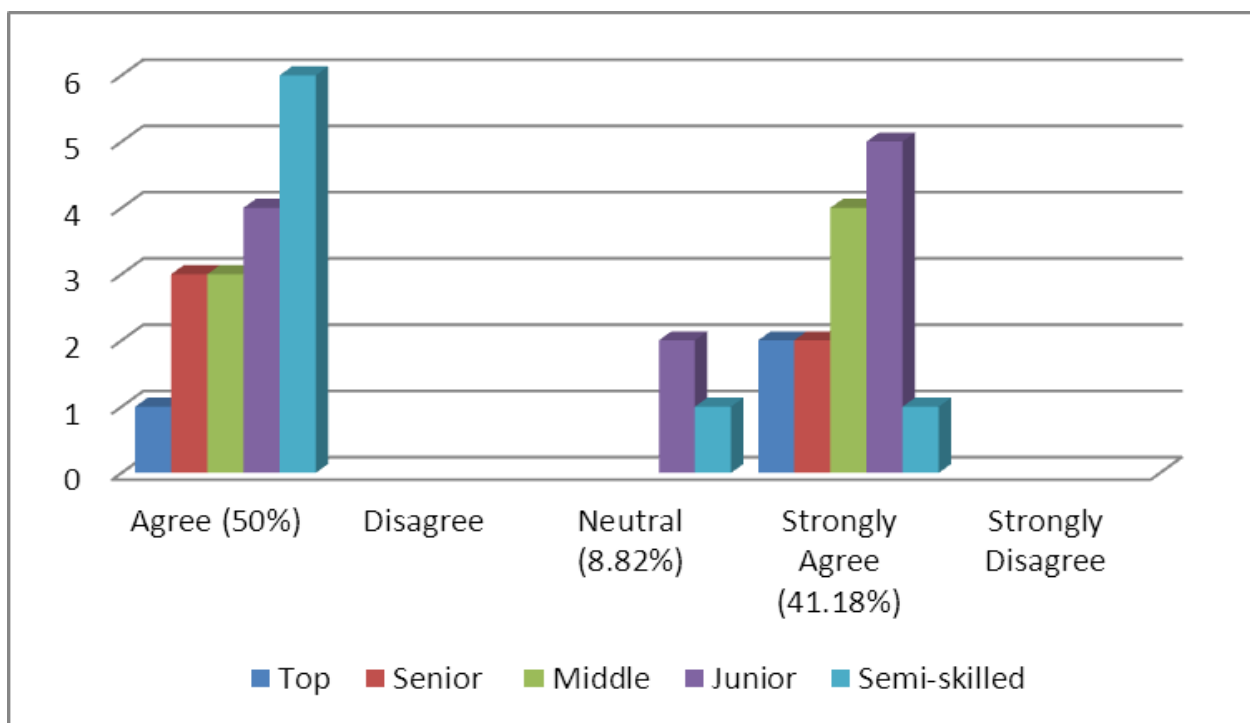
An overwhelming majority of respondents (50% agreed and 41.18% strongly agreed) believe that the performance management system is a process whereby the municipality continuously seeks to improve their service delivery/functioning and accountability. Being a sphere of government that is at the coal face of service delivery, it is of crucial importance that it continues to improve its service delivery.

The results provide an excellent platform for the proper entrenchment of the performance management system which is integrated. The implication is that when employees strongly

believe that the performance management system is a process whereby the municipality continuously seeks to improve their service delivery/functioning and accountability, this will reduce resistance to change when an integrated performance management system is introduced and fully implemented.

QUESTION 9

PMS is a tool that empowers local government/municipality to realize development goals and thereby meet the basic needs of citizens and promote socio-economic development.

Figure 5.20
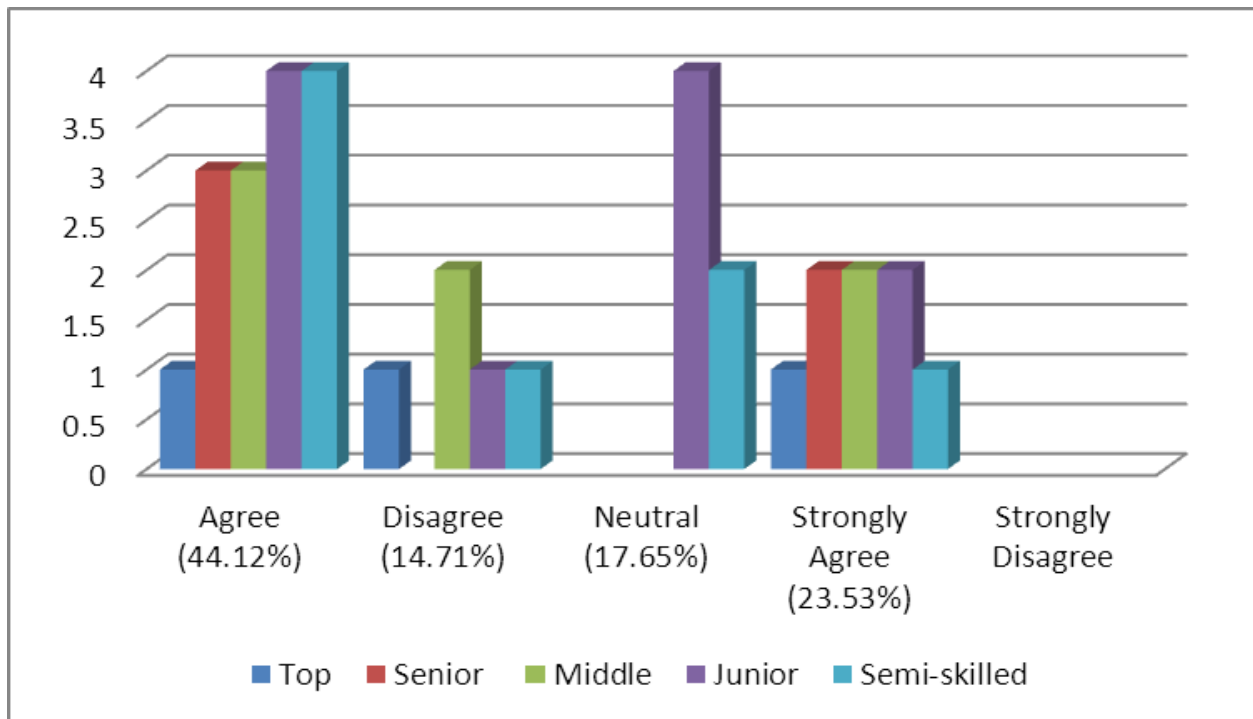
Although the percentage of respondents is relatively high enough (44.12% agreed and 23.53% strongly agreed) to imply that PMS is a tool that empowers local government/municipality to realize development goals and thereby meet the basic needs of citizens and promote socio-economic development, it is possible that such an understanding does not exist amongst employees.

Eighteen percent and more than fifteen percent of respondents neither agreed nor disagreed and disagreed, respectively that PMS is a tool that empowers local government/municipality to realize development goals and thereby meet the basic needs of citizens and promote socio-economic development.

The implication is that when employees do not realise the importance of performance management within a municipality, this will have a negative impact on their individual and team performance. The results of this will be for the municipality not to deliver basic services to its citizens.

QUESTION 10

The municipality's performance targets are the planned level of performance or milestones it sets for itself to achieve for each indicator identified.
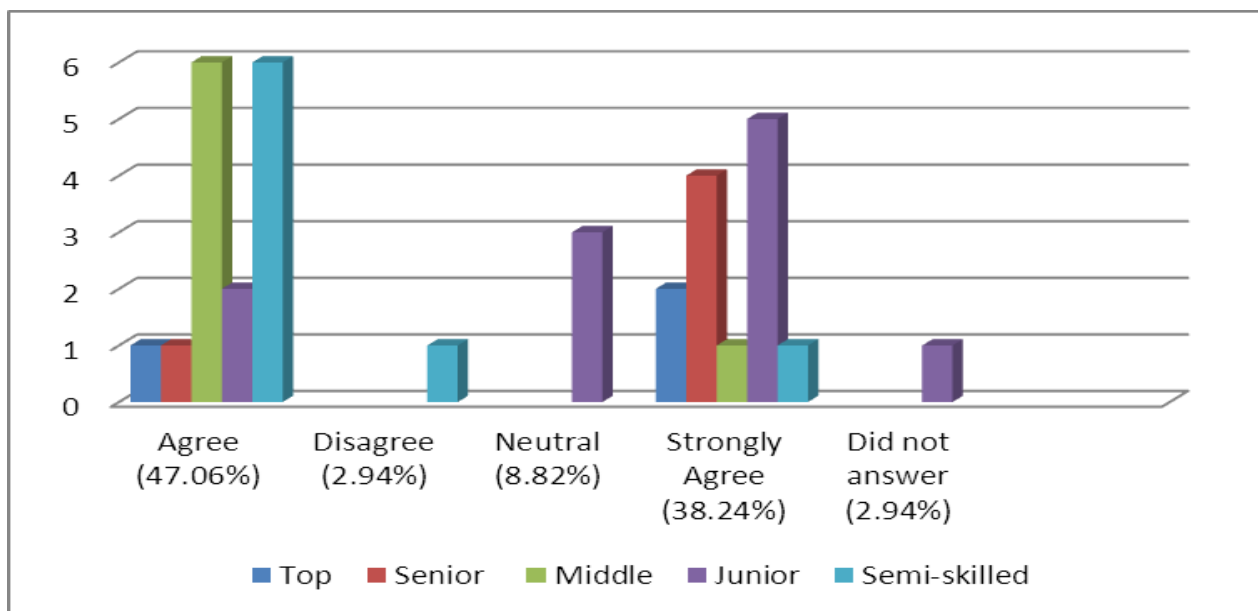
Figure 5.21
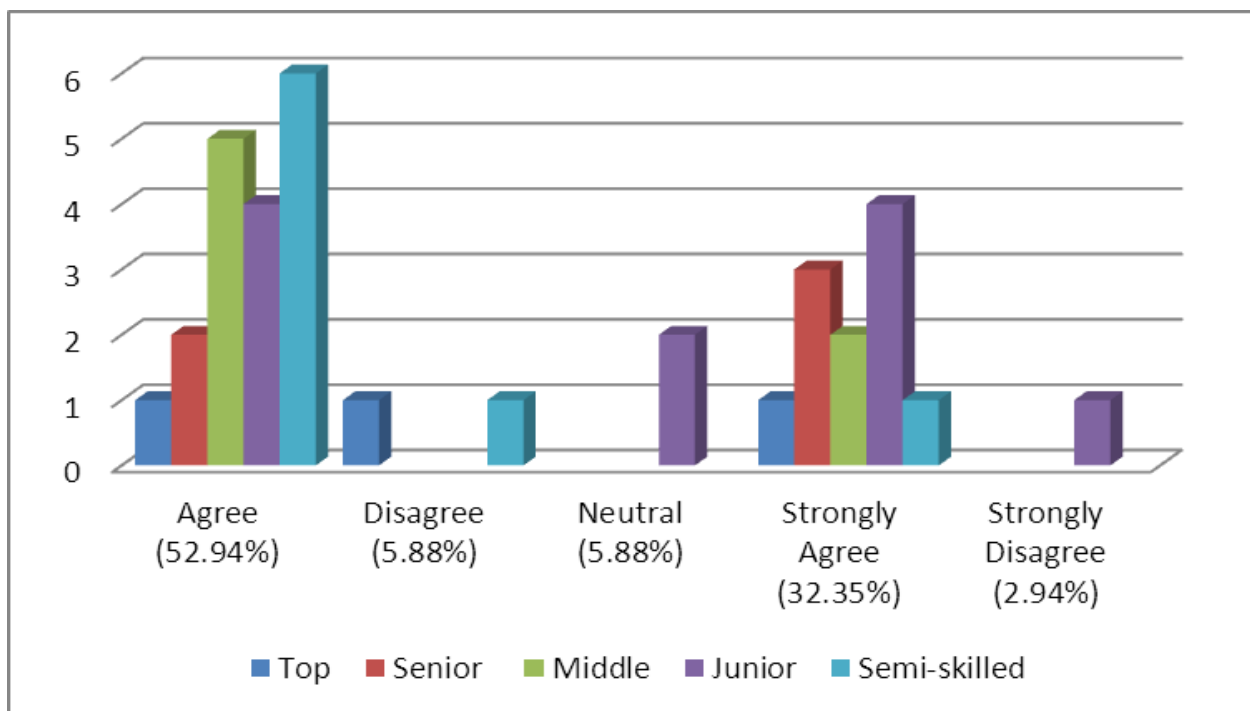
Eighty five percent of respondents (52.94% and 32.35%) are in agreement that the municipality's performance targets are the planned level of performance or milestones it sets for itself to achieve for each indicator identified. The results imply that employees believe that the municipality has set targets for the delivery of services to its citizens and that the said targets are measurable milestones to be achieved.

