

**IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEM ON  
THE PERFORMANCE OF MUNICIPAL SECTION 57 MANAGERS IN THE  
CAPRICORN DISTRICT MUNICIPALITY, LIMPOPO PROVINCE**

Submitted

By

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## DECLARATION

I, Sehoa Makoma Faith, hereby declare that the dissertation “Managing the performance of section 57 managers in South Africa: A case of Capricorn District Municipality, Limpopo Province” submitted to the University of Limpopo, for Master’s Degree in Public Administration has not been previously submitted by me for a degree at this or any other University; that it is my own work and that all sources consulted therein has been duly acknowledged in the list of references.

.....

Surname, Initials (title)

.....

Date

## **DEDICATION**

This work is dedicated to my family. My father, Podu Seawater Sehoa, my mother, Sebolaishi Melidah Sehoa and my brothers Petros, Obert, Monea and Tshego for their support during the time of my studies.

## ACKNOWLEDGEMENTS

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**ABBREVIATIONS AND ACRONYMS**

AG	- Auditor General
BSC	-Balanced Scorecard
CDM	-Capricorn District Municipalities
CFO	- Chief Financial Officer
CoGTA	- Cooperative Governance and Traditional Affairs
DPLG	- Department of Provincial and Local Government
DPLG	- Department of Local Government
DPSA	- Department of Public Service and Administration
IDP	- Integrated Development Plan
KPA	- Key Performance Area(s)
KPI	- Key Performance Indicator(s)
LED	- Local Economic Development
LRA	- Labour Relations Act
MBO	- Management by Objectives
MFMA	-Municipal Finance Management Act
MSA	- Municipal Systems Act-
NPM	- New Public Management
OECD	- Organisation for Economic Co-operation and Development
PMS	- Performance Management System

SALGA	-South African Local Government Association.
SDBIP	-Service Delivery & Budget Implementation Plan
SMS	- Senior Management System
TQM	-Total Quality Management
WPTPS	- White Paper on the Transformation of Public Service

## ABSTRACT

This study is an investigation of managing the performance of section 57 managers in South Africa, with special reference to municipalities within the Capricorn District Municipality in Limpopo province. This research was necessitated by the fact that even though there has been an adoption of the Performance Management System in order to speed up service delivery and transformation, performance management still remains grossly inadequate, in the South African public sectors especially in local government. This point out that in spite of the existing policy framework governing the management of performance in municipalities, most municipalities in South Africa are still struggling to perform efficiently and effectively. The problem statement provided a foundation within the aim and the objectives were explained. Contextualisation of the study was based on the existing legislative, theoretical and conceptual perspective that apply to performance management. The study also outlined the research method (only qualitative research method was used) and the technique used as a data collection method was the interviews. The researcher presented, analysed and interpreted the research findings where the researcher employed the use of figures and descriptive analysis to present data. In drawing conclusions it became clear that there were problems hampering the performance of Section 57 manager in municipalities within the Capricorn District Municipality. The main problems were identified to be lack of dedicated and qualified personnel to perform the function of PMS, lack of training and rewards to motivate senior managers who far exceed the set targets. Therefore to eliminate these problems recommendations were also suggested to assist municipalities in carrying out their developmental mandate this include among others, proper consideration of training need, continuous evaluation of senior managers performance, and the provision of rewards to employees who performed above the level expected.

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## CHAPTER 1

### GENERAL ORIENTATION TO THE STUDY

#### 1.1. INTRODUCTION AND BACKGROUND TO THE STUDY

According to Memoire (2012), global economic influences have been important variables that have necessitated the need for public sector reforms. These reforms imply a deliberate use of authority and influence to apply new measures to an administrative system so as to change its goals, structures and procedures with a view to improve it for developmental purpose (Sarker, 2004). Ohemeng (2009) highlights that many countries such as Australia and New Zealand have joined this global trend of reforming their administrative systems to meet the challenges of the 21<sup>st</sup> century. The transformation of reforming administrative systems has evolved into a new model of public governance called New Public Management (NPM). There is a growing recognition by Public Administration academics that most of these public sector reforms that have overwhelmed bureaucracy came about as a result of the influence of the so called New Public Management theory.

This theory incapacitate the deliberate changes to the structures and processes of public sector organisation's with the objective of getting them to run better (Pollitt & Bouckaert, 2011:8). Memoire (2012:4) states that one general reason for public sector reforms internationally was to restrain public spending, lighten the bureaucratic burden and to reshape social policies that can be afforded. Because developing countries recognised that continued weak economic performance and a lack of development were due to over-reliance on their governments to undertake activities that did not match their capabilities and these governments were characterized by the prevalence of different forms of corruption, nepotism, and bureaucracy (Mangkol, 2011:36).

Armstrong (1995:422) argues that the PMS was introduced in North America during the 1700s and early 1800s in the public sector. This was in response to the increasing calls for governments to improve accountability and demonstrate value for money. The reasons for introducing the PMS in the public sector included monitoring, reviewing and

assessing performance, training and developing underperformers, promoting and encouraging a sense of responsibility in staff, and also being able to identify and manage underperformance (Amos, Ristow, Ristow & Pearse, 2008: 286). It has been indicated by Armstrong (1995:423) that “both the public and private sectors view the performance management system as a process which ensures that the employees know what is required of them and on what basis performance and contribution will be assessed”.

Public sector reform in South Africa has been shaped by the tenets of NPM, including a strong focus on decentralised management of human resources and finance. Decentralisation means giving line managers greater managerial authority and responsibility (Polidano, 1999:19). South Africa has also introduced budgetary reforms and has introduced three year programme budgeting where the focus was shifted from inputs and rules to outputs and responsibilities (DPSA, 2004:3). Corporatisation is another widely-used NPM reform that has been adopted by South Africa in the form of public entities. The Senior Management System (SMS) has been created to promote greater efficiency in the state and also was influenced by NPM reforms. Contract appointment is another feature of NPM, where for example the government has employed Director-Generals on mostly 3 year contracts. Performance management is a central component of NPM and it has been a major component of public service reform in South Africa. Performance management has resulted in improved service delivery and there have been a number of measures undertaken to improve service delivery such as the introduction of Batho Pele principles (Cameron, 2009:28).

The government of South Africa consider performance management as an instrument for enhancing service delivery and for facilitating achievement of national development priorities (Pessima, 2009:11). According to the Public Service Commission (2007:2), performance management was ushered in by the Public Service Regulations, 1999 which provided that public service departments shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of resources and

the achievement of results. The need for fundamental change in the way local government works was identified in 1994 (Mutahaba, 2011:58).

Pessima (2009:11) states that each service set had to devise its own system for assessing performance at institutional and individual employee level. With the advent of the democratic dispensation, municipalities became restructured into a coherent instrument to steer development and improve the delivery of public services. This is understandable because such restructuring placed municipalities at the forefront of service delivery. This was influenced by the Constitution of Republic of South Africa (Act 106 of 1996), which states that local government is the sphere of government that is closest to its constituents. This was to ensure that municipal employees keep up with the demands for expansion of services as well as improved access for the same by citizens, which posed a number of challenges to the public services such as huge backlogs in service infrastructure.

The concept performance management was introduced in South African municipalities in 1998 with the promulgation of the White Paper on Local Government. The White Paper on Local Government (1998), indicated that a national PMS is required to assess the overall state of local government, monitor the effectiveness of development and service delivery strategies adopted by different municipalities and ensure that scarce resources are utilised efficiently. It sought to provide early warning where municipalities are experiencing difficulties, and enable other spheres of government to provide appropriate support before a crisis develops. It also enable municipalities to compare their own performance with that of similar municipalities across the country, identify successful approaches or best practice and learn from one another through benchmarking.

Curtis (1999:261) argues that performance management in local government is a legitimate concern of politicians and officers at all tiers of government. Municipalities are recognised in the *Constitution of Republic of South Africa (1996)* and in subsequent legislation such as *Municipal Structure Act, 117 of 1998* as an independent tier of government. Therefore it is in the public interest to ensure that municipalities perform their assigned roles efficiently and effectively. Waldt, Venter, Walt, Phutiagae, Khalo,

Niekerk & Nealer (2007:112) rightly points out that a comprehensive PMS should be developed and used to ensure that all parts of the municipality work together to achieve the goals and service targets that are set. To this end, it can be argued that that performance management in municipalities matters. This is understandable because it allows the local sphere of government to go beyond a zero tolerance for maladministration, waste, inefficiencies and lack of productivity and create a municipality that is better equipped to deliver efficiently, economically and effectively on its promises to the people. This is a required approach of the efficiency and effectiveness of municipal performance is to be attained

A handbook for Municipal Councillors (2011:152) also state that performance management for local government contributes to creating a performance culture at municipal level. As a result each municipality is legally required to develop a PMS that will enhance organisational efficiency and effectiveness and ensure accountability for the use of municipal resources and also to indicate the achievement of outcomes. Performance management in municipalities according to Molofo (2012:68), involves monitoring performance in relation to key performance indicators (KPIs), the targets of development priorities, objectives as laid down in the Integrated Development Plans (IDPs) and the subsequent measuring and reviewing of performance at least once a year as prescribed in the Municipal Systems Act, Act 32 of 2000 (MSA).

## **1.2. STATEMENT OF THE PROBLEM**

The South African government has since the 1994 democratic breakthrough adopted performance management as a tool to achieve effective service delivery (Manyaka & Sebola, 2012:300). Performance management which is linked to improved service delivery is one critical area requiring a serious attention in South African municipalities. This is understandable because the efficiency and effectiveness which municipalities carry-out their objectives will essentially enable them to realise their developmental mandate provided for in the Constitution of Republic of South Africa, 1996. The *Municipal System Act, 32 of 2000* requires municipalities to implement PMS for Section

57 manager's and also encourages municipalities to cascade a PMS to all levels of organisation.

However, even though there has been an adoption of the PMS in order to speed up service delivery and transformation, performance management still remains a major challenge in the South African public sectors especially in local government (O'Callaghan, 2005:13). Van der Waldt *et al.* (2007:110), mentioned that there is an increasing emphasis on process monitoring and evaluation, and more specifically a concern with performance management at the local sphere of government.

CoGTA (Cooperative Governance and Traditional Affairs), 2009 states, in most municipalities PMSs were either not developed or not complied with. Furthermore the report has revealed that many municipal managers do not have signed performance contracts. This points out to the fact that in spite of the existing policy framework governing the management of performance in municipalities, most municipalities in South Africa are still struggling to perform efficiently and effectively (Molofo, 2012:70).

Municipalities within the Capricorn District are also faced with a challenge of creating an environment conducive to performance excellence and managing the performance of section 57 managers (Capricorn District Municipality IDP, 2012/2013). For example in Molemole and Blouberg municipality PMS is inadequate as it is only restricted to Section 57 manager's. This compromise effective and efficient delivery of service because managers continuously find it difficult in their attempts to achieve high organisational performance. In Polokwane municipality, monitoring and evaluation of PMS is limited as it is not integrated and aligned to enable the municipality to deliver efficient and effective services to its communities. Amongst other challenges there is lack of performance measurement tool across all municipalities in relation to targets for performance, assess all business processes; and to continuously increase efficiency in pursuit of service delivery excellence and review of the performance management policy with the view of improving the quality of service delivery and budget planning (Capricorn District Municipality IDP, 2012/2013). These challenges are the indication of

the fact that performance management in municipalities within Capricorn District is grossly inadequate, with negative consequences for delivery of service to communities. It is within this context that the study intends to investigate the implementation management of performance of Section 57 managers in the Capricorn District Municipality.

### **1.3. RESEARCH AIM AND OBJECTIVES**

#### **1.3.1. Aim**

The aim of this study is to investigate the management of Section 57 manager's performance within municipalities in Capricorn District, Limpopo Province.