Only a few respondents disagreed (8%) that the municipality's performance targets are the planned level of performance or milestones it sets for itself to achieve for each indicator identified. This aspect shows the lack of understanding of the performance management process. However, the challenge for top management will be to conduct training and awareness sessions of the PMS.

QUESTION 11

Key Performance Indicators (KPIs) are used to determine whether the local municipality is delivering on its developmental mandate in terms of provision of services and infrastructure.

Figure 5.22

Eighty five percent of respondents believe that key performance indicators (KPIs) are used to determine whether the local municipality is delivering on its developmental mandate in terms of provision of services and infrastructure.

The results corroborate the employees' perception that the municipality's performance targets are the planned level of performance or milestones it sets for itself to achieve for each indicator identified. This implies that the majority of the employees are aware of the importance of the performance management system in the improvement of the organisational, team and individual performance. This also implies that senior management have made efforts to sensitise employees on what performance management is all about, its implementation and its impact in the delivery of basic services. This indicate that there will be not much resistance should management introduce the integrated performance management system.

QUESTION 18

Other levels of staff have performance plans linked to the organisational PMS & SDBIP which are monitored and reviewed quarterly.

Figure 5.23
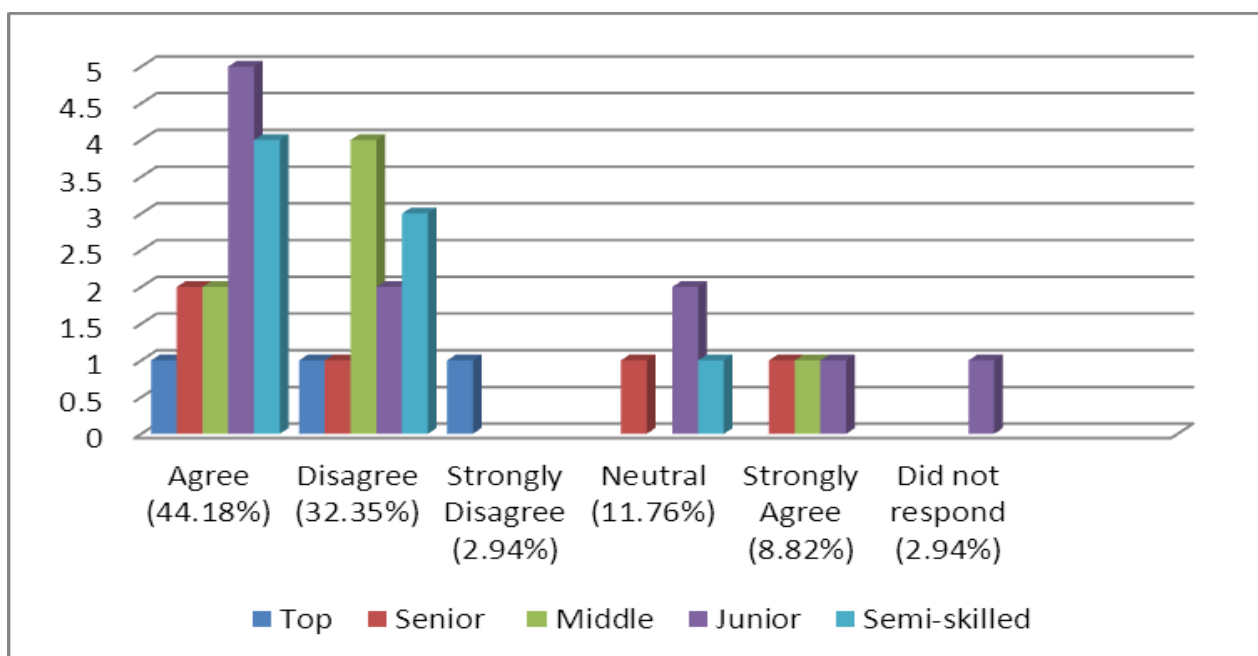
Fifty percent of respondents (41.18% agreed and 8.82% strongly agreed) are in agreement that other levels of staff have performance plans linked to the organisational PMS and SDBIP which are monitored and reviewed quarterly.

The implication of these results is that performance management is being applied at the level of the municipal manager and his departmental heads. The departmental heads have an informal process of cascading their performance plans to their senior managers.

Thirty five percent of respondents (32.35% disagreed and 2.94% strongly disagreed) are not in agreement that the other levels of staff have performance plans linked to the organisational PMS & SDBIP which are monitored and reviewed quarterly. Twelve percent of the respondents neither agreed nor disagreed and three percent did not respond with/to this statement.

It follows that employees' perception that the PMS implementation has not been cascaded from organisational, senior management, departmental to middle management level, other levels of staff will not have performance plans linked to organisational PMS and SDBIP and as such performance targets are not monitored and reviewed quarterly.

The results imply that there are no clear measures and criteria for measuring and monitoring performance. The importance of these results highlights the important area in the performance management process that top management should give much attention.

5.2.3.1.4 Performance Review/Improvement

QUESTION 20

The results of the previous year's performance measures were used to inform the next cycle of IDP review.

Figure 5.24
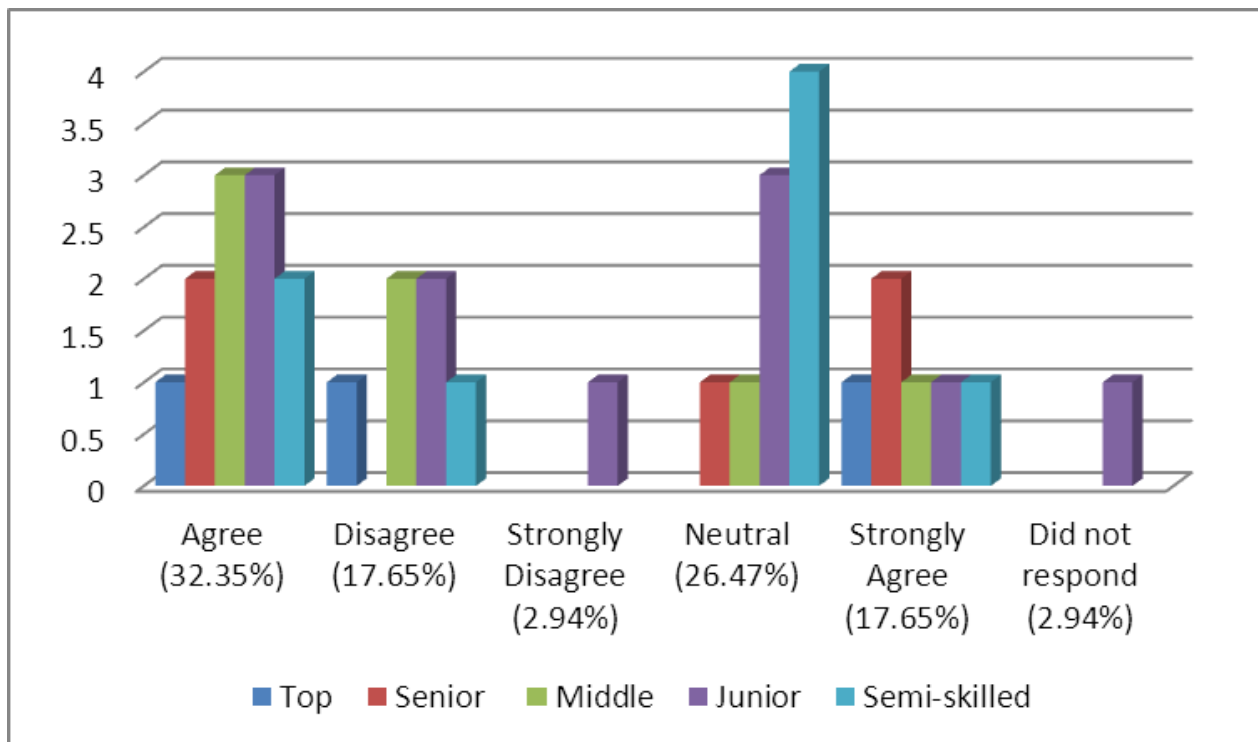
Fifty percent of respondents (32.35% agreed and 17.65% strongly agreed) are in agreement that the results of the previous year's performance measures were used to inform the next cycle of IDP review.

The implication of these results is that the municipality do conduct IDP/Budget roadshows every year. This is done on an ad-hoc basis and just to fulfil the requirements of legislation in local government relating to the IDP process. The challenge for top management is to ensure that IDP

forum and ward committees/forums are utilised effectively in the process of consultation with communities.