### **3.2. OBJECTIVES**

The proposed study will lay emphasis on the following objectives:

- ❖ To examine the nature of PMS in municipalities within the Capricorn District Municipality.
- ❖ To assess the status of performance of Section 57 manager's within the Capricorn District Municipalities.
- ❖ To identify the challenges associated with the implementation of PMS in municipalities within Capricorn District Municipality.
- ❖ To determine the effects of PMS on the performance of Section 57 manager's.
- ❖ To propose measures for optimising the management of performance management in the Capricorn District Municipalities.

## **4. RESEARCH QUESTIONS**

The proposed study will be guided by the following research questions:

- ❖ What is the nature of PMS in municipalities within the Capricorn District Municipality?
- ❖ What is the status of performance of Section 57 manager's within the Capricorn District Municipalities?
- ❖ What are the challenges associated with the implementation of PMS in municipalities within Capricorn District Municipality?
- ❖ What are the effects of PMS on the performance of Section 57 manager's?
- ❖ What are the recommended measures for optimising the management of performance management in the Capricorn District Municipalities?

### **1.5. DEFINITION OF CONCEPTS**

#### **1.5.1. Performance**

Performance, according to Narayanan, Vasudev, Sreedharan, Haldar & Trivedi (n.d) refers to the ability of the government to acquire resources and put these to efficient (input-output relationship) and effective (output-outcome relationship) use to achieve the desired outcomes and impacts. Therefore the term performance will be used in this study to refer to as being about doing the work, as well as about the results achieved (Van der Waldt, 2006:131).

#### **1.5.2. Performance Appraisal**

According to Grobler, Warnich, Carrel, Elbert & Hatfield (2011:293), performance appraisal is the on-going process of evaluating and managing both the behaviour and

outcomes in the workplace. Therefore in the context of this study the term performance appraisal will be used to refer to a process with which an employee's performance is assessed after a specified period for the employee to be either rewarded or developed (Kanyane & Mabelane, 2009:60).

### **1.5.3. Performance Management**

Cheminais, Bayat, Van der Waldt & Fox (1998:162) describe performance management as a shared process between managers and the employees and teams that they manage and is based on the agreement of objectives, knowledge, skills and competence requirements and work and development plans. According to Curtis (1999:263), performance management is an approach to management which harnesses the endeavours of individual managers and workers to the organisation's strategic goals. Therefore in the context of this study the term performance management will be used as the system through which organisations set work goals, determine performance standards, assign and evaluate work, provide performance feedback, determine training and development needs, and distribute rewards (Varma, Pawan, Budhwar & Angelo, 2008:15).

### **1.5.4. Performance Management System**

According to Armstrong (2009:95), PMS is a set of interrelated activities and processes that are treated holistically as integrated and key components of the organisation's approach to managing performance of employees through developing the skills and capabilities of its human capital, in order to enhance organisational capability and the achievement of sustained competitive advantage. In the context of this study the term PMS will be used as an umbrella concept for conducting performance appraisal, setting goals, communicating expectations, observing, documenting, giving feedback and helping employees to develop their own skills (Manyaka & Sebola, 2012:302).

### **1.5.5. Section 57 managers**

Section 57 managers is a term commonly used to refer to managers employed in accordance with the requirements of section 57 of the *Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)*. They consist of the municipal manager or the accounting officer, the chief financial officer (CFO), all senior managers and any other senior officials designated by the accounting officer. Therefore the concept Section 57 manager's will be used in this study to refer to Municipal Managers, CFO and all senior managers directly accountable to the accounting officer of the municipality.

### **1.5.6. Municipality**

In terms of the *Municipal Systems Act (Act No 32 of 2000)* a municipality is comprised of its political structures, its administration and the community of the municipality. Therefore in the context of this study the term municipality will be used to refer to an organ of state within the local sphere of government exercising legislative and executive authority within the demarcated area of that municipality (Van der Waldt *et al.*, 2007:68).

### **1.5.7. District municipality**

Visser (2005:92) defines a district municipality as a municipality that has legislative and executive authority, where a number of local municipalities together make up a district municipality. Therefore in the context of this study a district municipality is a municipality that has municipal executive and legislative authority in an area that includes more than one municipality (*White Paper on Local Government, 1998*).

## 1.6. RESEARCH DESIGN AND METHODOLOGY

Depending on the orientation of the study, either qualitative, quantitative or a combination of both methods may be applied in the research process (Durrheim, 1999:31). For the purpose of this research, a qualitative design will be used. The researcher has chosen qualitative design because is highly flexible in that the data collection is on-going and occurs simultaneously with data analysis, which allows the research plan to be altered as needed (Krysik & Finn, 2010:102). Qualitative research method according to Bergh *et al.* (2009:440), is executed by analysing and classifying data into themes in a more subjective way based on behaviour observation and by analysis of written and spoken language. Blaikie (2003:47) also emphasise that qualitative methods are used when data are in words and remain in words throughout the analysis.

### 1.6.1. Description of the study area

The study area of the proposed study is the five municipalities within the Capricorn District Municipality. Such municipalities are as follows: Molemole municipality, Polokwane municipality, Aganang municipality, Blouberg municipality and Lepelle-Nkumpi municipality. Capricorn District Municipality (CDM) is situated in the centre of the Limpopo Province, sharing its borders with four other district municipalities namely; Mopani (east), Sekhukhune (south), Vhembe (north) and Waterberg (west). CDM is situated at the core of economic development in the Limpopo Province and includes the capital of the province, the City of Polokwane. One national and various major provincial roads pass through the district municipal area, i.e. the N1 - National Road from Gauteng to Zimbabwe and the rest of Africa, the P33/1 (R37) from Polokwane to Burgersfort/Lydenburg, the P94/1 (R521) from Polokwane to Alldays and Botswana and the P17/1 (R71) from Polokwane to Tzaneen and Phalaborwa.

Fig.1.1. Location map of the Capricorn District Municipality in the Limpopo Province



(Source: [www.demarcation.org.za](http://www.demarcation.org.za)).

The District Municipality covers an area of about 2 180 530ha which constitutes 12% of the total surface area of the Limpopo Province. Blouberg Local Municipality has the largest proportion of around 43% (927,270ha) followed by Polokwane Local Municipality with 17% (379, 272ha), Lepelle-Nkumpi Local Municipality with 16% (347,891ha), Molemole Local Municipality with 15% (336, 272ha) and lastly in that order of hierarchy, Aganang Local Municipality which contribute 9% (190,798ha), (Capricorn District Municipality IDP, 2012/2013).

### **1.6.2. Research population**

The Capricorn District Municipality has a total complement of 550 municipal officials. Therefore the target population will be Section 57 managers of all municipalities within CDM; this will include the Municipal Managers, Chief Financial Officers, Planning and Development Unit managers, Community Services Unit managers, Corporate Services Unit managers and Technical Services Unit managers in each of the five local municipalities in Capricorn District. Municipal Section 57 managers are chosen in this study because the PMS is not cascaded to all levels of the organisational structure and the researcher believes that they are the ones who have the ability to acquire resources and put them to efficient and effective use to achieve the desired outcomes of PMS of the municipality.

### **1.6.3. Sampling size and procedure**

In this study the researcher will use purposive sampling as a sampling technique. According to Krysik *et al.* (2010:109), in purposive sampling, researchers choose individuals for their special knowledge and for their formal training or education. Purposive sampling will be used in this study because it provide the researcher with an opportunity to identify participants who are likely to provide data that is detailed and relevant to the research questions (Sapsford & Jupp, 2006:245). Section 57 managers are the best candidates to provide detailed data because PMS is rollout only on their level. The sample size of this research will be thirty (30) municipal Section 57 managers from the three municipalities selected within the CDM. These Section 57 managers' will

be divided into five (5) groups since the researcher will be using five municipalities within the CDM. They are (a) six (6) Section 57 manager's from Molelmo municipality; (b) six (6) Section 57 manager's from Polokwane municipality, (c) six (6) Section 57 manager's from Blouberg municipality, (d) six (6) Section 57 managers from Aganang municipality and (e) six (6) Section 57 managers from Leppelle-Nkumpi municipality. This will provide a total number of thirty (30) out of thirty (30) Section 57 manager's from all these five municipalities. According to Babooa (2008:144), for a sample to be considered applicable, the researcher should select at least a minimum of 10% of the given research population. Therefore the reason why thirty (30) Section 57 manager's will be chosen to participate in this study is because the researcher believes that the larger the sample the more representative of the population it becomes and also the more reliable and valid results will become.

#### **1.6.4. Data collection methods**

The proposed study will require both the primary data and secondary data. The method that will be used to gather primary data is interviews and secondary data will be sought from various documents. These methods are briefly explained below.

##### *1.6.4.1. Interviews*

Qualitative data collection is usually done with small numbers of respondents using interviews (Auriacombe, 2005:384). Therefore the first data collection method to be used in this study will be interviews. Bless *et al.* (2006:116), state that an interview involves direct personal contact with the participants who are asked to answer questions relating to the research problem. Semi-structured interviews will be conducted with Section 57 managers in this study selected from all municipalities within the CDM. According to James & Sally (2001:206), semi-structured interviews have no choices from which the respondents selects an answer, rather the question is phrased to allow

for individual responses. It is an open-ended question but is fairly specific in its intent and it helps build a positive relationship between the interviewer and respondents.

The reason for using semi-structured interviews is simply because they are flexible and adaptable. This means that it can be used with different types of persons (for example visually impaired people) and responses can be probed, followed up, clarified and elaborated to achieve specific accurate responses. They also give the interviewer an opportunity to motivate the responses and it result in much higher response rate. Data collection method such as questionnaires will not be preferred by the researcher in this study because the target population is small and a questionnaire will lead to low response rate. In other words a questionnaire only allows a limited choice of responses. Therefore since this study uses qualitative approach six (6) Section 57 managers will be interviewed from each municipality within the Capricorn District Municipality.

#### *1.6.4.2. Documentations*

Secondary data will be collected from various documented sources such as government policies and legislation, research reports, academic books and annual reports of various municipalities selected within the Capricorn District Municipality.

#### **1.6.5. Data analysis methods**

During data analysis, the textual accounts of interviews are searched for common themes and findings consists of descriptions of the field using the various relevant, theoretical concepts necessary to interpret the participants view (Boeije, 2010:5). According to Bless *et al.* (2006:163), the data analysis process allows the researcher to generalise the findings from the sample used in the research to a larger population in which the researcher is interested. Therefore as this study uses qualitative approach, descriptive and interpretative analysis will be used to analyse data. As part of analysing data the researcher will write summaries of the responses of interviewees and sort them in a meaningful way in line with the thematic areas to be determined in accordance with

the research objectives. Thereafter the researcher will write a report about the collected data.

#### **1.6.6. Validity and reliability**

According to Bless *et al.* (2006:157), validity refers to the degree to which a study measures what it purports to measure whereas reliability is an estimate of the accuracy and internal consistency of a measurement instrument. Goodwin (2009:134) states that reliability is important because it enables one to have some confidence that the measure taken is close to the true measure. Validity is also important because it tells you if the measure actually measures what it is supposed to measure and not something else. According to Oliver (2008:68) if a measurement is reliable, this means that it is consistent, supplying the same answer at different points in time. Therefore in this study the researcher will utilise appropriate sample size; ensure that the data to be collected is properly transcribed, recorded and filed and also improve its reliability the researcher will carefully use simple language (not bombastic words) during the interview session.

### **1.7. ETHICAL CONSIDERATIONS**

In pursuance of objectives of the proposed study, it is envisaged that the researcher will be guided by the following ethical considerations that are prevalent in any research endeavour. These include although not restricted to anonymity and confidentiality, voluntary participation and no harm to the participants and informed consent.

#### **1.7.1. Anonymity and Confidentiality**

According to Henn (2006:85), anonymity ensures that a person remains nameless and unidentifiable whereas confidentiality means that the researcher holds the data in confidence and keeps it from public consumption. Bless *et al.* (2006:143), state that the principle of anonymity is linked with confidentiality. Anonymity means that a participant's data must not be associated immediately and obviously with his or her name or any

other identifier. Confidentiality means that the information provided by participants, particularly sensitive and personal information, should be protected and made unavailable to anyone other than the researcher. The researcher will guarantee anonymity and confidentiality of respondents by ensuring that the information collected will at all times kept under secure conditions.

### **1.7.2. Voluntary participation and no harm to the participants**

Human research should never injure the people being studied, regardless of whether they volunteer for the study or not. Therefore the researcher will emphasise voluntary participation and will also protect the identity of participants, ensuring that there is no linking between the identity of the participants.

### **1.7.3. Informed consent**

Informed consent is when a potential participant freely and with full understanding of the research agrees to be part of the study (Hennink, 2007:35). Therefore the researcher will write a cover letter that will inform the participants who the researcher is, what the research is all about, why the researcher is conducting the research project, why the participants were selected and also who will have access to the information gathered. The researcher will also write a letter to request permission from the municipalities selected within the CDM to collect data.

## **1.8. SIGNIFICANCE OF THE STUDY**

The success of this study will help South African local government and particularly Capricorn District municipality in improving the management of Section 57 manager's performance. As already stated by Pessima (2009:11), that the government of South Africa regard performance management as an instrument for improving service delivery. This study will also help to improve the service delivery of local government by identifying the challenges faced by the municipalities in relation to managing performance of Section 57 managers and also recommend possible measures for achieving high performance of Section 57 managers through PMS within CDM.

Therefore improved section 57 manager's performance would have a significant positive impact on municipal goals as this will lead to improved productivity of all employees and this will make each employee to be aware of their functions and responsibilities. This study will also contribute to the construction and expansion of knowledge in Public Administration and other related discipline and as such the study will serve as a guideline to future researchers who are interested in investigating the effect of PMS on improving section 57 manager's performance at local government. In order to achieve this, the study will be published.

## **1.9. CONCLUSION**

This chapter serves as an orientation to the study. The fundamentals questions which the study aims to achieve are indicated. The problem statement and both the aim and objectives of the study are indicated as well. The concepts that are closely related to the topic are defined. The significance of the study has been considered. The forthcoming chapter will focus on performance management in local government, this will include among others the legislative and policy framework regulating the performance management, the conceptualization of performance management and the historical background of performance management.

## **CHAPTER 2**

### **PERFORMANCE MANAGEMENT IN LOCAL GOVERNMENT**

#### **2.1. INTRODUCTION**

The previous chapter presented an overall introduction and background of the study. The research problem provided an understanding of what will be accomplished during this research project. The chapter included the research aim, research objectives, research questions and also the research design and methods to be followed when conducting this study. Therefore this chapter will focus on providing a theoretical and conceptual framework that integrate performance management in the public sector, with a particular focus on local government. To this end, the chapter will focus on the nature of performance management system in local government by taking a closer look at the legislative framework governing performance management, conceptualisation of performance management, historical background of performance management system, the organisational performance management, the purpose of performance management, principles of performance management, phases and steps of PMS, key components of PM and the PMS cycle will be discussed in this chapter.

#### **2.2. THE LEGISLATIVE AND POLICY FRAMEWORK REGULATING PERFORMANCE MANAGEMENT IN LOCAL GOVERNMENT**

Local government is the sphere of government that is closest to its constituents. In terms of the White Paper of Local Government (1998) performance management in municipalities is critical to ensure that plans are being implemented, that they are having the desired development impact, and that resources are being used efficiently. Citizens expect the law to be enforced, the environment to be protected, labour, health and safety laws to be obeyed. Notshikila & Govender (2014) argues that determining municipal performance is vital because resources can be wasted if the people have no

way of determining how their actions impact on the organisation's goals, and whether they are on track to achieve these goals. It is in that way that performance management has emerged as an important tool to enable municipalities to become front-line developmental agencies that strive for high quality service delivery (Nkuna, 2013). Therefore, in order to address the challenges faced by South African municipalities, the White Paper on Local Government (1998) has proposed the introduction of PMS as a reform to improve municipal performance and service delivery. Within all the South African local government this system of monitoring performance of municipalities has been adopted and developed. This system has been designed to continuously monitor the performance of municipalities in fulfilling their developmental mandate within their areas of jurisdiction. Therefore this system is intended to reflect the overall performance of the municipality and the performance of individuals employed within the municipality. PMS in South African Local Government is regulated by the following legislative framework.

### **2.2.1. The Constitution of the Republic of South Africa, 1996**

The Constitution of the Republic of South Africa 1996, hereinafter referred to as the Constitution, is the supreme law of the country. It is regarded as a special law with a higher status than other laws. This is understandable because the prime purpose of a Constitution, as a key element of a legal system, is to provide the norm to which all government actions should conform. It makes sense therefore that all other laws should be subordinate to the Constitution. The contents of other legislation must always be consistent with the norms and principles of the Constitution so as not to be declared invalid (Heerden, 2007:37). The Constitution, stipulates in Section 195 (b) that “efficient, economic and effective use of resources must be promoted”. It further states in Section 195 (h) that “good human resource management and career development practices, to maximise human potential, must be cultivated”. Municipalities need to ensure maximum utilisation of resources, put systems in place such as PMS to improve service delivery and provide opportunities for officials to develop their knowledge, skills and abilities.

### **2.2.2. The White Paper on the Transformation of the Public Service (WPTPS) 1997**

An important perspective in the management of the performance of a municipality is its relationship with its customers, namely, local citizens and partners. This provides an approach to building a culture and practice of customer service that is responsive to the needs of citizens and business as consumers and end-users of municipal services. For this to happen, even within the context of limited resources at the disposal of municipalities, everyone in government, needs to do so with a high degree of commitment and a sense of duty, through living the Batho-Pele principles. Eight Batho-Pele principles were developed to serve as the acceptable policy and legislative framework of service delivery in the public service. Therefore municipalities need constant feedback from service users in order to improve their operations.

### **2.2.3. The White Paper on Local Government 1998**

The White Paper on Local Government (1998) advocated for the introduction of Performance Management Systems in municipalities, as a tool to ensure that the mandate of Developmental Local Government is achieved. It stipulates clearly that integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. These three broad key activities will play a significant role in enabling municipalities to focus on their priorities within an increasingly complex and diverse set of demands. It will also enable them to direct resource allocations and institutional systems to a new set of development objectives. It must however be noted that this study will not focus on the implementation and usefulness of all these three broad activities. This study will only be limited to investigating performance management in municipalities with a view of examining how the performance of section 57 managers is managed within the Limpopo Provincial Municipalities.

### **2.2.4. The Local Government: Municipal Systems Act, Act No. 32 of 2000 (MSA)**

*The Local Government: Municipal Systems Act, Act no. 32 of 2000*, places specific emphasis on performance management. Section 38 obliges employers to implement a

Performance Management System (PMS) that is in line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan (IDP). The IDP is a developmental planning tool that guides and informs all planning, budgeting, management and decision-making in a municipality (Musvoto, Nortje, Murambadoro & Dube, 2012). The IDP sets clear development objectives and targets, and provides direction to improve performance. It sets key performance indicators (KPI's) and the criteria for measuring performance both for the overall IDP, and for specific projects. As such it enables management to align actions with set objectives. The IDP is first prepared and there after the PMS could play a key role in promoting better implementation (Kambuwa & Wallis, 2002). Section 41 spells out the core components of the municipal performance management system. These are the establishment of appropriate key performance indicators as a measure for performance; measurable performance targets with regard to the development priorities and objectives; monitoring, measuring and reviewing of performance; action to improve performance with regard to the development priorities and objectives where there is under-performance. Section 57 makes the employment of the Municipal Manager and Managers directly accountable to him subject to a separate performance agreement concluded annually before the end of July each year. Section 67 regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively.

#### ***2.2.5. Performance Management Guidelines for Municipalities, 2001***

*The Performance Management Guide for Municipalities* (DPLG, 2001) presents guidelines on development and implementation of an organisational performance management system; at the same time it highlights some of the linkages to the employee or personnel performance management system, which should also form part of broader performance management systems in municipalities. This guide seeks to assist managers, officials and local government stakeholders in developing and implementing a performance management system in terms of the requirements of the legislation. The guide further states that each municipality is expected to develop a

performance management framework for themselves, on how their performance management processes should be undertaken. Nevertheless,(CoGTA), 2009 on the state of local government in South Africa overview report indicated that, in most municipalities, PMSs were either not developed or complied with. This was mainly because of poor monitoring and oversight capability of provincial government. The oversight function for municipalities at local and provincial level should function effectively and engagement between officials at provincial and municipal level should be clearly outlined and formalised. This will include requirements and targets for monitoring and reporting the information that the Council, the Oversight Committees (including Audit Committees) and the Executive Mayor require to perform their duties (Clamp, Murwira & Kubheka, 2012). Therefore efforts at developing and implementation phase of performance management system need to be strengthened in order to promote the culture of good performance.

#### ***2.2.6. The Local Government: Municipal Planning and Performance Management Regulations, 2001***

*The Local Government: Municipal Planning and Performance Management Regulations* (2001) issued in terms of *Municipal Systems Act, 2000*, stipulates in more detail in terms of what is expected from municipalities in implementing its PMS, represents how the Municipalities cycle and processes of performance planning, monitoring, measurement, evaluation, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players and the local community, in the functioning of the system. It also regulates the establishment, composition and functioning of a Performance Audit Committee (PAC). The audit committees have a major responsibility in a municipality that which centres around providing assurance on the adequacy, reliability and accuracy of financial reporting and information for purposes of oversight, decision-making and accountability. However, the Auditor General reviewed compliance with the legislation applicable of audit committees 2012 and concluded that 137 of these committees were compliant while 84 out of 221 audit committees were not compliant. The non-compliance relates to among others lack of internal auditing of performance measurements, non-existence of a performance

audit committee and inability by audit committee to meet at least four times a year. The audit committee is an important instrument that establishes the financial accountability of the municipal executive to the municipal council. The Committee serves as an institution that provides the council with the necessary information to make the executive accountable with regard to matters of financial management (De Visser, 2008). Therefore, Managa (2012) argues that the non-compliance of audit committees have resulted in many municipalities underperforming and coupled with corruption, which led communities to have little confidence in the local government.

### **2.2.7. Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers**

*Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers* (2006) issued in terms of *Municipal Systems Act, 2000*, contains performance regulations for municipal managers and managers directly accountable to the municipal managers. The regulation include the terms of conditions of employment of these persons and set out how the performance of municipal managers and their direct reports has to be planned, reviewed and improved. It sets a much firmer and clearer base for the mentioned personnel and aims to limit grey areas open to mismanagement such as the distribution of performance bonuses. This regulation provide for the conclusion of performance agreements and personal development plans. Nevertheless, CoGTA (2009) indicated that many municipal managers do not have signed performance contracts. Failure to sign a performance agreement is a breach of contract and the employing municipality may terminate the employment contract of a manager unless good cause for non-compliance shown. In principle, the no performance agreement, no performance bonus principle, should be applied. Therefore this is also a fact that many municipalities do not adhere to regulation 5 of the *Municipal Performance Regulations* which state that municipalities must submit copies of signed performance agreements to the MECs responsible for local government in the relevant province. This refers back to the poor monitoring and oversight capability of provincial government.

### **2.2.8. The Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA)**

*The Local Government: Municipal Finance Management Act* (2003) requires municipalities to establish a service delivery and budget implementation plans (SDBIPs). Kroukamp (2007) defines the SDBIP as a management, implementation and monitoring tool that will assist the mayor, municipal manager, councillors, senior managers and the community with realising the strategic objectives as outlined in the IDP, focusing on both financial and non-financial outcomes in order to ensure effective and efficient performance. The SDBIPs should be based on specific targets and performance indicators derived from the IDP of the municipality. The SDBIP will then break these targets into departmental annual targets. The SDBIP is a tool that is used to measure the performance of each target (Notshikila & Govender, 2014). It also serves as a link between the IDP and the PMS and the budget. In terms of Section 72 of the MFMA, a municipality is required to submit a mid-year budget and performance assessment before 25 January of each year. Section 165 stipulates the existence of an internal audit unit which inter alia, advises the Municipal Manager and reports to an Audit Committee (AC) on the implementation of an internal audit plan including performance management. Section 166 requires the establishment of an independent AC advising the political and administrative executive on inter alia matters relating to performance management and performance evaluation. The MFMA also requires the mayor to ensure that the performance agreements of section 57 managers complies with the requirements of the Municipal Systems Act to promote sound financial management and are linked to measurable performance objectives of the municipality.