The results shows that twenty one percent of respondents (17.65% disagreed and 2.94% strongly disagreed) are not in agreement that the results of the previous year's performance measures were used to inform the next cycle of IDP review and twenty six percent of the respondents neither agreed nor disagreed and three percent did not respond with this statement. The implication is that even when performance deficiencies are identified in the previous year of performance, such is not taken into consideration in the new year's performance. This shows that performance shortfalls are not corrected even in the next performance management cycle.

QUESTION 23

The implementation of the integrated performance management system has resulted in a high-performance working culture within the municipality.

Figure 5.25
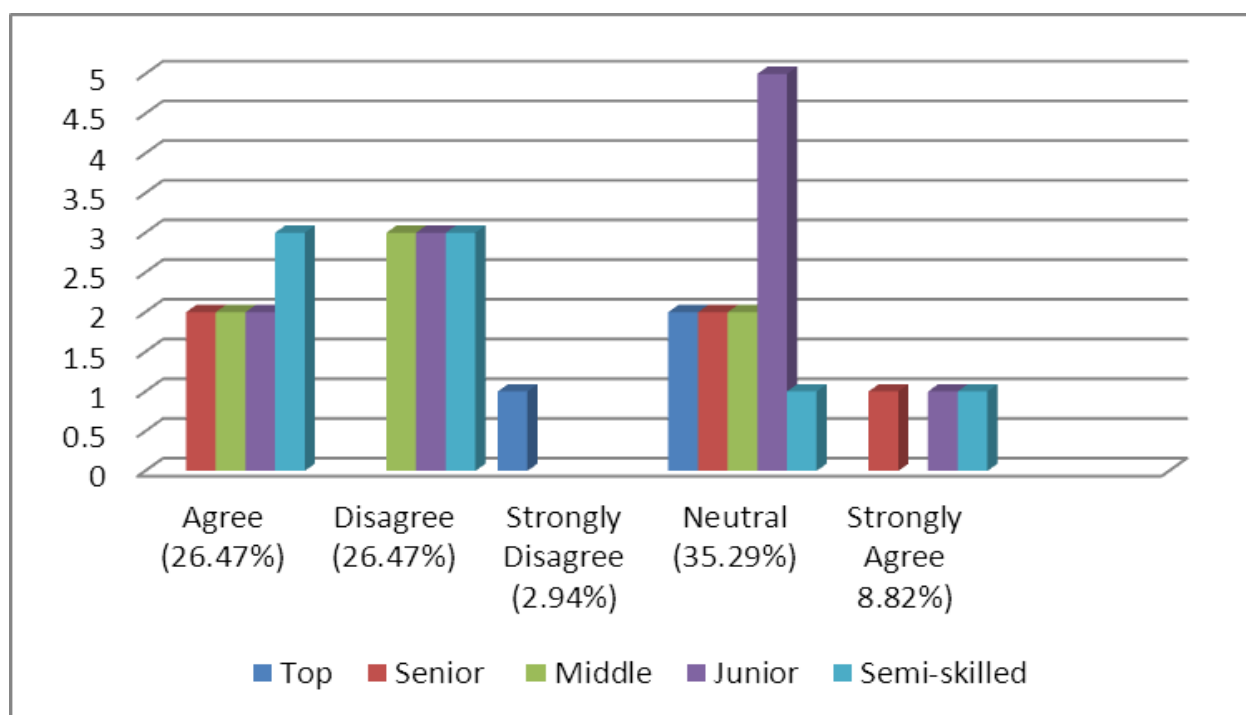
Thirty five percent of respondents (26.47% agreed and 8.82% strongly agreed) are in agreement that the implementation of the integrated performance management system has resulted in a high-performance working culture within the municipality. Twenty nine percent of respondents (26.47% disagreed and 2.94% strongly disagreed) are not in agreement that the implementation of the integrated performance management system has resulted in a high-performance working culture within the municipality. Thirty five percent of the respondents neither agreed nor disagreed with this statement.

The results reveal that there is still some lack of understanding that the implementation of a performance management system has translated into a high-performance working culture for the municipality. This supports the employees' perception that employees were not involved in the formulation of the PMS. This implies that there is no ownership of the current performance management system and as such it cannot translate into a high-performance culture.

QUESTION 24

The municipality's success/progress in effective service delivery is ascribed to close integration of the IDP, Budget and PMS.

Figure 5.26
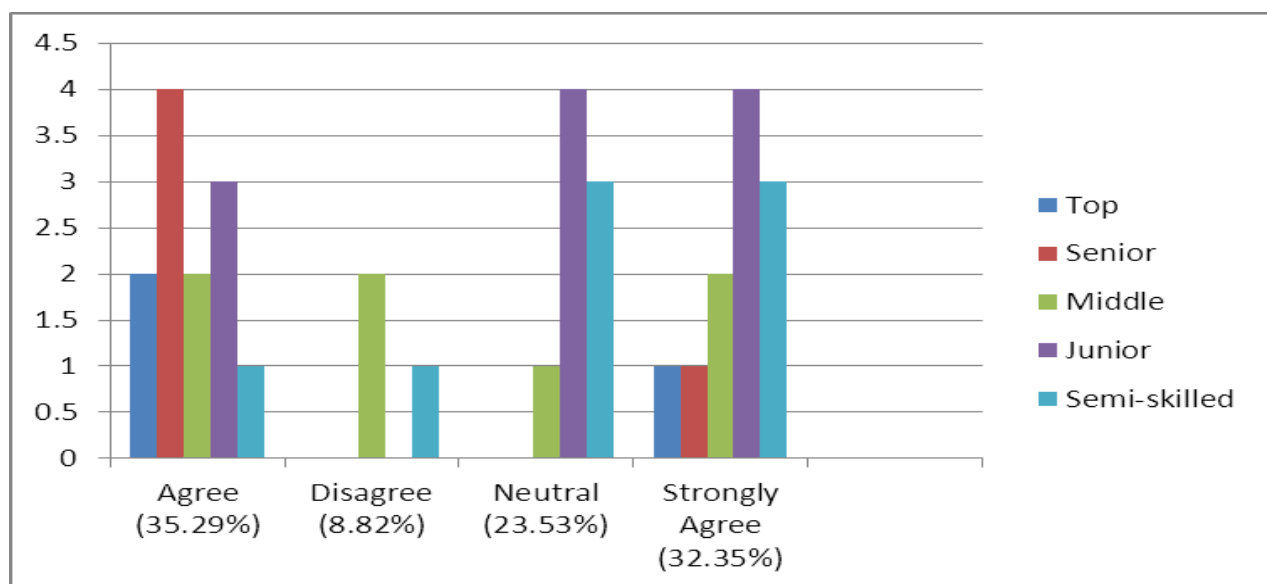
Sixty eight percent of respondents (35.29% agreed and 32.35strongly agreed) are in agreement that the municipality's success/progress in effective service delivery is ascribed to close integration of the IDP, Budget and PMS. Nine percent of respondents disagreed that the municipality's success/progress in effective service delivery is ascribed to close integration of the IDP, Budget and PMS. Twenty four percent of the respondents neither agreed nor disagreed with this statement.

The results reveal a good starting point for the municipality as success/progress in effective service delivery is associated with the close integration of the IDP, budget and the PMS. One could argue that the municipality has set its direction and understand what developmental needs of its citizens are. However, the challenge for top management is the education; awareness of what performance management is all about.

5.2.3.1.5 Consultation/role of role-players including the community

QUESTION 13

The community was consulted in developing the PMS and especially the setting of key performance indicators and targets.

Figure 5.27
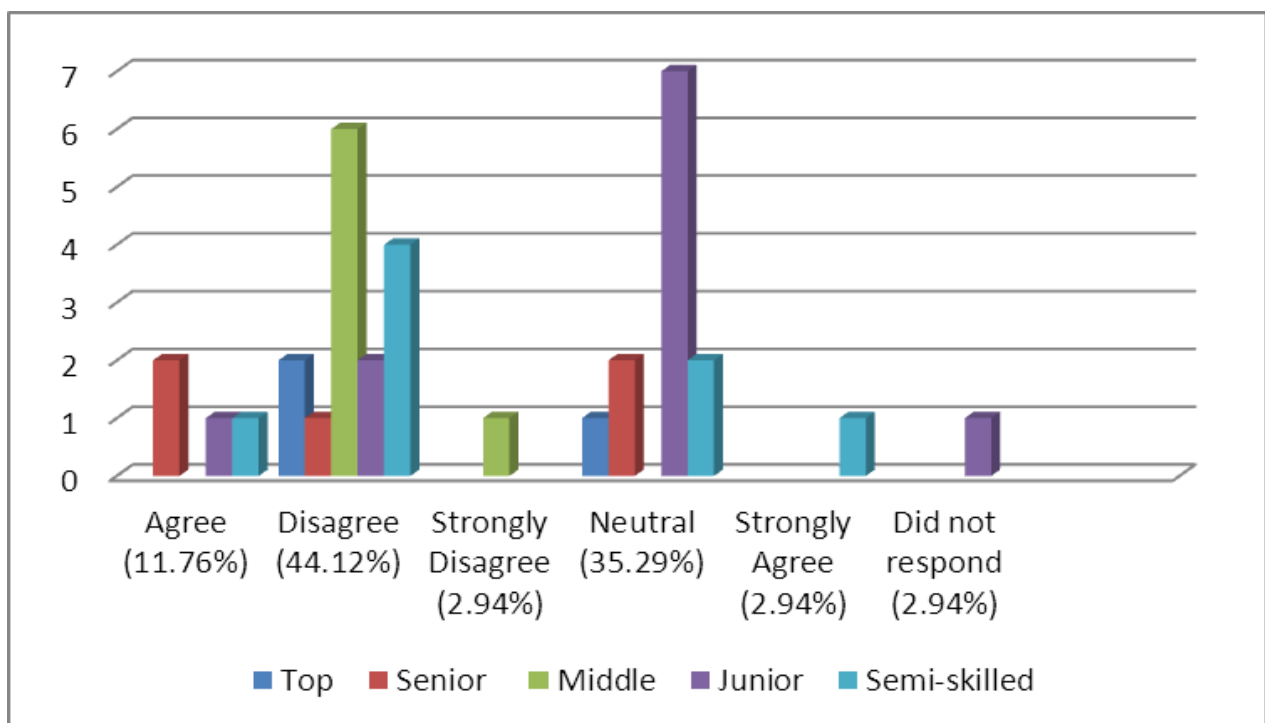
Forty seven percent of respondents (44.12% disagreed and 2.94% strongly disagreed) are in agreement that the community was not consulted in developing the PMS and especially the setting of key performance indicators (KPIs) and targets while only fourteen percent agreed. Thirty eight percent neither agreed nor disagreed that the community was consulted in the development of the PMS especially the setting of KPIs and targets.

The results reveal that the municipality has not complied with the relevant legislation regulating performance management in local government and has accordingly developed its own key

performance targets and indicators with no input from the community. This implies that the Auditor General in auditing the municipality's annual financial statements, will report this non-compliance as a an area of special emphasis. It follows then that the citizens of the municipality cannot hold same accountable for the non-delibery of basic services.