### **2.2.9. The Skills Development Act, 1998**

*The Skills Development Act* (1998) also forms an essential part of the legislative framework of performance management in local government. The Act aims, among others things, to develop the skills of the South African workforce in order to improve the quality of life of workers and their prospects of work and skills development as contributing to the improvement of performance and productivity in the workplace as well as their competitiveness. The Act and specifically the Workplace Skills Plan

provides a valuable vehicle for the training of staff. Section 30(a) of the *Skills Development Act* (1998) argues that municipalities must budget for at least 1% of their payroll for the training and development of municipal officials and the money must be paid to South African Revenue Services as a Skills Development Levy. This training and development links to the requirement of performance management for individual development plans. Fourie (2004) argues that there is a growing concern that government is not receiving 'value for money' for the significant amounts municipalities spend on training officials. Furthermore the training programmes that the providers offers vary in quality on matters they perceive to be topical, but which do not meet the real, prioritised needs, which have been identified. Training still remain vital to the growth and economic well-being of a nation and it should be seen as an investment rather than a price tag, knowing that this investment will return in a form of improved municipal performance. It is therefore crucial that municipalities invest in in effective training and development initiatives.

#### **2.2.10. Labour Relations Act, 1995**

In addition, *the Labour Relations Act (LRA), of 1995*, through the Code of Good Practice: Dismissal provides guidelines on the management of poor performance. These provisions in the LRA are of significance in that they preceded the other pieces of legislation on Local Government and provide a legal basis for the implementation of performance management. The Act makes provision for the developmental way of managing poor performance in an organisation without opting for dismissal as a first option. That is, before any dismissal can be effected, long-lasting and corrective measures which include the investigation to establish the reasons for poor performance in the process have to be applied. Meaning, dismissing an employee because of underperformance should be the last option after all improvement plans or remedies such as coaching, counseling and training have been exhausted (Munzhedzi, 2011:25).

### **2.3. CONCEPTUALISATION OF PERFORMANCE MANAGEMENT**

Performance management according to Bagerkord (2012:1767), is actually a broad term that was initially used in the 1970s to depict a technology-science entrenched in application methods basically intended to assist the institutional managements to manage both results and behavior, which are the two vital aspects of what is commonly identified as performance. Aslam & Sarwar (2010:3) contents that performance management is neither a technique nor a single process, it can be considered as a set of process, or a concept, a holistic philosophy that includes motivation of employees to perform well, employees knowledge about what their managers expect of them, the development of employees, monitoring and measuring performance in order to know what areas are to be improved.

Whitney (2009) states that performance management is the systematic process of planning work and setting expectations, continually monitoring performance, developing the capacity to perform and rating performance that serves as a basis for rewarding good performance and managing poor performance. Performance Management as defined by the Department of Local Government (DPLG, 2001) is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

Aguinis, Joo & Gottfrdson (2012:385) explain the essence of performance management as a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organisation. Aguinis (2005:2) highlighted the same point that performance management is a continuous process of identifying, measuring and developing performance in organisations by linking each individual's performance and objectives to the organisation's overall mission and goals. According to Martinez (2006:8), performance management is essentially about measuring, monitoring and enhancing the performance of staff, as a contributor to overall organisational performance.

Sahoo & Mishra (2012:3) view performance management as a systematic process by which the overall performance of an organisation can be improved by improving the performance of individuals within a team framework. Performance management can also be regarded as a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors (Dzimhiri, 2008:47). Gruman & Saks (2011:34) argue that performance management is a critical aspect of organisational effectiveness because it is the key process through which work is accomplished, it is considered the “Achilles Heel” of managing human capital and should therefore be a top priority of managers. Nkuna (2013:68) maintains that there is no uniform conceptualisation of performance management, taking into account the varying circumstances of municipalities within the local government landscape in South Africa. As performance management might not be in a state of being applied uniformly across the sphere, this result in performance management being confused with performance measurement. Performance management is a process that aims at getting better results from the organisation, by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements (Itika, 2011), while Cook, Vansant, Stewart & Adrian (2005) argues that performance measurement is a periodic measurement of progress towards explicit short and long run objectives and reporting of the results to decision makers in an attempt to improve program performance. Therefore for the purpose of this study performance management, Varma, Pawan, Budhwar & Angelo (2008:15) should be understood as the system through which organisations set work goals, determine performance standards, assign and evaluate work, provide performance feedback, determine training and development needs, and distribute rewards.

## **2.4. HISTORICAL BACKGROUND OF PERFORMANCE MANAGEMENT**

It is essential to historicise the originative context of the concept of performance management because it adds context to the prospects of achieving performance management success in the local government and it also helps the researcher to draw

conclusions from the past events. Administrative reform has preoccupied many governments since the 1980s. This serves as a basis upon which the historical invention of performance management can be understood (Manyaka & Sebola, 2012). Many countries, particularly in the Organisation for Economic Co-operation and Development (OECD), and some developing nations in conjunction with some international organisation, embarked on changing the nature of the state through a number of similar policy initiatives (OECD, 2004:27). The nature of the state had to be changed because governments were unresponsive, inefficient, monopolistic, and unable to reach formal goals. In the main this reflected the inherent failures of government, firstly politicians were captured by interest groups and were acting in their own self-interest rather than the public interest; secondly the bureaucracy did not necessarily carry out political directions because of the self-interest of bureaucrats and thirdly bureaucrats were acting in pursuit of self-interest rather than efficiency (O'Flynn, 2007). Ohemeng (2009:110) highlights that many developing countries have joined this global trend of reforming their administrative systems to meet the challenges of the 21st century. This transformation of administrative systems has evolved into a new model of public governance called New Public Management (NPM) which consists of deliberate changes to the structures and processes of public sector organisation with the objective of getting them to run better (Pollitt & Bouckaert, 2004:8). NPM is not a coherent theory but rather a discrete set of ideas that can be broadly divided into two categories. First, there is the use of private management ideas, such as the provision of more responsive and efficient services, performance agreements including service standards, greater autonomy and flexibility for managers and new financial techniques. Second, there is greater use of market mechanisms, such as privatisation and public-private partnerships in service provision. NPM is generally inspired by the values and concepts of the private sector (Cameron, 2009:4).

A key component of this new public governance model is performance management and the concept has become an issue of central and critical concern to political leaders and public and private sector managers (Ohemeng, 2008; Manyaka & Sebola 2012). Performance management has mostly been used in the context of human resources.

The term was first used in the 1970s. However, it only gained recognition in the late 1980s (Armstrong and Barron, 1998:38). Towards the end of the 1980s, many systems of performance management were born, adopted and implemented at many levels of the public sector such as the Balanced Scorecard and Management by Objectives. By that time, traditional performance measures, those developed from costing and accounting systems have been criticised for encouraging short termism, lacking strategic focus, and not being externally focused. In an attempt to overcome these criticisms, performance management frameworks have been developed to encourage a more balanced view between internal and external factors, financial and non-financial measures (Salem, 2003:4).

Hood (1991:4) argues that performance is a key competency in NPM and explains that incentives have been linked to performance by employees. The New Public Management movement's focus according to Fourie (2012:130), does not end with the human resource level, but includes organisational performance. Cameron & Sewell (2003:243) indicate that performance management was initially developed in the private sector and adopted by the public sector as a primary tool to improve service delivery. In the South African Local Government, the first evidence of performance management was seen in full recognition of the application value thereof with the publication of the White Paper on Local Government (1998) which proposed the introduction of performance management systems to municipalities as a tool to ensure developmental local government. This was followed up in 2001 with the Performance Management Guide for Municipalities and the General Key Performance Indicators for Local Government (2001). Miller (2005) provides the three main reasons why performance management has been introduced in local government. The first objective was to provide an objective measure to assess manager's performance. The second objective was to determine whether managers were performing their functions effectively. Thirdly, it was intended to improve the political-administrative interface between politicians and senior management (Miller, 2005:191). Performance management is an intricate matter that is snatched within the government to ensure that the sector performs to the best of its ability. Without doubt, performance management cannot be ignored as such if

service delivery is to be improved in the public sector (Kanyane & Mabelane, 2009; Manyaka & Sebola, 2012).

## **2.5. ORGANISATIONAL PERFORMANCE MANAGEMENT**

Mothae (2008:825) defines organisational performance as the sum total of the performances of individual employees and teams in an organisation as well as the performance of organisational systems and sub-systems. This is understandable because Van der Waldt (2012:217) states that performance management focuses not only on individual employees, but also on systems, processes, programmes, and the organisation as a whole. It can therefore be argued that organisational performance takes a wider institutional perspective as far as the input (resources), processing (systems, procedures, methods, policies, administration, etc.), output (services and products), and outcomes (results of output) of public institutions are concerned. It refers to any integrated, systematic approach to improving organisational performance to achieve strategic aims and promote an organisation's mission and values (Salem, 2003). However, organisational performance management can serve two different functions namely, intra-organisational performance management and extra-organisational performance management. These two different functions are briefly discussed below.

### **2.5.1. Intra-organisational performance management**

According to Mackie (2008:2), there are appropriate internal controls or measures to monitor the extent to which the organisation (and its sub-units) is achieving what it is supposed to achieve. This requires the organisational management to periodically review and evaluate performance standards attained and performance trajectories, taking corrective action as appropriate where deviations from the desired standards are

detected. Intra-organisational performance management systems are not designed to measure beyond the boundaries of the organisation (simple measures such as delivery time), and using them to try to do this, over-simplifies the inter-organisational perspective. There is no requirement for an organisation to have an intra-organisational performance management system. However, there is clear evidence that having clarity of purpose and the means to monitor progress towards goal attainment does promote a performance culture in organisations which achieves enhanced organisational performance levels (Folan & Browne, 2005:673).

### **2.5.2. Extra-organisational performance management**

The primary purpose of extra-organisational performance management is to communicate performance for the purposes of governance and accountability to organisational stakeholders including government, funding bodies, audit agencies and the wider public (Mackie, 2008:2). There are requirements, often statutory, for public sector organisations to maintain high standards of corporate governance, accountability and public reporting. This requires systems of extra-organisational performance management (Folan & Browne, 2005:673).

## **2.6. THE PURPOSE OF PERFORMANCE MANAGEMENT**

There are two main purposes that drive performance management, namely operational and cultural purposes.

### **2.6.1. Operational purpose**

Kanyane & Mabelane (2009:62) state that operational purpose helps to lead and control production. For any organisation that exists in a very competitive situation, it becomes more important for employees to have clear guidelines and direction towards the organisation's aims and objectives. Performance management systems helps top management to achieve the strategic business objectives by linking the organisation's

goals with individual goals, the performance management system reinforces behaviours consistent with the attainment of organisational goals (Aguinis, 2011:12). Luthuli (2009:467) also states that the importance of having a performance management system lies in its ability to ensure that there is organisational alignment of effort from the vision and mission, including policy and strategy to organisational and individual performance. According to Venter *et al* (2007:116), a successful PMS should cause a municipality to reassesses how it operates, in light of its priorities and be able to reward good performance. This view undoubtedly underscores the significance of the performance management as a tool for rewarding good performance of municipalities.

### **2.6.2. Cultural purpose**

Kanyane & Mabelane (2009:62) argues that as far as the cultural purpose is concerned the system can feature as part of the overall drive to build a more open relationship with employees that will lead to improved productivity. With regard to cultural purpose the aim of performance management is to establish an organisational performance culture in which individuals and team take responsibility for the continuous improvement of the organisation and of their own skills and contributions within a framework provided by effective leadership (Toppo & Prusty, 2012; Cameron & Sewell, 2003). Performance improvement according to Armstrong (2009:59), is not achievable unless there is effective process of continuous development. However, for PM to realise its developmental purpose, there has to be a coherent and rigorous delineation of the employees who do not perform according to the required standards. In contrast performance management is a continuous and wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges, and focuses on the future. Lee (2005:115) concludes by saying the goals of any performance management system are threefold which are to correct poor performance, to sustain good performance and to improve performance.