QUESTION 15

The employees were involved in the formulation and/or development of the PMS.

Figure 5.28
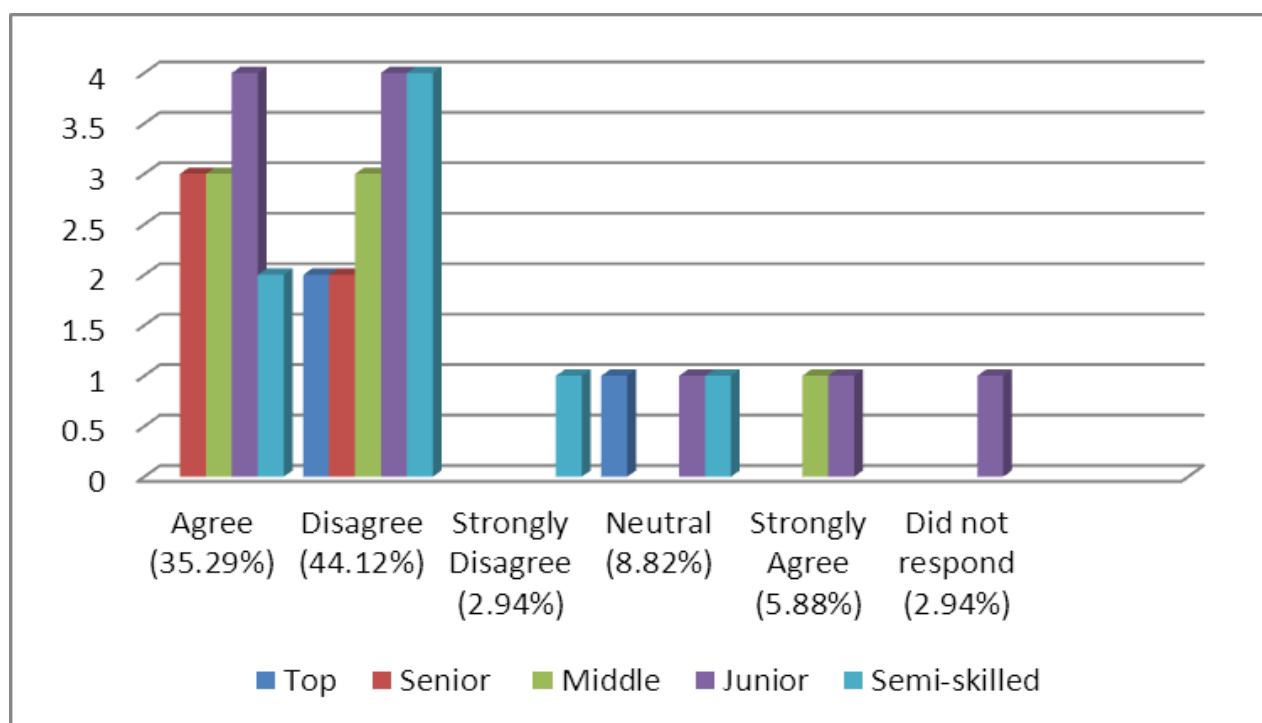
Forty seven percent of respondents (44.12% disagreed and 2.94% strongly disagreed) are in agreement that employees were not involved in the formulation and/or development of the PMS while forty one percent agreed (35.29% agreed and 5.88% strongly agreed). Nine percent and three percent of respondents neither agreed nor disagreed as well as not responding, respectively with the statement that there was employee involvement in the formulation of PMS.

The results clearly show that the majority of employees had not been involved in the development of the PMS. This could be as a result that there is no ownership on the PMS. This in turn would mean that employees clearly do not understand how the objectives of the municipalities as espoused in the IDP are linked to their individual personal objectives and accordingly measured through the PMS. The development of the PMS has a bearing on the final performance review/appraisal and it is based on what was initially agreed to between managers and subordinates; Lack of involvement of employees in the development of the PMS, imply that there was no agreement on the performance objectives for the year. It is clear that employees have no knowledge of what is to be done.

QUESTION 22

Citizens and communities were afforded the opportunity to review the performance of the municipality and their public representatives, in the achievement of its objectives.

Figure 5.29
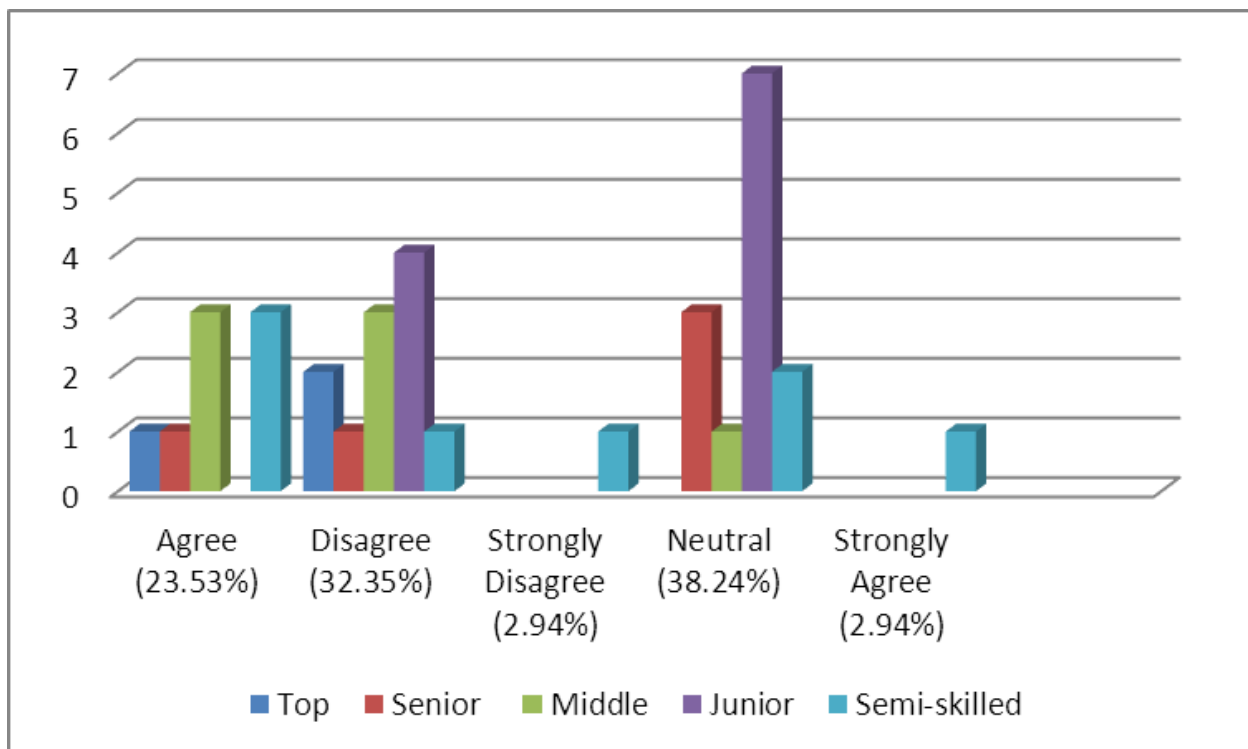
Twenty six percent of respondents (23.53% agreed and 2.94% strongly agreed) are in agreement that citizens and communities were afforded the opportunity to review the performance of the municipality and their public representatives, in the achievement of its objectives.

The results show that the majority of respondents (32.35% disagreed and 2.94% strongly disagreed) are in agreement that citizens and communities were not afforded the opportunity to review the performance of the municipality and their public representatives, in the achievement of its objectives. Thirty eight percent of the respondents neither agreed nor disagreed with this statement.

The results show that there is no consultation with communities as regards the development of performance targets. Consultation with the community is encouraged by the Systems Act and the MPPRR and the municipality did not do this consultation. This could imply that the communities may not trust the municipality in the delivery of basic services. The challenge for top management is to vigorously engage the community during the IDP roadshows which should include development of PMS. The IDP Forum, ward committees should be used extensively in the consultative process.

5.2.3.1.6 Performance Reporting

QUESTION 19

The municipality's performance management system established a process of regular reporting to the Council, Political Office-Bearers, staff of the municipality and the community on its performance.

Figure 5.30
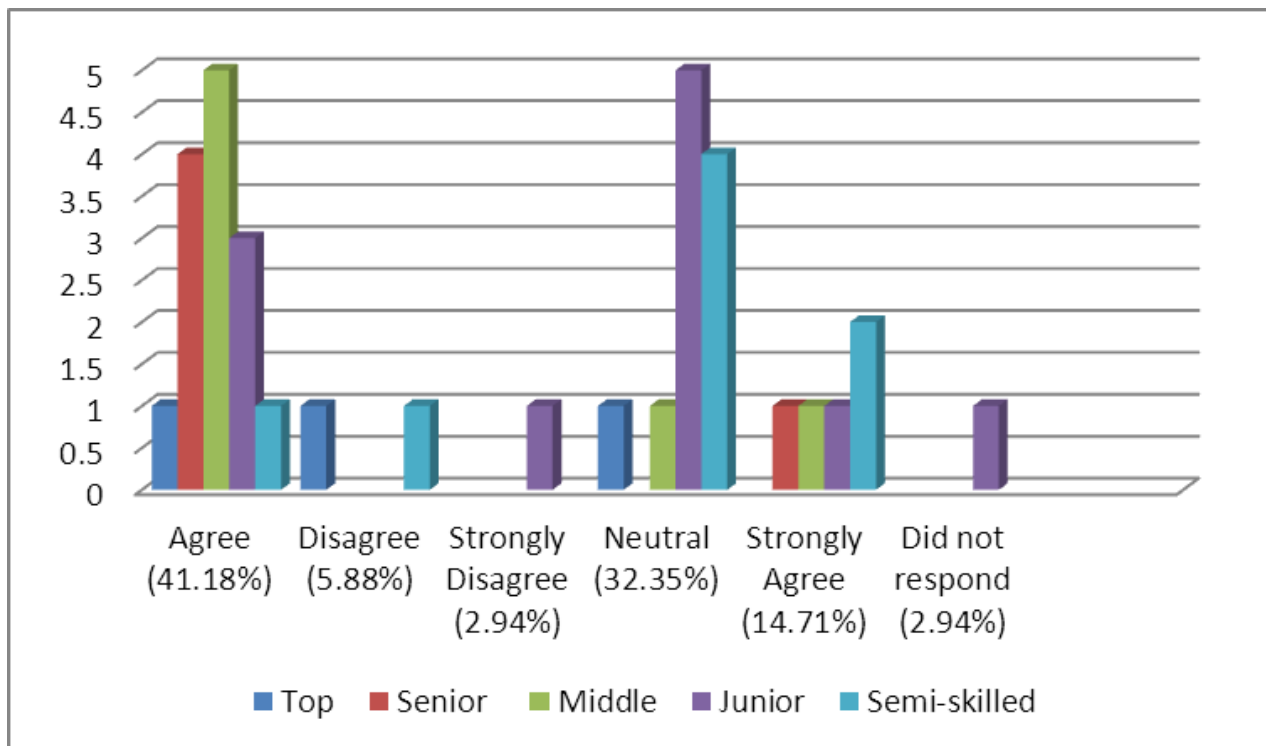
Fifty six percent of respondents (41.18% agreed and 14.71% strongly agreed) are in agreement that the municipality's performance management system established a process of regular reporting to the Council, Political Office-Bearers, staff of the municipality and the community on its performance. Nine percent of respondents (5.88% disagreed and 2.94% strongly disagreed) are not in agreement that the municipality's performance management system established a process of regular reporting to the Council, Political Office-Bearers, staff of the municipality and

the community on its performance. Thirty two percent of the respondents neither agreed nor disagreed and three percent did not respond with/to this statement.

Ongoing performance monitoring on a regular basis assist management to identify immediately non-performance/underperformance and thereafter take corrective measures to address the situation. This might result is situations where performance deficiencies are recognised when it is too late for remedies to implemented. The results indicate that there is no system of reporting to the municipal council and same cannot play an oversight role in the performance of the municipality.

QUESTION 25

A Performance Audit Committee was formed and audited the municipality's performance at the end of each financial year.

Figure 5.31
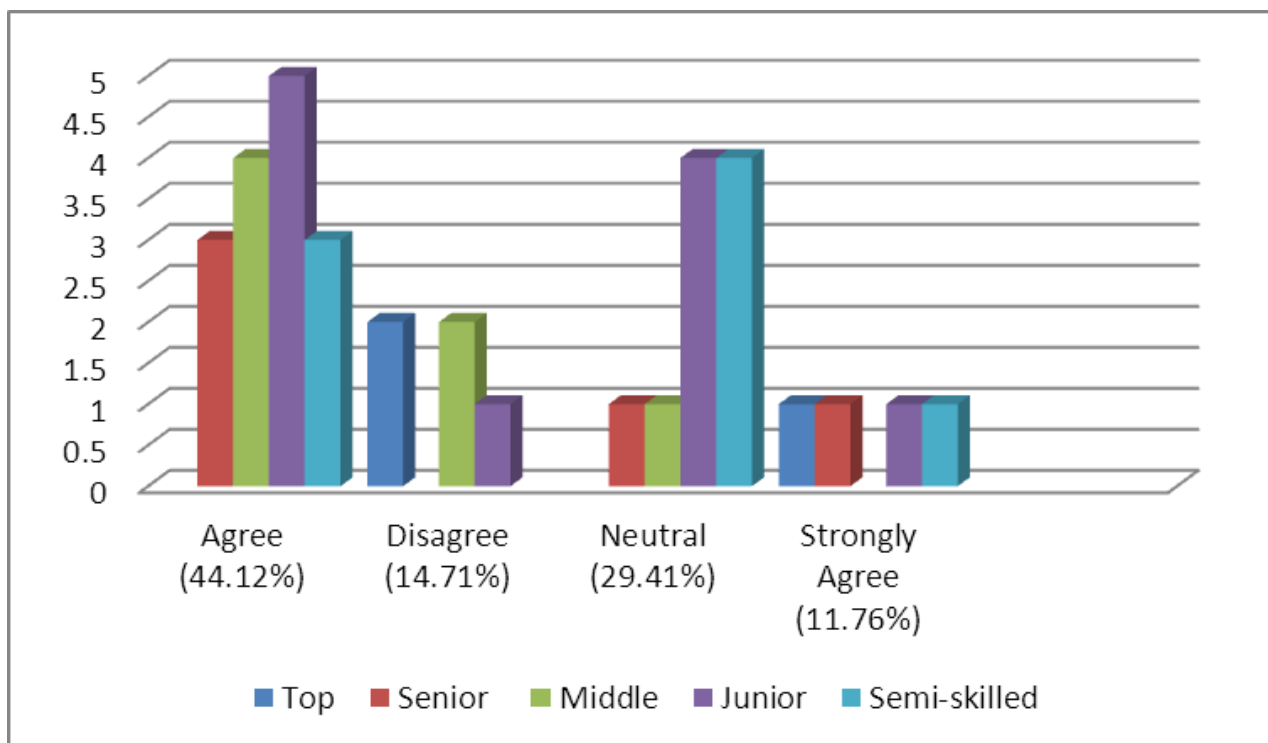
Fifty six percent of respondents (44.12% agreed and 11.76 strongly agreed) are in agreement that a Performance Audit Committee was formed and audited the municipality's performance at the end of each financial year.

The implication of the results is that the municipality has complied with legislation regulating performance management in local government by forming a Performance Audit Committee that is impartial and constituted in line with corporate governance principles. This is a good starting point for the municipality as this committee will assist in the municipality's performance improvement

Fifteen percent of respondents disagreed that a Performance Audit Committee was formed and audited the municipality's performance at the end of each financial year. Twenty nine percent of the respondents neither agreed nor disagreed with this statement.

The implication of the results is that the municipality still needs to conduct education and training on the municipal performance planning regulations to its councillors and employees.

5.3   Summary

This chapter was the presentation and interpretation of data that was collected. The descriptive statistics that was employed for form the findings of the study. The next chapter will provide a discussion of the research findings of this study.

Chapter Six

Discussion of Results

6.1   Introduction

This chapter provides a discussion of the research findings of this study. In this chapter, the researcher will draw inferences from the data that was collated from the questionnaires. The results will be explained and interpreted according to the objectives of the study.

6.2   Research objectives and findings

The primary objective of this study is to analyse the extent as to how the formulation and implementation of an integrated performance management system will improve municipal performance both at an organisational and employee levels, respectively and the delivery of basic services in the AbaQulusi municipality's area of jurisdiction. This study aims to make and propose recommendations pertaining to the formulation and implementation of an integrated PMS that will propel the municipality towards improved staff performance, municipal performance and service delivery as well as promoting a high-performance culture. It also aims to propose initiatives and changes that should be effected to ensure that performance management is meaningful and effective integrated process.

The discussion of the results of the study will address this overall objective and the following study objectives

- **To analyse the extent to which an implementation of an integrated performance management system has in improving municipal performance (both at an organisational and employee levels, respectively) and the delivery of basic services in the AbaQulusi municipality's area of jurisdiction.**

Although the majority of respondents indicated that they were aware of the municipality's vision, mission and the IDP serves a good starting point for the municipality. It shows that the leaders have articulated their beliefs and values through the vision and the mission of the municipality and these are known by a majority of employees. But, it is disheartening that some were not especially employees at the higher levels of management echelons. These employees are expected to drive performance within their departments.

The findings of the study indicate that some employees are not aware of the municipality's vision, mission, and objectives. Moreover, they are not even aware of the municipality's integrated development plan that drives municipal planning. The vision, mission and objectives give purpose of an organisation and in in this regard the municipality. Top management together with councillors should express their values and beliefs through a clear vision and mission statement of what the municipality wants to achieve. Clearly defined objectives are essential if management and subordinates are to work together as a team in the delivery of performance.

The study reveals that a substantial number of employees are indifferent in their responses which is an indication that they are either not aware of the importance of the vision, mission, IDP, budget and PMS of the municipality. The challenge for management is to ensure that education and training is conducted to all employees with a view to ensuring clarity on the deliverables the municipality is pursuing.

The results of the study reveals that the majority of the respondents believe that the municipality developed and adopted a performance management system which is linked to and aligned with the IDP and budget and that the municipality's success in effective service delivery is ascribed to the integration of the former and the latter as well as the PMS.

Municipalities and its employees have been accused by communities of being slack in their performance and this substantiated by the service delivery protests around the country. AbaQulusi municipality has not escaped these. In 2010, a march was organized by the South African National Civic Organisation (SANCO) supported by organised business as regards the

municipality's lack of service delivery. This is just a tip of the iceberg and should the municipality not improve its performance, more of these service delivery protests are inevitable. The results reveal that the communities were not consulted in the development of the municipality's performance management system and were also not involved in the setting of key performance targets and indicators which imply that the community is not informed of the services that the municipality is providing and same cannot hold it to account for the non-delivery of basic services. This results in the communities not having trust that the municipality will deliver basic services. The service delivery protests then becomes the only option the community has.

Again, the findings of study indicate that there is some form of compliance with the Municipal Systems Act as regards the performance management system implementation. The performance management system is applicable to the Municipal Manager and the heads of department only. The other levels of staff members are not being performance managed and accordingly their performance is not measured. Some heads of department have cascaded down their performance targets to senior managers but this is not a uniform approach and it is done in an uncoordinated way. The challenge the municipality is facing as regards the formal cascading down of performance targets from top managers to other levels of managers is that performance management is a bargaining issue with the unions at the South African Local Government Bargaining Council (SALGBC) level. Performance management has not been determined as a condition of service in this sector.

The municipality will be forming a new department called the Performance Management Unit (PMU). It is recommended that this unit should be tasked driving performance management system and developing a performance management policy in consultation with the Local Labour Forum (unions).

From the results of the study, the majority of employees are aware that the municipality does have a performance management system that is being utilised by the municipality. This system is only enforced at the senior management level and not applicable to other levels. It is evident

that the implementation of the current system is a matter of compliance with the legislation regulating performance management in local government.

Moreover, a substantial number of employees are of the perception that the municipality's previous performance was not used to inform the following year's performance. This implies that performance deficiencies identified are not corrected in the following year.

The results reveal that a substantial number of employees are in agreement that the PMS implementation has not been cascaded from organisational, senior management, departmental to middle and/or lower levels of management. This could be as a result that the current PMS is applicable to Top Management and not at the other levels of management. This implies that the municipality's objectives are not communicated to the lower levels of management and are accordingly not linked to their individual/personal objectives.

A substantial number of employees are in agreement that other levels of staff does not have performance plans that are linked to the organisation's PMS and SDBIP. The implications of this are that the municipal manager will not be able to monitor performance of his senior managers, the mayor will not be able to monitor the performance of the municipal manager and lastly, the community will not be able to monitor the performance of the municipality.

The results reveal that the implementation of the current performance management system has not translated the municipality into a high-performance working environment.

- **To propose initiatives and changes that should be effected to ensure that performance management is meaningful and an integrated process of the Integrated Development Plan.**

The researcher will propose initiatives and changes in the next chapter.