## 2.7. PRINCIPLES OF PERFORMANCE MANAGEMENT

It is of critical importance to understand the principles embedded in effective management in an organisation. This is because when a municipality develops its PMS it should be guided by principles in the *Municipal Systems Act, Act No. 32 of 2000*. A *Handbook for Municipal Councillors* (DPLG, 2011:154) states that senior managers need to familiarise themselves with the following principles:

- The municipality must *promote a culture of performance management* among its politicians, and within its administration. According to Ehtesham & Muhammad (2011:79), the key to good performance is a strong organisational culture of performance. A positive and strong culture of performance can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore performance management and organisational culture are counterproductive because the two are interdependent and the change in one will impact the other. In other words, a positive organisational culture can lead to increased organisational performance (Ahmad, 2012).
- The municipality must administer its affairs in an *economical, effective, efficient and accountable manner*. Municipalities must perform their functions in the best possible manner (meaning they must be responsive to the needs of the community) with the least waste of time and effort and also be accountable for the use of resources and achieve the desired results.
- The PMS must be able to serve as an early *warning indicator* for underperformance and provide for corrective measures when underperformance is identified (Manyaka & Sebola, 2012). These helps where municipalities are experiencing difficulties, and enable other spheres of government to provide appropriate support before a crisis develop. However, early warning is not directed at underperformance only, but it also serves as a mechanism to identify where both over and underperformance have occurred.

Underperformance which allows for remedial action such as coaching, counseling and training and over-performance which allows for employee rewards such as promotion and compensation.

- The PMS should be particular to that municipality’s circumstances; it must be commensurate with its resources, it must be suited to its circumstances and it must be in line with the priorities, objectives, indicators and targets contained in the IDP. Meaning the ‘one size fits all’ approach of PMS does not work for all municipalities, as communities have different needs according to their geographical areas (Managa, 2012). Therefore municipalities must develop and implement PMS’s and IDP’s that are in line with the needs of their communities.

## 2.8. PHASES AND STEPS OF PERFORMANCE MANAGEMENT SYSTEM

The Performance Management Guide for Municipalities (2006), proposes the following phases with accompanying steps which municipalities should embark upon to implement Organisational Performance Management System.

**Table 2.1: Phases and steps PMS**

Phases	Steps
Phase 1: Starting the Performance Management Process	<ol style="list-style-type: none"> <li>1. Delegation of responsibilities and clarifying roles</li> <li>2. Setting up internal institutional arrangements</li> <li>3. Managing the change process</li> </ol>
Phase 2: Developing a performance management system	<ol style="list-style-type: none"> <li>1. Current reality</li> <li>2. Identification of stakeholders</li> <li>3. Creating structures of stakeholder Participation</li> <li>4. Developing the System</li> <li>5. Publication of the system</li> <li>6. Adoption of the system</li> </ol>
Phase 3: Implementing performance Management	<ol style="list-style-type: none"> <li>1. Planning</li> <li>2. Priority setting</li> <li>3. setting objectives <ul style="list-style-type: none"> <li>• Setting Key Performance Indicators (KPIs)</li> <li>• Designing a Performance Measurement Framework</li> <li>• Conducting Performance Reviews</li> <li>• Reporting, reviewing and public participation</li> <li>• Training and support</li> </ul> </li> </ol>

(Source: Van der Waldt, 2006:137)

## **2.8.1. Phase 1: Starting the Performance Management Process**

Performance management has become a vital tool within municipalities which assist municipal officials on how work is done and organized. Performance management focuses more on continuous improvement of performance driven by senior management. This phase include clarifying and delegating responsibilities, setting up institutional arrangements and setting up a framework for managing the change process.

### *2.8.1.1. Delegation of responsibilities and clarifying roles*

The *Municipal Systems Act, Act no. 32 of 2000*, places responsibility on council to adopt the performance management system, while holding the executive committee or executive mayor responsible for the development of the system. The executive committee or executive mayor may assign responsibilities to the municipal manager in this regard, but remains accountable for the development of the performance management system. The municipal manager may further delegate the responsibility to another senior manager.

### *2.8.1.2. Setting up internal institutional arrangements*

Organisational structures in municipalities should be organised in such a way as to divide the work into various units, which ultimately could be used to assign tasks to groups as well as to individuals. For effective functional activities to be carried out in a purposeful and goal-oriented manner, municipalities must have flatter, leaner, strategic based, quality-focused, flexible, and more responsive organisational structures (Mofolo, 2012).

### *2.8.1.3. Managing the change process*

According to Mofolo (2012:22) one of the fundamental requirements of change is for senior officials in municipalities to realise that change is costly, arduous and intellectually demanding as it affects the whole organisation. The implementation of a

performance management system represents a major organisational change and it is important that organisational leaders champion this change and provide ongoing support to the process (Hildebrand, 2007:21). A performance management system is seen as a useful tool to drive organisational change. Once the new organisational direction is established, performance management is used to align the organisational culture with the goals and objectives of the organisation to make change possible. Employees are provided with training in the necessary skills, and are also rewarded for improved performance so that they have both the knowledge and the motivation to improve product quality and customer service (Aguinis, 2005:23).

## **2.8.2. Phase 2: Developing a performance management system**

When developing performance management system, managers need to recognise that performance management does not provide answers; but it simply provides information for them to determine the answers that are appropriate in their situation. It is not a substitute for good management, but it is a remarkable asset to those who want to manage well (Mark, 2012:15). Therefore municipalities need to adhere to the following steps in developing a performance management system.

### *2.8.2.1. Current reality*

Pulakos, Mueller-Hanson, O'Leary & Meyrowitz (2012) argues that an important first step in building a performance management system is to assess where the municipality currently stands. For example does the municipality already have a performance management system that values excellence, strives for success, seeks feedback, and embraces continuous learning and development? The second step is to evaluate the extent to which both managers and employees currently engage in effective performance management behavior. Municipalities that already embrace a high-performance culture, employees will more readily understand these concepts, making changes in behavior easier to achieve. Municipalities that do not have a performance mindset will require more time and effort before they are able to demonstrate significant improvements in behavior.

#### *2.8.2.2. Identification of stakeholders*

Chigona, Roode, Nazeer & Pinnock (2010:40) define a stakeholder for an organisation as any group or individual who can affect or is affected by the achievements of the organisation's objective. Once agreements are accomplished between the stakeholders, dynamics of the PMS have been identified and agreed upon with mutual consensus and consultations, then is time for the actual performance of the agreed job. Actions are taken in accordance with the practice of the performance agreement, and personal agreement plan as individuals keep on with their daily work and their intended learning activities (Armstrong, 2001).

#### *2.8.2.3. Developing the System*

The development and design of a performance management system serves as a performance intervention that will improve the performance of the employees in critical areas of the organisation. What is required is to identify performance technologies or interventions from the set of solutions in the preceding stage that will lead to better results. Some consideration must be made when selecting performance interventions. These include verifying alignment and defining the roles responsibilities and partnership. The performance technologies are expected to improve the performance of the employees if properly designed and developed. Successful performance improvement initiatives rely on the support and commitment of key individuals within an organisation as well as external partners (Esu & Inyanga, 2009:102).

#### *2.8.2.4. Publication of the System*

Performance Management Guidelines for Municipalities, 2001 following an assessment of all the available Performance Management System models and frameworks, municipalities need to develop their own or adopt a system that suits their circumstances. The municipality may publish the system in the local media for public comment. The publication needs to be for a short period.

### **2.8.3. Phase 3: Implementing performance Management**

The actual implementation of the performance management system would be most appropriately placed in the office of the municipal manager (De Visser, 2001). Therefore municipalities need to empower senior managers to drive the performance management process with attentiveness. The following steps are also vital in the implementation process of performance management.

#### *2.8.3.1. Planning*

Each municipality is responsible and accountable for its planning process. As such, a municipal IDP should be a clear manifestation of prioritized communal needs that require urgent attention from the local government. IDPs are local planning processes that are intended to give strategic direction to the work of municipalities (their programmes, projects and budgets) and to activities undertaken by provincial and national government departments operating in their areas (Mautjana & Mtapuri, 2014:475). The municipality's Integrated Development Plan (IDP) is a five-year plan but subjected to annual review, in other words targets are subject to change depending on the demands of the people during the yearly review. This exercise affords the municipality the opportunity to constantly evaluate its performance (Notshikila & Govender, 2014:6).

#### *2.8.3.2. Priority setting*

In this stage of PMS, performance agreements or contracts are established. Expectations from human resources are ascertained, i.e. what an individual has to attain in the form of objectives, how their performance will be measured and competences needed to deliver the required consequences (Qureshi, Shahjehan , Rehman & Afsar, 2010:1857).

#### *2.8.3.3. Setting objectives*

Hildebrand (2007:22) when implementing performance management system the motivation for the implementation should be discussed and clear expectations should be established between the various stakeholders. Municipalities must have clear objectives through the IDP which are able to transform to clear performance indicators for purpose of having targets. It is important for the municipality to know how it is performing at the current moment so as to test whether the chosen indicator is in fact measurable and whether there are any problems associated with it. The priorities and objectives as set out in the IDP lays a foundation for performance targets (Nkuna, 2013:77).

#### *2.8.3.4. Performance review*

This phase covers achievements, growth and difficulties requiring revision upon performance agreement and personal development plan (De-Waal, 2007). Performance review provides a picture of past performance and enable to make plans for future, these reviews not only consider that what has happened in past performance year but also emphasize on why it happened, which make future planning more effective (Qureshi, Shahjehan , Rehman & Afsar, 2010:1858). The review approach must be consistent with the best value review framework of challenge, compare, consult and compete. The framework calls for the municipality to challenge the current level of performance, compare it to others, consult with customers or communities and find ways of competing with others to provide best value in service delivery (DPLG, 2001).

#### *2.8.3.5. Reporting, reviewing and public participation*

Section 46 of the Municipal Systems Act, 2000 stipulates that a municipality must prepare an annual report that reflects a performance report which deals with the performance of the municipality during the financial year and comparison between performance targets and performance in the previous financial year. The development and service delivery priorities and the performance targets set by the municipality for the

following financial year; and measures that were or are to be implemented to improve performance. Performance reports must explain past performance and highlight future plans. The information in the annual report must be in a simple and accessible format, relevant and useful to the specified target group, for review (DPLG, 2001). Draai & Taylor (2009) argues that the aim of public participation is to establish communication links among, ward committees, public officials and communities that allow for relationship building to facilitate insight into the need for development as well as the monitoring and evaluation. Communities must be engaged from the planning to the implementation and evaluation phases of a particular activity or project, to ensure the transfer of skills, knowledge and ownership of the process to local people.

#### *2.8.3.6. Training and Development*

Every employee is required to have an individual learning plan (ILP) that is prepared at the end of the formal performance review. These plans should form a key part of the skills development planning process. ILPs provide an opportunity for Managers/Supervisors and employees to jointly identify training and development needs in order to improve job performance and support individual development. The ILP, which must be completed annually, records the actions agreed on to improve performance and develop skills and competencies (Human Resources Policy Conference, Salga 2003). Training and development helps to ensure that organisational members possess the knowledge and skills they need to perform their jobs effectively, take on new responsibilities, and adapt to changing conditions (Okotoni & Erero, 2005).

## **2.9. KEY COMPONENTS OF PERFORMANCE MANAGEMENT IN LOCAL GOVERNMENT**

There are five key components which must be taken into consideration when performance management is practiced, especially in municipalities. Those components are leadership, motivation, attitudes, skilling through training and rewards.