- **To ascertain as to what is currently being done as regards the implementation of performance management within the municipality as prescribed by municipal legislation.**

Section 42 of the Systems Act read with the Municipal Planning and Performance Regulations (2001) prescribes that a municipality must involve the local community in the development, implementation and review of the municipality's performance management system, and in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

The results of the study show that the majority of the respondents are in agreement that the municipality's performance management system shows the cycle of performance planning, development, monitoring, review and reporting. Contrary to these results, the majority of respondents are in agreement that the community was not consulted in the development of the performance management system including the setting of appropriate key performance indicators and targets for the municipality. The implication of this is that the municipality is not complying with relevant pieces of legislation regulating performance management in local government.

The findings of the study indicate that there is some form of performance management system that is being implemented within the municipality. This is so because, performance management is a statutory requirement in terms of the Municipal Systems Act of 2000. Performance management system is also a reportable and auditable. The Auditor General has focused on performance management reporting during their annual audits of municipalities. The implication of this is that there is an element of compliance with no ownership to the PMS.

Despite the fact that there is some form of performance management system, the majority of respondents have ascribed the municipality's success in effective and efficient service delivery to the close integration of the IDP, budget and PMS.

The Municipal Systems Act requires municipalities to consult with its communities as regards the implementation of performance management system, the setting of key performance areas, key performance indicators, and key performance targets. Moreover, this public participation is re-informed by the same statute in the sense that the municipality opted for a system of local government that has a ward-based participatory system. The municipality should, therefore, use these structures to enhance its public participatory democracy. In addition, the municipality has a public participation policy approved by its municipal council and has same has not been adhered to. The findings of this study clearly show that the municipality has to improve in this regard and ensure full compliance with its policy as regards public participation; it is a matter of compliance now.

- **To propose recommendations pertaining to the formulation and implementation of an integrated performance management system that will propel the municipality towards improved staff performance, municipal performance and service delivery as well as promote a high-performance culture.**

Although it is evident that the current performance management system is not sufficient for it to be in line with best practice and in compliance with the legislation regulating performance in local government, recommendations as regards the formulation and implementation of an integrated performance management system will be provided in the next chapter.

Even though performance management processes are not being run for the first time since the formation of the municipality, it is noted that changes are taking places and it is within this dynamic context that local government performance management is not an easy task.

6.3   Summary

The foregoing chapter's focus was on the summary discussion and interpretation of the study findings. The next chapter will focus on the conclusion and recommendations which if

implemented will improve the municipality's performance at an organisational and employee levels, respectively.

Chapter Seven

Recommendations and Conclusion

7.1   Introduction

In this chapter, recommendations will be made for each and every examination of the finding identified in chapter five. Lastly, a conclusion will be made as regards the findings of this study.

In post-apartheid South Africa, access to effective public services is no longer seen as an advantage enjoyed by only a privileged few in the community, but as a legitimate right of all residents, particularly those who were previously disadvantaged. This stance emphasizes "service to the people" as parameter for local government transformation. Thus one of the most important indicators in assessing the transformation of local government is the experiences and perceptions people have of service delivery in their day-to-day lives, more specifically whether they perceive an improvement in the services delivered to them. The implication of this is for local government to transform words into deeds, and thus to prioritize and satisfy the needs of the communities they service (Pretorius & Schurink, 2007: 19).

This view is also shared by Mpungose (2006: 99), who argued that in any case, it has been realized that all three spheres of government have a common customer who resides at a local level and expects government (regardless of its sphere) to deliver services and provide growth opportunities in the most cost effective and sustainable manner.

The effective management of individual performance is the central requirement for the attainment of organisational goals. If line managers are to achieve strategic objectives, accurate information regarding the performance levels of their team members is essential. This is the reason why most organisations insist on a formal and systematic process whereby such information may be gathered and recorded (Erasmus, *et al,* 1998: 393).

Meyer *et al* (2007: 3), a significant trend in the area of performance has been the shift from traditional single-rater performance appraisal to 360-degree or multi rater feedback systems as the modern approach to performance management. Multi-rater performance feedback is used when a person receives performance ratings from a range of parties, such as supervisors, peers and subordinates and, in some cases, even customers, using some type of standardized instrument which is computerized in many companies.

In his opening address to the Presidential meeting with the Executive Mayors and Mayors to discuss improving service delivery in municipality on the 20th of October 2009 in Khayelitsha, the Honourable President Jacob Zuma said "that the municipalities are the first door that our people knock on when they need assistance from government. When people are frustrated with the slow movement of the wheel of government they engage municipalities before other spheres. Citizens also blame municipalities for functions that they have no direct control over. For example, municipalities are blamed for dysfunctional schools, poor service at hospitals and the slow pace of building houses.

These are of course responsibilities of other spheres of government. But for our people, local government is the first door of government they know, and sometimes the only door that they can reach. As our nation has witnessed recently, the knocking on municipal doors by citizens is not always pleasant. Sometimes it destroys the very public resources and institutions that are critical for solving the problems that they complain about. Some of the protests have tended to become violent, criminal and destructive" (Opening address by President JG Zuma 2009).

In many towns across South Africa, municipal cash registers are empty; while in others, streets are filled with protesters and burning barricades – the signs of differing responses to the same problem: the collapse or failure of local government service delivery. It is this failure at local level which has seen more affluent ratepayers in many towns – the property owners, and generally a minority – using their only effective weapon to protest. They are withholding payments from their municipalities after declaring disputes with them. With the 2011 local government elections fast approaching, the situation is developing into a major crisis

government. It also is fast becoming a major threat to stability and order, raising again the spectre of the burning townships of the 1980s. Last year saw violent protests and marches occurring in townships all over the country. The list is becoming disturbingly long. The government has responded with a local government strategy that is currently underway. To date, it has failed to persuade township dwellers that things are changing (A major crisis is looming…2010).

The municipality has also not escaped service delivery protests on the 21st of May 2010. This service delivery protest was led by South African National Civic Organisation (SANCO) supported by the AbaQulusi Rates Association (ARA) (Vryheid Herald: 2010: 2).

Lastly, the recommendations would assist the municipality in addressing its shortcomings in the delivery of quality services to its citizen.

The severity of the number of ever increasing backlogs across all basic services mean that realistically speaking, meeting the 2014 goals of government and the Millennium Development Goals may not be achievable with respect to services. From evidence to date, it is clear that much of local government is indeed in distress and that this state of affairs has become deeply-rooted within our system of governance (State of Local Government Report: 2009: 7-8).

This chapter seeks to examine the findings and translate them into conclusions and recommendations which will assist the municipality in implementing an integrated performance management system that will give impetus to the improved delivery of services.

7.2   Recommendations

These recommendations are based on the literature and legislation reviewed as well as data collected from the questionnaires. As far as possible the recommendations will provide an indication of the particular aspects which can be improved and aspects where change is required. These recommendations will be structured on various topics relating to performance management, in particular performance management phases and municipal planning and performance regulations.

The format of the recommendations will be to comment on the aspects that are working well for the municipality as well as aspects where improvement/review is required in terms of systems and processes within the municipality. Moreover, these recommendations will be in line with the research objectives of this research. The recommendations will also give consideration to the limitations of this study.

Presentation of recommendations in this section will be sub-divided into sub-section/themes/topics. These sub-section/themes/topics form the major component parts of performance management in general, the legislation regulating performance management in local government as well as municipal planning and performance management regulations. These themes are as follows:

    (i)   Planning
    (ii)   Implementation
    (iii)   Monitoring
    (iv)   Review/Improvement
    (v)   Consultation/role of role-players including the community
    (vi)   Reporting

7.2.1 Performance Planning

The community is partially involved in the planning process through the annual IDP/Budget Roadshows staged by the municipality. As regards the development of the PMS inclusive of setting performance targets and indicators, the community was never consulted. The municipality should place much more emphasis in the utilisation of ward committees as part of its public-participation process which is in line with its Communication Strategy. In the ward committees, the ward forum representatives should be sector specific so as to ensure that the diverse interests within the community are represented.

The Performance Management Unit (PMU) should provide development sessions for all staff members through empowerment workshops and/or sessions/presentations at various departmental meetings on the importance of the IDP as a strategic document which provides a framework guiding management in decision-making relating to budgeting and planning for the municipality. In these sessions, the PMU should include the setting of key performance indicators and performance targets and show the interrelatedness of processes to enable measurement of performance by the municipality and staff.

Strategic planning is crucial in any business as it determines the planning horizon for same and assist in measuring as to whether its vision, mission and objectives are being achieved. A majority of respondents believe that the strategic planning role is important as it clearly defines the goals and objectives of the municipality while almost twelve percent of respondents believe otherwise; the management should provide training on the importance of an IDP in a municipality and the role this strategic document plays role in the performance of the municipality in its quest to deliver basic services to its communities. The role of the Performance Management Unit (PMU) cannot be over-emphasised in this regard in the provision of these empowerment sessions.

Six percent of the respondents disagreed that the municipality's budget must be informed by and aligned to the IDP objectives. It is recommended that the empowerment sessions to be arranged by the PMU should address the linkages between the IDP and the budget. This session will also assist in providing an understanding the impact the IDP has on the budget.

It is strongly recommended that more empowerment workshops should be arranged for staff members on the IDP and its interrelatedness with the budget and the PMS. This should be one of the key performance areas for the PMU to ensure that it rolls out an IDP Empowerment Session that will encompass the municipality's vision, mission, strategic objectives and results, the importance of a Balanced Scorecard and the importance of performance management. Input, indicators and performance targets should be included in the IDP to ensure that all processes are aligned, to enable measurement of performance by the municipality and staff.

Given the fact that the overwhelming majority of the respondents believed that the performance management system is a strategic management tool ensuring that budgetary decisions are adopted by the municipality are aligned with the IDP strategy. This is a good starting point for the municipality.

Contrary, six percent of respondents believe that the PMS is not a strategic financial management tool that ensures that budgetary decisions that are adopted by the municipality are aligned with the IDP strategy. It is recommended that the PMU should provide empowerment sessions to all staff members on the importance of performance management in an organisation and its interrelatedness with the IDP and the Budget as well as the SDBIP.

Moreover, the information derived from the performance management process is used to inform decisions as regards salary increases, incentives, bonuses, promotions, talent management, training and development as well as management of poor performers, etc.

Most respondents unanimously agree that the municipality's integrated performance management system shows the cycle of performance planning, development, monitoring

measurement, review and reporting. Although the PMU will not encounter too much resistance at this level due to top and senior management levels' understanding of the importance of PMS, it is still recommended that this understanding should be put to practice by developing a PMS that is user-friendly which can easily be implementable.

Twenty four percent of respondents are not in agreement that linkages between IDP, Budget and Performance targets have not been easily established and discernible. In this regard, the PMU through the empowerment sessions with all the employees should play a critical role in dissecting the IDP and showing its implications it has to the budget and performance targets.

7.2.2   Performance Implementation

The implementation of performance management requires clearly documented guidelines. This will ensure that there is an understanding of the performance management requirements and the implementation thereof will be consistent.

The PMU through its empowerment sessions should explain the importance of communities in evaluating the municipality's performance. It is also recommended that the performance audit committee should be formed with a view to ensuring that it provides oversight in the review of the municipality's PMS and accordingly make recommendations to the municipal council. In addition, the internal audit must be assigned the responsibility to audit the results of performance measurement as part of its internal audit function.

Although a majority of respondents believe that the PMS framework clearly shows the linkages between the organisational, municipal and the individual PMS which is plausible, it is still recommended that the PMU within the auspices of conducting awareness and training workshops on PMS should develop a clear framework that will provide an explanation of the link between the mission, vision, strategy, strategic objectives, organisational balanced scorecard, cascading of strategic results into departmental results and individual results.   This will result in the

understanding being created in the alignment of objectives, targets and indicators between the IDP as a strategic document, SDBIP and performance management system.

The majority of respondents believe that the performance contracts/agreements are linked to a performance plan stipulating in detail the performance requirements for each.

Although, it is evident that there is some understanding as to the rationale for the implementation of a performance management system within the municipality, the implementation of same is only applicable to top management and not the other levels of management. Although such implementation is ad-hoc and un-coordinated, there is still room for improvement. It is recommended that the PMU should undertake performance awareness/empowerment sessions and should at most times (preferably on a quarterly basis) have sessions with managers on the PMS topic. This will enable the municipality to drive superior performance and inculcate firstly the culture of high performance.

It is recommended that performance management should be introduced to other levels of management using an integrated strategic framework. This can be done in phases where all managers reporting to the heads of department or directors will have performance contracts with their supervisors and in turn they (managers) will have performance contracts with their direct reports. This will enable a smooth transition in the implementation and to ensure that the organisation does not suffer change burn out. The performance management change will be implemented in a coordinated manner but progressively. This will enable employees understand the municipality's strategy and how their roles impact on municipality's agenda, ensure alignment as the strategy cascades from divisional down to individual performance plans, define clear objectives , measures and standards and create individuals performance contracts for improving performance not encourage mediocre performance.

7.2.3   Performance monitoring

Performance monitoring is important as it assist management in identifying performance deficiencies before it is too late.   Performance deficiencies are corrected timeously by management through the use formally structured performance reviews. The municipality should adopt the use of the balanced scorecard and thereafter develop various performance dashboards that will track performance.

The community can also hold the municipality accountable in areas where there is underperformance.

It can be concluded that a performance management system is a process whereby the municipality continuously seek to improve their service delivery/functioning and accountability. Being a sphere of government that is at the coal face of service delivery, it is of crucial importance that it continues to improve its service delivery.

To improve its performance and service delivery, there is no doubt that PMS as a process is critical and this message should be driven to all municipal employees through empowerment and change management sessions. The PMU should play an oversight role once the implementation of the performance management system has been effected.

While respondents are in agreement that PMS is a tool that empowers local government/municipality to realize development goals and thereby meeting the basic needs of citizens and promote socio-economic development, the municipality through its PMU should empower councillors, top, senior and middle management as well as lower managers on the importance of performance management.

Whilst eighty five percent of respondents are in agreement that the municipality's performance targets are the planned level of performance or milestones it sets for itself to achieve for each indicator identified, the PMU should assist in the process of developing performance targets and

the impact these have on the key performance indicators for the municipality, senior managers and other levels of staff members through the training sessions.

The majority of participants (47.06% agreed and 38.24% strongly agreed) believe that KPIs are used to determine whether the local municipality is delivering on its developmental mandate in terms of the provision of services and infrastructure while two percent do not believes otherwise. The empowerment sessions the PMU will be embarking upon should define the whole concept of performance management system and the various elements of a performance management system.

It is recommended that once the empowerment sessions have been completed, each head of department should ensure that the departmental goals are cascaded down to each and every employee and in doing so, should ensure that there are linkages with the SDBIP. Performance reviews should be held on a quarterly basis and this should be made mandatory for all managers to conduct. Each head of department should take full responsibility and accountability in ensuring that this is done. The reviews will enable managers to institute measures to improve future performance and to timeously identify areas where there is underperformance.

7.2.4   Performance improvement/review

Formal structured performance reviews should provide input from the community on the performance of the municipality. This will enable the municipality improve performance of its next planning cycle. Such reviews should be supported by evidence on the performance of each performance target and indicator.

Public participation on performance management and especially in assessing municipal performance is crucial and the role of the IDP Forum, ward committees and izimbizos cannot be overemphasized. The PMU should ensure that these structures are revived to ensure maximum participation by the various stakeholders including, sectoral government departments,

community, local businesses, councillors and the municipal staff members. This is a statutory requirements as section 42 of the Municipal Systems Act prescribes that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

While twenty nine percent of respondents (26.47% disagreed and 2.94% strongly disagreed) are not in agreement that the implementation of the integrated performance management system has resulted in a high-performance working culture within the municipality, the proper implementation of an integrated performance management system will result in the joint ownership, responsibility by both management and employees and all will be held accountable. Where superior performance is achieved, it should be recognized and vice versa.

Although there is an element of performance system in place within the municipality which measures performance of top management, it is evident that performance targets have not been cascaded down to other levels of management and in some instances it has been cascaded down in an uncoordinated fashion. The PMU should develop a performance management system that should ensure that organisational targets are cascaded down to all levels of employees.

The municipality has partially involved the community in its affairs. IDP/Budget roadshows are facilitated by the PMU and the focus of these roadshows is to consult the community on the IDP priorities and the budget associated with it. There is no importance that is given to consultation with the community on performance management. The setting of key performance targets and indicators are not informed by the input from the community.

The use of Ward Committees and forums should be extensively used by the municipality. It is recommended that these forums should be sector specific to enable the diverse interest representation.

The fact that seventy six percent of respondents agree that the municipality developed and adopted a performance management system which is linked and aligned with the IDP and the budget shows the importance of having both the IDP and the budget being aligned.

Whilst the majority of the study participants responded in the affirmative, eighteen percent responded neutrally, it is recommended that the municipality should ensure that all staff members are exposed to the IDP process and its link with the performance management system and the budget through workshops on a yearly basis after the IDP has been approved, especially those staff members at the lower levels of echelon. The municipality should ensure that there is an alignment of objectives, targets and indicators between the IDP, SDBIP and its annual report.

It is highly recommended that the PMU through the Offices of the Mayor and the Municipal Manager, respectively should effectively use its ward participatory system by having ward committee meetings and izimbizos to consult with the community in the development of its PMS and the setting of performance targets for the municipality. Consultation is not a nice to have but is a compliance issue in terms of the Municipal Systems Act and the municipality should be seen to be complying with the provisions of the statute.

The municipality should strengthen its public-participation process through the use of its ward-committee system and other communication tools such as the media.

Forty seven percent of respondents believe that employees were not involved in the formulation and/or development of the performance management system. It is recommended that more involvement of employees should be encouraged in the formulation and development of the performance management system. All should be held accountable and responsible for municipality's successes and failures; this requires that all employees should have performance

contracts and should be involved therefore in the setting up of the performance objectives, targets and contracts. Moreover, a performance management policy will have to be developed which should be consulted with the unions and ultimately approved by the municipal council.

Thirty five percent of respondents (32.35% disagreed and 2.94% strongly disagreed) are not in agreement that citizens and communities were afforded the opportunity to review the performance of the municipality and their public representatives, in the achievement of its objectives.

Section 42 of the Municipal Systems Act prescribes that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality. As this is a statutory requirement, the PMU should reinforce the utilization of the ward committees, community development workers and the robust implementation of the municipality's public participation policy.

7.2.5   Performance reporting

The legislation governing performance management in local government requires the municipality to report to the community on its performance. Although the municipality prepare an annual report yearly, such a report should include the performance targets and indicators agreed to with the community.

The municipality has adopted a Communications Strategy which has not been fully implemented. It is recommended that the communications strategy be fully utilised through the following methods of engagement:

- Ward committees;

- Internet, Email;

- Municipal newsletter, local newspaper, radio slots, posters, pamphlets, municipal notices; and

- Mayoral Izimbizos, meetings with business sector

Nine percent of respondents (5.88% disagreed and 2.94% strongly disagreed) are not in agreement that the municipality's performance management system established a process of regular reporting to the Council, Political Office-Bearers, staff of the municipality and the community on its performance, hence, it is recommended that the PMU should develop a framework that will clear indicates a process of regular reporting to the municipal council, executive committee members, municipal staff and the community as regards the municipality's performance.

This is a statutory requirement that the municipality must establish a process of regular reporting to the council, other political structures, political office bearers and staff of the municipality; and the public and appropriate organs of state in terms of section 41 of the Municipal Systems Act of 2000.

In terms of the 2008/09 Audit Report the performance audit committee did not review the AbaQulusi municipality's PMS and make recommendations in this regard to Council, as required by regulation 14(4)(a) of the MPPMR. This is a reportable and audited requirement; the municipality should ensure that its Performance Audit Committee is constituted and functioning.

7.2.6   Integrated Performance Management System: The use of the Balanced Scorecard

There is no formal performance management model that is currently being used by the municipality.   The balanced scorecard methodology has not been implemented.   It is recommended that the municipality seriously consider the full implementation of the balanced

scorecard. This will enable the municipality to align performance management at organisational/municipal, departmental/team and individual levels, respectively. The formulation of performance plans and scorecards should be based on the balance scorecard.

7.3   Summary

"While saying that we have a lot of work to do, we must also recognize that a lot of progress has been made over the years. We have some outstanding and successful municipalities which are very exemplary. Significant progress has been made to deliver basic services to our people since the advent of democracy. More people have access to clean water; more people have access to houses that are electrified; and basic sanitation has been provided to millions of households. Municipalities are at the forefront of providing these services. But it is also true that significant backlogs remain. It is clear that we need to do more, and that we need to do things differently" (Opening address by President JG Zuma, 2009).

The municipality through its Performance Management Unit to be formed should conduct a workshop to all staff members as regards the importance/role of a performance management system and how it integrates with the IDP, budget, SDBIP. All MANCOM members should be trained thoroughly on performance management phases (planning, implementation and monitoring).   Again, it is highly recommended that the municipality should engage its community in the review of its performance through its public participation process as espoused in the Municipal Systems Act of 2000. This can be achieved through the ward committees, izimbizos, municipal newsletter communiqué, etc.

The Constitution describes the South African government as developmental in view of the challenges it faces to resolve poverty and disparities, inequalities and backlogs in infrastructure and service delivery. Although many constitutional rights are valued by citizens, it is service delivery that is felt most directly when it fails. Government performance is measured foremost in terms of its success or failure in service delivery. From the submissions it is clear that service delivery fails in many instances. This is confirmed in media reports. The challenge of service

and infrastructure delivery is increase by the imperative of integrated development, an approach which is built on the interrelatedness of development strategies and plans. When the integrative aspect of the government system is weak, its service delivery falls apart or is offered haphazardly. Such failures are often augmented by the complexity and underdevelopment of the context: South African society is fragmented and underdeveloped (Human Science Research Council, 2008).