### 2.9.1. Leadership

Leadership is commonly seen as an important variable affecting organisational performance. Leadership produces change and includes establishing direction through visioning, aligning people with the vision and strategies and motivating and inspiring staff. Leaders must make job expectations clear but must also ensure that employees understand what is expected from them. Above all, leaders must listen and act on employee opinions (Pakard, 2012). Craythorne (2003) point out that without leadership there cannot be development, because leaders influence people to achieve goals in their best interest and they are trusted in facilitating transformation in the minds and heart of people. Mothae (2008:829) argues that the need for municipal officials to be leaders in their own work territories is necessary to ensure a culture of learning, influencing and managing changes that are brought by and necessitate transformation processes in municipalities. Therefore it is very important to develop leadership and instill leadership skills in most if not all municipal officials if the notion of performance management is to be effective in municipalities.

### 2.9.2. Motivation

Motivation is generally regarded as the most important components of leadership. Management should be able to get personnel to work together to achieve the objectives of the institution. Activities have to be carried out and managers have to motivate personnel to take action. Personnel need motivation to achieve an acceptable level of performance. Motivation is therefore what causes, channels and maintains human behavior. Management should have a basic understanding of the reasons for human conduct in order to influence people's actions (Van der Waldt & Du Toit, 2007). Behn (2003) argues that managers **can't** motivate people to do something they **can't** do; managers **can't** motivate people to affect something over which they have little or no influence; managers **can't** motivate people to produce an outcome they do not themselves produce The importance of motivation must not be underestimated,

particularly in the attainment of organisational objectives. When employees are treated reasonably and well-motivated, they will always act in a reasonable and motivated fashion. Therefore this motivation to duty can only be achieved if the local government is administered by motivated, highly qualified, competent, dedicated and experienced staff that is also believed for their sense of integrity and commitment to their assigned responsibilities (Abbass, 2005). There are different theories that try and help to explain motivation in the workplace. These theories include Self-Determination Theory, Expectancy-Value Theories, Maslow's need-hierarchy theory and the goal-setting theory.

#### *2.9.2.1. Self-Determination Theory*

In Self-Determination Theory different types of motivation based on the different reasons or goals that give rise to an action are distinguished. The most basic distinction is between intrinsic motivation, which refers to doing something because it is inherently interesting or enjoyable, and extrinsic motivation, which refers to doing something because it leads to a separable outcome. When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures, or rewards (Ryan & Deci, 2000). Both intrinsic motivation and extrinsic motivation are important for performance of municipal tasks. Thus creating a working environment where municipal employees handles the work tasks well, has good relations with colleagues and superiors, and where they can influence the workplace to be conducive (Sonstad, Lindkvist, Moland, Chimhutu & Blystad, 2012).

#### *2.9.2.2. Expectancy-Value Theories*

Expectancy theory is a cognitive process theory of motivation that is based on the idea that people believe that there are relationships between the effort they put forth at work, the performance they achieve from that effort, and the rewards they receive from their effort and performance. In other words, people will be motivated if they believe that

strong effort will lead to good performance and good performance will lead to desired rewards. Therefore, the growing recognition of expectancies and incentives as determinants of motivation resulted in what is known as expectancy-value theory (Lunenborg, 2011). Evaluating municipal official's performance at work can influence their perception of their own person, their competencies, abilities or self-esteem in making the work effort. Municipalities could influence the expectancy level through organising work in such a manner as to allow competence development, training programs or internal mobility. If a civil servant believes he or she has reached an outcome that equals performance but the performance measurement is poorly done in the public institution, he or she will decide not to put so much effort in work in the future because has no recognition of his or her merits (Suciu, Mortan & Lazar, 2013).

#### *2.9.2.3. Maslow's need-hierarchy theory*

According to Maslow (1943), employees have five levels of needs namely; physiological, safety, social, ego, and self-actualizing. The physiological needs include food, water and shelter. Safety needs includes the need to feel free from threats and protected against all dangers. Social needs include love, affection, friendship and sense of belonging. Esteem needs consists of the needs for self-respect and for expressions of respect and appreciation from others. Self-actualization includes the need to realize one's potential, to be all that one is capable of being. Maslow argued that lower level needs had to be satisfied before the next higher level need would motivate employees. If this need group is not satisfied then an individual will not be motivated by other need groups further up the hierarchy (Fiore, 2013). According to Kaur (2013:1061) if people grew up in a municipal environment in which their needs are not met, they would be unlikely to function as healthy employees. Therefore municipalities must encourage working practices which are economical, effective and efficient.

#### *2.9.2.4. Goal-setting theory*

Locke & Latham (2013) state that goal setting theory is a theory of motivation that explains what causes some people to perform better on work-related tasks than others. Goal-setting theory has had a substantial impact in the field of work motivation. It is suggested that people's goal representations are the efficient causes of behavior and that people's performance will be maximized when they set specific, difficult goals that have high valence and they understand what behaviors will lead to the goals and feel competent to do those behaviors (Gagne & Deci, 2005). Furthermore, official can do better when they get feedback on how well they are progressing toward their goals as feedback identifies discrepancies between what have they done and what they want to do (Saif, Nawaz, Jan & Khan, 2012).

#### **2.9.3. Attitudes**

Mohammadi, Norazizan & Ahmad (2010:581) assert that attitude is one of the most important and effective factors for employee performance. If employees develop attitudes toward others and things based on the benefits they could obtain while those activities assuming to increase benefits will be positive support and activities assuming to be costly will tend to be perceived negatively. Kanyane & Mabelane (2009:66) also emphasise that employees' characteristics such as the ability to solve job-related problems and interpersonal skills are important, because they affect the employees' ability to fulfil job requirements as well as their motivation to exert effort towards job requirements. The most obvious employee characteristic that must be measured is employee performance, the degree to which an employee accomplishes work requirements. Therefore municipalities must focus on measures which are believed to improve employee's attitude.

#### **2.9.4. Skilling through training**

A major weakness of the local governments has always been focused on the sources of revenue without due consideration on the conditions and capacities of their staff. Hence, personnel weakness in the local government is due to general lack or inadequacy of sufficient number of trained staff that has constituted serious threats to local government. This widespread problem has therefore, “made the operation of the local government not only difficult but impossible” (Abbass, 2005:133). Managa (2012) point that lack of expertise has left many municipalities inadequately staffed, resulting in deteriorating service delivery over the years, and leaving many communities with inadequate access to basic services. According to Koma (2010:115) 31% of municipal managers in South Africa have qualifications other than those related to finance, legal, public administration, planning and development and 28% of chief financial officers do not hold finance related qualifications. Equally, 35% of technical managers are without engineering qualifications. This state of affairs could clearly impact negatively on the performance of municipalities as these senior municipal executives are expected to provide expert views and opinions to the political structures and political office-bearers operating within municipalities such as mayoral committees, the executive mayors and mayors. Kanyane (2006:116) notes that weak leadership in strategic management including shortage of skills to implement financial management; legislation; misplacement of skills within municipalities; political considerations in appointments of senior managers without required qualifications; had tremendously weakened the performance of municipalities.

The senior management competency framework (Department of Treasury, 2010) provides for eleven generic managerial competences namely strategic capability and leadership; programme and project management; financial management; change management; knowledge management; service delivery innovation; problem solving and analysis; people management; client orientation and customer focus; communication and accountability and ethical conduct. Thus, it is envisaged that the adoption of more standardised criteria for employing executives in municipalities will improve the overall capacity of municipalities to fulfill their legislated obligations.

(Lunenburg, 2011) argues that senior managers should increase the belief that they are capable of performing the job successfully. Ways of doing this include, having required skills and knowledge; be provided with the required training and clarify their job requirements; be provided with sufficient time and resources; and make attempt to alleviate problems that may hinder effective performance. In essence, senior management need to make the desired performance attainable. Chelechele (2009:47) contends that the training of public servants is extremely important because it plays a critical role in equipping **public servants** with the necessary skills, knowledge and competencies which are vital for them in the effort to deliver effective and efficient service. Therefore proper training and development of **public servants**, through quality skill development practices, are essential towards improving organisational performance and the capacity of employees to deliver high quality services to the public.

#### **2.9.5. Reward**

It has been long recognised that reward systems are used to motivate individuals to align their own goals with those of the organisation and that desired behaviours that are not rewarded tend to be neglected (Ferreira & Otley, 2009:273). Rewards are typically the outcome of performance evaluations and as such according to Molofo (2012:75) performance management system should be used as a tool or measure to reward performance in various ways; for example, financial rewards or recognition of achievement should be used in municipalities. The reward system also has an important role to play in aligning interests by motivating employees to achieve strategic goals. Through distributing rewards to better performers, local governments can achieve higher staff retention, as well as providing more incentives for employees to provide higher quality services. Employees will feel valued if they are equitably compensated for their efforts. Without a link between performance and rewards, poor performers may not be motivated to improve (Baird, Schoch & Chen, 2012:165). Leaders should try to increase the belief that good performance will result in valued rewards. Ways of doing so include: measure job performance accurately; describe clearly the rewards that will

result from successful performance; describe how the employee's rewards were based on past performance; provide examples of other employees whose good performance has resulted in higher rewards. In essence, leaders should link directly the specific performance they desire to the rewards desired by employees (Lunenburg, 2011).

## 2.10. Figure 2.1: THE ORGANISATIONAL PMS CYCLE



**(Source: MCLM: Integrated Performance Management Framework and Policy 2003).**

The diagram indicates the conceptual approach of related organisational performance management cycle. Primarily the cycle is applied to individual processes, yet its components lie at the heart of performance management as they integrate performance

planning, performance monitoring and reporting, performance review as well as performance auditing to ensure continuous improvement and achievement of service delivery objectives. These four steps of the organisational cycle are discussed below.

#### *2.10.1. Performance planning*

At an organisational level, the IDP forms the basis for performance management as it provides the broader perspective of what the municipality aims to achieve, and is linked to organisational targets and indicators which will be monitored, measured and reported on. The annual review of the IDP forms an important part of the performance planning process as it results in new or reviewed set of targets and indicators for the following financial year (PMS Framework, 2010). The planning phase is crucial in every organisation and 80% of time and effort should be allocated to this phase. If the focus is on inappropriate aspects of the organisation (i.e. the goals do not contribute to long-term strategy achievement and stakeholder requirements), none of the subsequent phases will be worthwhile. If the focus is inappropriate, it often leads to demotivation, lack of credibility and failure of the business (Callaghan, 2005).

#### *2.10.2. Monitoring of PMS*

Ammons (2012:11) argues that performance reporting basically serves as the backbone of performance measures for purposes of internal and external accountability while monitoring means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals. In order to maintain, sustain and continuously improve municipal services, performance should be monitored to ensure that implementation is done according to what is planned. Such monitoring should not only focus on financial performance but should also include non-financial performance, such as people, systems and policies. Performance measures and indicators serve as important vehicles in the monitoring process. Monitoring and evaluation depend on the availability of timely and relevant information Venter *et al* (2007). Monitoring provides policy-relevant knowledge about the consequences of adopted policies or programmes, thus assisting policy-makers in the implementation phase. It helps to assess the degree of compliance, discover unintended

consequences, identify implementation obstacles and constraints and locate sources of responsibility (Dzimhiri, 2008).

### *2.10.3. Performance reviews*

This is the more formal evaluation stage where performance review over the specified period takes place in which achievements, performance agreements and development plans are analysed and can lead to performance ratings (Aslam & Sarwar, 2010:7). Van der Waldt (2004:347) defines performance review as a process during which the organisation, after measuring its own performance, assesses whether it is doing the right thing, doing it right and better or not. According to Nzimakwe (2012:148), performance reviews has a critical role to play in performance management because they can be utilised to determine whether or not the PMS is succeeding or failing. Qureshi *et al* (2010) contend that performance review provides a bigger picture of past performance and enable to make plans for the future, these reviews not only consider that what has happened in past performance year but also emphasise on why it happened, which make future planning more effective.

PMS relies on performance reviews to make decisions on performance related pay, as well as individual or team development plans (Dzimhiri, 2008). Although performance management is a continuous process it is still useful to have formal review once or twice yearly. This provides a focal point through which the five primary performance elements of agreement, measurement, feedback, positive reinforcement and dialogue can be put to good use. It leads to the completion of the performance management cycle by informing performance and development agreements (Armstrong, 2009). The Performance Management guidelines for Municipalities (2001) states that it is very important that the municipal manager and his or her management team review performance more often, such that they can intervene promptly on operational matters where poor performance or the risks occur.

#### *2.10.4. Performance audits*

Callaghan (2005:9) confirms that once performance management has been implemented and is in place for a period of time, it needs to be evaluated in terms of effectiveness and efficiency. Performance auditing is focused on the efficiency and effectiveness, or value for-money aspects of public activities. Performance auditing in the local government context may be substantially more decision relevant than financial auditing for evaluating the efficiency, reliability, equity and transparency of public sector organisations in their service provision (Johnse, Robertsen & Asland, 2004). In order for the performance management system to be considered credible and legitimate by the public and other stakeholders, performance reports, particularly the annual performance report, must be audited. Therefore the performance audit needs to examine the following (Waring & Morgan, 2007:324):

- the economy of administrative activities in accordance with sound administrative principles and practices, as well as management policies;
- the efficiency of utilisation of human, financial, and other resources, including examination of information systems, performance measures and monitoring arrangements, and procedures followed by audited entities for remedying identified deficiencies; and
- the effectiveness of performance in relation to achievement of the objectives of the audited entity and audit of the actual impact of activities compared with the intended impact.

The auditor's report should clearly indicate whether the goals set have been achieved in an economic and efficient manner. Above all, performance audit in a municipal context must also provide possible areas for improvement to the attention of management, and to encourage management to take the necessary corrective measures to improve its management practices (Mpehle & Qwabe, 2008:261).

## **2.11. CONCLUSION**

This chapter provided a brief review of the existing literature that represents issues of performance management with regard to municipalities in South Africa. From what has been collaborated above, performance management cannot be ignored as such if service delivery is provided in the public sector. Performance Management System is linked to municipal vision, missions, values and strategic goals to divisional, departmental and individual goals, objectives and tasks or targets. It can be concluded that performance management system be used to ensure that all parts of the municipality work together to achieve the goals and the service targets that are set. It is also clear that municipalities need to demonstrate that public money is spent in accordance with their mandates and that quality services are rendered to communities. Therefore it is in the public interest to ensure that this sphere of government which is closer to the community perform their assigned roles efficiently and effectively. The forthcoming chapter will focus on performance measurement in local government, this will include among others the rationale for performance measurement; types of performance measures and approaches of performance measurement.

## **CHAPTER 3**

### **PERFORMANCE MEASUREMENT IN LOCAL GOVERNMENT**

#### **3.1. INTRODUCTION**

The previous chapter presented an overall introduction of performance management in local government. The legislative framework governing performance management, conceptualisation of performance management, historical background of performance management system, the organisational performance management, the purpose of performance management, principles of performance management, phases and steps of PMS, key components of PM and the PMS cycle were provided discussed. Therefore this chapter will focus on performance measurement in local government; this will include but not limited to, an overview of performance measurement, the rationale for performance measurement, types of performance measures and approaches of performance measurement. It is important to emphasise that measuring performance is a compulsory task as it allows municipalities to have a record of current organisational activity in order to judge their progress and help refocus their strategy.

#### **3.2. AN OVERVIEW OF PERFORMANCE MEASUREMENT**

There is no one best approach to performance measurement (Pulakos, 2004). As a result, each municipality needs to develop an approach that fits with its institutional arrangements, its political and administrative traditions, its size and organisational capabilities, its current environment and issues and, not least important, what it can afford (Thomas, 2006). Padovani, Yetano & Orelli (2010) highlights that performance measurement can be used for different purposes and there is no single performance measure appropriate for all purposes (evaluation, control, budgeting, motivation, promotion, celebration, learning, improving). Performance measurement helps to improve municipal performance in local service delivery. It helps to set targets and allows those targets to be monitored effectively. Managers can be alerted to situations

that should be improved or that might be copied by other parts of the municipality. Improvements in performance often occur simply by setting clear, measurable performance targets.

Manila (2003:2) argues that measuring municipal performance means assessing how well a municipality performs when delivering goods and services to the public. The performance measures often include the volume, quality, efficiency and outcomes of providing these goods and services. Fourie (2012:136) indicates that successful performance management depends on the ability to measure actual achievement against a predetermined goal or objective. Moreover, the goal has to be achievable and realistic. Performance measurement should inform and guide the decision-making process, especially when the process and measures are communicated openly, honestly, on a regular basis, and in a comprehensible manner (Fourie, 2012; Mweemba & Malan, 2009; Holzer & Yang, 2004).

According to Van der Waldt (2004:346), performance measurement is essentially the process of analysing the data provided by the monitoring system in order to assess performances. Performance measures support planning and budgeting systems by providing objective information on the condition of facilities, program and services. They support the monitoring of contract to ensure that promises to the communities are kept. Dzimhiri (2008:47) point out that PMS relies on performance reviews to make decisions on performance related pay, as well as individual or team development plans, and further states that it is a process for measuring outputs in the form of delivered performance compared to expectations expressed as objectives, targets, standards and performances indicators.

### **3.3. THE RATIONALE FOR PERFORMANCE MEASUREMENT**

Mark (2012:14) emphasises that performance measurement is essential to performance management because it brings all the stakeholders to the same table and focuses their

attention on the same goals. The aim of performance measurement is to address the issues of accountability and organisational performance. There are two general ways that performance measurement is expected to be deployed according to Hildebrand (2007:8), first, it is intended as a key part of rendering public organisation's and governments accountable and as well, performance measurement is intended to have an impact on the efficiency and effectiveness of organisations and their programs and services.

### **3.3.1. Accountability**

Management is all about being accountable and able to achieve the required or expected performance (Luthuli, 2009). Public, or external, accountability is the notion that governments must answer to their citizenry to justify the use of public resources; internal accountability refers to the notion that departments must report to their directors to justify the decisions made and the strategies followed (Hildebrand, 2007). Manila (2003) is of the idea that a performance measurement system that is developed for accountability purposes is typically oriented toward reporting on the efficiency and economy in municipal operations. But beyond making information available, the expected outcomes of the public accountability objective are not always clear (as compared to internal accountability).

### **3.3.2. Improving Performance**

Halachmi (2002) confirms that performance measurement for performance is all about exploring and learning from experience. Measurement systems that support performance improvement tend to set the measurement activities within a broader framework for results management. Performance improvement is linked to the strength of the organisation's human resource management systems, particularly its capacity for innovation, reflection and learning (Manila, 2003).

### **3.4. TYPES OF PERFORMANCE MEASURES**

Performance measures may be divided and categorised into different ways (Ammons, 2007). There are three performance measure applied in local government namely, output measures, efficiency measures and outcome measures. These three are the key measures most appropriate in improving performance in municipalities.

#### **3.4.1. Output (workload) measures**

An output refers to the measurable results achieved by individuals according to the level of performance they demonstrate in carrying out their tasks (Itika, 2011). Melkers & Willoughby (2005:163) define outputs measures as the quantity of services provided or the quantity of service that meets a certain quality requirement. (For example, the number of lane miles of road repaired). Comparing output from year to year provides an indication of growing or declining demands for a given service. More important, output numbers are often critical ingredients in the calculation of higher order measures that hold greater value for managerial and policy decisions (Ammons, 2007). Outputs are extremely difficult to measure and in most cases; indirect measures can be used, such as the number of meetings held and documents produced (Noordegraaf & Abma, 2003).

#### **3.4.2. Efficiency measures**

Efficiency refers to reduction in waste and improving use of resources such that the same amount of inputs produce more output (Homayounizadpanah & Baqerkord, 2011). Measures of efficiency report the relationship between resources used and services produced. Sometimes this relationship is expressed in terms of unit cost, for example, cost per complaint processed, cost per license issued (Ammons, 2007). The measurement of efficiency requires qualitative information on costs and outputs of public service provision. Therefore efficiency measures are more difficult in the public sector since a large bulk of the services provided are typically intangible. These measurement difficulties are even more pronounced for cross- country comparisons,

although they are possible to overcome for some sectors (Curristine, Lonti & Joumard, 2007).

### **3.4.3. Effectiveness (outcome) measures**

Effectiveness refers to the extent to which an activity or programme achieves its intended objectives (Sing, 2003:132). Effectiveness (outcome) measures are indicators that show how well a program or service is achieving its mission, including quality, cycle, and customer satisfaction. Effectiveness measures are commonly used because they assess service quality and service results based on citizens' and service users' perspectives. These measures are often referred to as effectiveness measures and they also provide vital information for what works and what does not work, and under what conditions (Ewoh, 2011). Ammons (2007) an integrated performance management system requires the use of both output and outcome measures. Chan (2004) argues that outcome measures are more important than output measures, as they provides insight on the ability of municipal governments to better serve their customers, which is the key success factor for for-profit businesses.

## **3.5. APPROACHES OF PERFORMANCE MEASUREMENT**

The success of every organisation depends on many factors, among others is a performance measurement approach that an organisation uses to measure and manage the performance of its employees (Behn, 2003). Performance measurement approaches are tools to improve organisational performance and competitiveness in business life. They are used as a reference or measurement standard for comparison of employee performance against the set objectives or targets. Therefore, these approaches are crucial because they are capable of changing the behaviour of employees through measurement, feedback, and learning (Sajjad & Amjad, 2012).

### **3.5.1. The Balanced Scorecard Approach**

According to Verweire & Van den Berghe (2004:7), the balanced scorecard approach was introduced in the early 1990s as a way for private sector companies to describe the essentials of what they do. Mackie (2008) defines the Balanced Scorecard as a set of measures that are directly linked to the organisation's strategy. The scorecard allows managers to evaluate the organisation from four perspectives: financial performance, customer knowledge, internal business processes, and learning and growth. According to Manila (2003:5) the balance scorecard approach covers the quality and efficiency of providing municipal services, but it broadens the range of measures by attempting to link short-term operational control in the organization to the long-term vision and strategy for success. Many municipal systems examine administrative performance, while others measure governance processes and citizen satisfaction with services. However, the Performance Management Guide for Municipalities (DPLG, 2001) state that in measuring performance municipalities need to look at inputs (resources, financial perspective), outputs (results, service delivery perspective) and also the outcomes (impact, customer satisfaction, growth, quality of life).

### **3.5.2. Performance Benchmarking**

Manila (2003:6) argues that performance benchmarking is another approach to defining municipal performance. Benchmarking is understood to mean a comparison with the best in the same class or across sectors from the best in business (Fourie, 2012) Municipalities often compare their current performance with historical performance, or against their own established targets. Many will compare themselves to other similar municipalities or to national or international standards for performance in particular service areas.

### **3.5.3. Management by Objectives (MBO)**

MBO is a systematic approach which allows the managers to know what is being expected from them. In other words it focuses on manager's performance (Thomson, 1998). At the end of performance period manager's performance is assessed whether his or her assigned objectives are achieved or not. On the basis of this assessment, decisions are made regarding reviewing objectives, setting new targets and developmental needs of employee for next performance period (Aslam & Sarwar, 2010).

### **3.5.4. Performance Prism**

Carlucci, Marr, & Schiuma (2004) defines performance prism as a tool to assist management teams to influence their thinking about the key questions that need to be asked for designing their performance measures and management systems. Neely, Adams & Crowe (2001) state that performance prism system was developed by a team of experienced researchers and consultants in performance management area and it consists of five interrelated facets, such as Stakeholder satisfaction, Strategies, Processes, Capabilities and Stakeholder contributions. Performance prism builds on the strengths of existing measurement system on shareholder value and brings innovation based on free premises. Striteska & Spickova (2012) points out that in the first place, the organisation's should think about the wants and needs of all of their key stakeholders as well as how to deliver value to each of them. Secondly, organisation's having to harmonise and integrate strategies, processes, and capabilities in order to deliver real value to its stakeholders.