A system of government is a living thing. It is continuously constructed and reconstructed over time in an answer to new challenges and insights. It is populated and repopulated by human beings who have their strengths and weaknesses. Thus the system cannot be perfect, yet its people strive for perfection. It remains fragile in a maturing democracy which remains fully competitive over the scarce resources and the powers to use these resources. The government system lives within a dynamic global, continental and regional context, and crises elsewhere, such as global economic recessions, inevitably impact on local situations. Although political horizons tend to be short, a developmental government has to accept that maturing the system requires a long-term approach. Yet this approach can only be realised through step-y-step assessment and reconstruction towards a solid building (Human Science Research Council, 2008).

Conclusions and recommendations have been provided in the key areas of this study. Performance management is no longer bread and butter issue in the municipality, it has became a legal and regulatory requirement which is consistently being audited by the office of the Auditor General; therefore, compliance can no longer be overemphasized as non compliance with result in the municipality not receiving an unqualified audit report. On the whole, the findings have given the research more insight and indeed for the whole municipality. It is hoped that local government practitioners, researchers and students will critique this study with a view to improving or adding to the academic arena.

Local Government has a fundamental role to play in reconstruction and development as crisply put in the White Paper of 1998 that "Local Government has a critical role to play in rebuilding

local communities and environments, as the basis for a democratic, integrated, prosperous and truly non-racial society" (Department of Constitutional Development, 1998). While Local Government is subjected to the review process, one thing is clear; Local Government is a cornerstone of the country's development prospects. McCann (2003:191) rightly noted that "Emphasis is placed on Local Government for the coordinated implementation of state programmes, and the Constitution mandates the national and provincial spheres of government to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions".

The Local Government system in South Africa is fraught with transformation related challenges and polarities between urban and rural municipalities in terms of capacity, resources and economic potential. The transitional phases are over but municipalities still confront the legacy of a disjointed, subservient system. The configuration of the current system entrenches local government as the integrative core which coordinates and synchronise national and provincial spatial and economic development programmes. Developmentalism is the cornerstone of the current system. The developmental challenges are vast and the national imperatives are becoming urgent.

This challenge needs a system, which encourages municipalities to create favourable conditions for external investment, and partnerships that accelerate economic growth and provision of basic services. However, upper spheres are duty bound in terms of the Constitution to support, supervise and monitor performance of municipalities. The primary intent of this paper is to explore the nature of municipal regulatory environment and its impact on sustainable economic development. There is a growing sense of grant dependency and overregulation of municipalities and the regulatory instruments provide latitude to municipalities to craft long-term plans guided by the principles of continuity, value for money and sustainability (Ngxiza, 2008).

The Local Government system in South Africa is contributing to development, albeit not perfectly. It is important to state that remarkable progress has been made thus far despite the difficulties that bedevil Local Government. Local Government lags behind other spheres due to the lack of alignment of transformation of this strategic sphere with other spheres. In fact, in

certain cases, policy formulation and implementation at the national level advanced without the accelerated consolidation of Local Government for it to perform its constitutional imperatives. This has led to high expectations for service delivery and development by concerned constituencies, who often feel frustrated when the Local Government fails to live up to its expectations. Therefore, the consolidation of the Local Government agenda in the context of its constitutional mandate and in the spirit of cooperative governance, as directed by the Constitution, is imperative. The refinement of the notion of developmental Local Government through the 5-Year Local Government Strategic Agenda 2006–2011 is a positive step to entrench support for, enhance performance and instil financial viability of municipalities.

The pursuit of dynamic and developmental Local Government needs to be guided against the national imperatives, while respecting the autonomy of municipalities. Establishing uniform norms and standards, support and monitoring as well as accountability for national resources by Local Government are the prerogatives of the National Treasury in consultation with the Department of Provincial and Local Government (Ngxiza, 2008).

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Appendix 1   Questionnaire

QUESTIONNAIRE

IMPROVING MUNICIPAL PERFORMANCE AND SERVICE DELIVERY THROUGH THE FORMULATION AND IMPLEMENTATION OF AN INTEGRATED PERFORMANCE MANAGEMENT SYSTEM: A CASE STUDY OF THE ABAQULUSI MUNICIPALITY

This survey is part of a research project aimed at determining the improvement an integrated performance management system formulation and implementation would have in the municipal performance and service delivery in the AbaQulusi Municipality's area of jurisdiction.

The questionnaire completion will take approximately 10 minutes. Please answer the questions in the spaces provided. The information provided will be treated with confidentiality and will be used for academic purposes only.

Thank you for taking part in this survey.

SECTION A

IMPROVING MUNICIPAL PERFORMANCE AND SERVICE DELIVERY THROUGH THE FORMULATION AND IMPLEMENTATION OF AN INTEGRATED PERFORMANCE MANAGEMENT SYSTEM: A CASE STUDY OF THE ABAQULUSI MUNICIPALITY

QUESTIONNAIRE

INSTRUCTIONS

Biographical Data: Indicate your response by making a clear CROSS (X) in the appropriate block:

1.   **Gender**

Male	1
Female	2

2.   **Are you employed or elected full time ?**

Yes	1
No	2

3.   **What is your level in the municipality?**

Top Management	1
Senior Management	2
Junior Management	3
Semi-skilled	4

4.   What is your highest qualification?

Matric	1
Diploma	2
Degree	3
Honours	4
Masters	5
Doctorate	6

5.   How long have you been in the municipal employ?

0-2 yr	1
2-4 yrs	2
4-6 yrs	3
6-10 yrs	4
11-15 yrs	5
16-20yrs	6
More than 20yrs	7

6.   Do you know the municipality's mission and vision?

Yes	1
No	2

7. **Do you know the municipality's IDP?**

Yes	1
No	2

SECTION B

INSTRUCTIONS

The following statements ask for your opinion on the effect of the formulation and implementation of an integrated performance management system (PMS) in municipal performance and service delivery: A case study of the AbaQulusi Municipality.

Please indicate the extent to which you Agree or Disagree with each statement below by placing a cross (X) on the number that most closely corresponds to your opinion.

Please note: Only one cross (X) per statement is required.

Rating Scale:

> **5** **Strongly Agree**
>
> **4** **Agree**
>
> **3** **Neither Agree nor Disagree (Neutral)**
>
> **2** **Disagree**
>
> **1** **Strongly Disagree**

PLANNING

1.   The Integrated development Plan (IDP) is a strategic document that clearly outlines the municipality's development objectives and provides a policy framework that guides management in decision making related to budgeting and planning for the municipality.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

PLANNING

2.   Strategic planning role is important as it clearly define the goals and objectives of the municipality.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

PLANNING

3.   The municipality's budget must be informed by and aligned to the IDP objectives.

1	2	3	4	5

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

PLANNING

4.   There is a strong link and relationship between the IDP, Budget and the Performance Management System (PMS).

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

PLANNING

5.   Performance Management System (PMS) is a strategic management tool to ensure that budgetary decisions that are adopted by a municipality are linked and aligned with the IDP strategy.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

PLANNING

6.   The municipality's integrated Performance Management System shows the cycle of performance planning, development, monitoring measurement, review and reporting.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

PLANNING

7.   Linkages between IDP, Budget, PMS and SDBIP can easily established and identified.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

IMPLEMENTATION

8.   The PMS provides the base for the implementation, management, monitoring and evaluation of the IDP.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

IMPLEMENTATION

9.   The PMS Framework clearly shows the link between the Organizational/municipal and the Individual employee PMS.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

IMPLEMENTATION

10.   Performance contracts/agreements of senior managers are linked to a Performance Plan stipulating in detail the performance requirements for each year.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

IMPLEMENTATION

11.   The PMS implementation has been cascaded from organizational, senior management, departmental to middle management level.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

CONSULTATION/ROLE OF ROLE PLAYERS

12.   The municipality developed and adopted a Performance Management System in consultation with the community.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

CONSULTATION/ROLE OF ROLE PLAYERS

13.   The community was consulted in the development of the key performance indicators and targets.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

CONSULTATION/ROLE OF ROLE PLAYERS

14.   The employees were involved in the planning, formulation and/or development of the PMS.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

CONSULTATION/ROLE OF ROLE PLAYERS

15.   Citizens and communities were afforded the opportunity to review the performance of the municipality and their public representatives, in the achievement of its objectives.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

MONITORING

16.   PMS is a process the municipality uses to continuously seek to improve its service delivery/functioning and accountability.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

MONITORING

17.   PMS is a tool that empowers the municipality to realize development goals and thereby meet the basic needs of citizens and promote socio-economic development.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Disagree**

MONITORING

18.   The municipality's performance targets are the planned level of performance or milestones it sets for itself to achieve for each indicator identified.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly** **Agree**

MONITORING

19.   Key Performance Indicators (KPIs) are used to determine whether the municipality is delivering on its developmental mandate in terms of provision of services and infrastructure.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly** **Agree**

MONITORING

20.   Other levels of staff from junior management to lower levels have performance plans linked to the organisational PMS & SDBIP which are monitored and reviewed quarterly.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly** **Agree**

REVIEW AND IMPROVEMENT

21.   The results of the previous year's performance measures were used to inform the next cycle of IDP review.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

REVIEW AND IMPROVEMENT

22.   The implementation of the integrated performance management system has resulted in a high-performance working culture within the municipality.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

REVIEW AND IMPROVEMENT

23.   The municipality's success/progress in effective service delivery is ascribed to close integration of the IDP, Budget and PMS.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

REPORTING

24.   A Performance Audit Committee was formed and audited the municipality's performance at the end of each financial year.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

REPORTING

25.   The municipality's performance management system established a process of regular reporting to the Council, Political Office-Bearers, staff of the municipality and the community on its performance.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

27 October 2009

Mr S A Radebe
Unit RG-1, Waves Edge
1004 Marine Drive
Bloubergstrand
7442 CAPE TOWN

Dear Mr Radebe

PROTOCOL: "Integrated Performance Management System Implementation to improve service delivery and performance for the AbaQulusi Municipality
ETHICAL APPROVAL NUMBER: HSS/0729/2009 M: Faculty of Management Studies

In response to your application dated 14 October 2009, Student Number: **205525377** the Humanities & Social Sciences Ethics Committee has considered the abovementioned application and the protocol has been given **FULL APPROVAL.**

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

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

Yours faithfully

Professor Steve Collings (Chair)
HUMANITIES & SOCIAL SCIENCES ETHICS COMMITTEE

SC/sn

cc: Mr T Vajeth
cc: Mrs C Haddon

Founding Campuses: Edgewood