### **3.5.5. Performance Pyramid**

Wedman (2010) defines the performance pyramid as a framework for ensuring that employee's needs assessment addresses each component's underlying performance. Salem, Hasnan & Osman (2012:4) the performance pyramid was introduced by Cross and Lynch in 1992. It focuses on the linkage of organisation's strategy with its

operations within four levels, which seem to fit into each other in the achievement of objectives. According to Stefan (2004:726) the development of municipalities performance pyramid starts with defining an overall corporate vision at the first level, which translated into specific business unit objectives. The second level is concerning the setting of short-term targets and long-term goals. The business operating system links top-level to day-to-day operational measures. Finally, four key performance measures (quality, cycle time, delivery, waste) are used at departments and work centers on a daily basis. Although the Performance Pyramid includes financial and non-financial measures, also it considers the integration of corporate objectives with operational performance indicators.

### **3.5.6. Logic Model**

The logic model, according to Randall (2005:61) is a system for integrating strategic management and performance measurement designed for government. It is essentially a program-based measurement tool that forces planners to define inputs, activities, outputs, and outcomes. For municipal performance, the logic is often simply that municipalities use resources to deliver goods and services that will benefit people in local communities. The logic model articulates short-term and long-term goals for performance and builds causal links among budgets, planned activities and expected results (Bracegirdle, 2005:6).

### **3.5.7. The performance model**

Bourne, Neely, Mills & Platts (2003:8) state that the concept of performance model has been developed by Kaplan and Norton with an idea that the performance model is based on the concept that senior managers have in their minds a set of beliefs about how the business operates and how performances in different parts of the business interact with each other. The process for creating such a business model involves facilitating the senior management team through a review of their business strategy by

asking two questions which are what is the objective to be achieved and how the objective is achieved (Norton, 1997).

### **3.6. PERFORMANCE RATING TECHNIQUES.**

Municipalities rely on a combination of assessment methodologies when measuring performance. Most municipalities recognize the value of self-assessment especially as a consensus building exercise within strategic processes. While fairness in data collection remains an important issue (Manila, 2003). However, there is much confusion of purposes of which ratings are made. Ratings are done in order to (a) provide a basis of for administrative actions, such as promotion, pay raises and termination and (b) to help supervisors in their job of striving for optimum employee performance. The current practice of employing a common form and rating standards for both purposes at once tend to produce poor results for each (Beck, 1961). These rating techniques include but not limited to, 360 Degree, self-evaluation, critical incidents and behaviour anchored method.

#### **2.6.1. 360 Degree**

Aggarwal & Thakur (2013:618) state that the 360 degree is a popular performance appraisal technique that involves the evaluation of inputs from multiple levels within the organisation as well as external sources. That is a 360 degree feedback relies on the input of an employee's superior, colleagues, subordinates, sometimes customers, suppliers and/or spouses. It provides people with information about the effect of their action on others in the workplace. It provides a notion of behavioral change might be elicited through a process of enhanced self-awareness. A 360 degree process is most often used as an assessment tool for personal development rather than evaluation and experts warn that linking 360 degree feedback to administrative actions such as selection or pay could skew the feedback and become detrimental to the process (Luthans & Peterson, 2003).

### **2.6.2. Self-evaluation**

Dean (2002:35) argues that a very important part of performance management is self-evaluation by individuals. Self-appraisals provide employees with the opportunity to systematically assess their performance. Employees can self-evaluate by completing their own appraisal and presenting the draft for discussion with the manager or can review a draft of the manager's appraisal. The self-appraisal process is improved significantly if clear performance standards are used, the employees are experienced and trust level are high (Roberts, 2003:91).

### **2.6.3. Critical incidents.**

Lunenburg (2012:5) argues that the critical incidents technique begins by identifying job requirements for successful performance. The manager keeps a log, for each subordinate, of both effective and ineffective incidents of on-the-job behaviors. The incidents are then analysed and refined into a composite picture of the required essentials in a particular job. From this a checklist is developed, which constitutes the framework against which the subordinate is evaluated. During the evaluation conference, the manager can refer to the critical incidents to correct work deficiencies, identify training needs, or praise successful performance. This technique is used to assess what constitutes good or poor performance by analyzing events that have been observed to have successful or unsuccessful outcome unlike simply listing tasks and guessing performance requirement (Armstrong, 2009).

### **2.6.4. Behavioral anchored method**

Chukwuba (2001:4) argues that behavioral anchored method focuses on the worker's behaviors. That ranking leadership ability, the rater asked to assess behaviors (for example, works well with coworkers, comes to meetings and work on time). In one type of behavioral instrument, Behavioral observation scales, supervisors record how frequently the various behaviors listed on the (Gomez-Mejia, Balkin & Cardy, 2001).

## **2.7. THE STATUS OF PERFORMANCE OF SECTION 57 MANAGER'S**

The Section 57 managers in municipalities are under constant pressure to improve the performance and the quality of service delivered. Municipalities need to demonstrate that public money is spent in accordance with their mandates and that quality services are rendered to communities (Van der Waldt, 2004). The main components of the municipal PMS according to Kambuwa & Wallis (2002) include setting indicators, including outcomes and impact, linked to the municipal IDP, setting measurable targets, undertaking performance monitoring, review, performance improvement and regular reporting of performance management for senior managers. The PMS cannot exist in a vacuum and must be in line with the IDP. The IDP is a prerequisite in order for the PMS to fulfil a key role in promoting better implementation. In municipalities the Performance Management System is integrated with the performance contracts and agreements for officials and has been one way of ensuring that services are delivered (Nzimakwe, 2012).

## **2.8. INTEGRATED DEVELOPMENT PLAN**

The Integrated Development Plan (IDP) is a development planning tool and a product of an integrated development planning process (DPLG, 1999). As a tool, it guides and informs all planning, budgeting, management and decision-making in a municipality (Musvoto, Nortje, Murambadoro & Dube, 2012). It is also a tool for local government to achieve coordination in all its activities. IDPs are aimed at assisting municipalities in achieving their developmental mandates and guides activities of municipalities within their areas of jurisdictions. An IDP is a continuous process whereby municipalities prepare 5-year strategic developmental plans. These plans are reviewed annually in consultation with communities and stakeholders (Pillay, Tomlinson & Du Toit, 2006). The IDP is a legally-required plan for development and governance. It starts by defining the municipal vision, then proceeds to identify key developmental objectives, thereafter it has to come up with strategies which later translate into programmes and projects, which are budgeted for, and ultimately implemented and monitored (Nzimakwe, 2012).

## **2.9. THE RELATIONSHIP BETWEEN SDBIP AND THE PMS**

The SDBIP and the PMS provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP and the PMS are management implementation and monitoring tools which will assist the mayor, the councilors, municipal manager, senior managers and the community in evaluating the performance of the council. A properly formulated SDBIP and PMS will ensure that the appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget performance of the senior management and the achievement of the strategic objectives set by council. The SDBIP and PMS enable the municipal manager to monitor performance of senior managers, the mayor to monitor the performance of municipal manager and for community to monitor the performance of the municipality. The SDBIP measures the operational plan, whilst the PMS measures performance at a strategic level (MFMA Treasury Circular 13, 2005).

The SDPIB serves as a basis for performance agreement as the budget implementation aspect of the plan must be linked to the annual performance agreements concluded with the municipal manager and all senior managers. The mayor of a municipality is especially obliged to take all reasonable steps to ensure that the annual performance agreements are linked to the measurable performance objectives approved within the budget and the SDBIP (De Visser, 2008).

## **3.10. PERFORMANCE AGREEMENTS**

Memoire (2012:7) argues that a key characteristic of performance management systems is the use of private sector management ideas. Some of these ideas are the provision of more responsive and efficient services, performance agreements including service standards and greater autonomy and flexibility for managers. Performance agreements define the municipality's performance expectations of section 57 managers. It records the agreed direction and form the basis for measurement, feedback,

assessment and development in the performance management process. Significantly the performance plans which forms an integral part of the performance agreement are informed by institutional outputs and targets as captured in the municipality IDP (Armstrong, 2005).

Section 57 (1)(b) of the *Local government: Municipal Systems Act, Act No. 32 of 2000* requires the municipal manager (who is the head of the administration and the chief accounting officer) and managers reporting to the municipal managers to enter into performance agreement. Sec 57 managers are responsible for administration and consists of the accounting officer, the chief financial officer, all senior managers and any other senior officials designated by the accounting officer. A performance agreement is an agreement between an employer and the employee (a) outlines employer's expectations of the employee's performance and (b) establishes procedures for assessment of the employee performance against agreed criteria (Armstrong, 2005). Therefore this performance management contract holds them accountable to their employer for delivery against key performance indicators (KPIs) that are contained in their performance management contract (DPLG, 2006).

The performance agreement must include the performance objectives and targets that the municipal manager must reach together with the timeframes within which this must happen. These are based on the municipality's IDP. A system for the evaluation of the municipal manager's performance together with the consequences of unsatisfactory performance must also appear in the agreement. Importantly, it is within the council's discretion to determine which consequences apply to substandard performance of the municipal manager (De Visser, 2001).

### **3.11. THE ROLE OF MUNICIPAL MANAGER IN PERFORMANCE MANAGEMENT**

Section 51(i) of the *Municipal Systems Act, Act No. 32 of 2000* contains a paramount principle that should determine the municipality's course in moulding the role of its

municipal manager. It states that the municipality must organise its administration in a manner that enables it to hold the municipal manager accountable for the overall performance of the municipality. This has two consequences:

- The council must have the tools to hold the municipal manager accountable, i.e. to demand explanation and to review his or her performance.
- The municipal manager must have the tools to answer to that accountability; the administration must be managed so that the municipal manager can account for the performance of the entire administration.

As head of the administration, the municipal manager is responsible, for the formation and development of an economical, effective, efficient and accountable administration that is equipped to implement the IDP, that operates within the municipality's performance management system and that is also responsive to the needs of the local community to participate in municipal affairs (De Visser, 2001). When Section 51(i) of the Systems Act says that the municipality holds the municipal manager accountable, the responsibility is firstly on the council to hold the municipal manager accountable. This means that the municipal manager's responsibility is subject to the policy directions of the council. Therefore, the municipal manager is not responsible for the policy, but he/she is responsible for its implementation.

### **3.12. ELEMENTS OF PERFORMANCE MANAGEMENT**

Performance management can be divided into three distinct elements that are linked to each other both conceptually and practically; selecting indicators, setting targets and taking action to influence scores on the indicators and the extent of target achievement (Walker, Boyne & Brewer, 2010).

#### **3.12.1. Performance Indicators**

Municipalities are required to establish what they want to achieve and indicate the success of their performance management in terms of defined performance indicators

(Fourie, 2012). These are indicators that show the status quo or the current situation. They may indicate the level of poverty, service, infrastructure and so forth. They are usually utilised in the planning phase to indicate the challenges the municipality is faced with. They are important, since municipalities use them to assess whether programmes are indeed changing the situation (DPLG, 2001). Input indicators are used to measure resources, output indicators are used to measure the activities or processes while the outcome indicators are used to measure impact. Municipalities must set key performance indicators, including input indicators, output indicators and outcome indicators in respect of each of the developmental goals. A key performance indicator must be measurable, relevant, objective and precise. The municipality must ensure that communities are involved and that the key performance indicators inform the indicators set to all its administrative units and employees (Craythorne, 2006).

**Table 3.1: Types and Purpose of indicators**

Types of indicator	Purpose
Input	Assess what it costs the municipality to purchase the resources required to provide outputs (economy). Assess whether the municipality achieves more with less (efficiency)
Output	Measures effectiveness, whether the set of activities or processes yields the desired products.  Usually expressed in quantifiable terms.
Outcome	Measures quality as well as the impact of services and products.
Cost, Input, Process, Output & Outcome	Relate to the ingredients, product and effects of organisational processes.
Composite	Developed for each local government function. Combines a set of different indicators into one index.
Baseline	Shows the status quo or the current situation. Usually utilised in the planning phase to indicate the challenges the organisation is faced with (that is poverty, services and infrastructure).

(Source: Craythorne, 2006:122)

Kusek & Rist (2004:65) argue that performance indicators are significant. No monitoring and evaluation activity can be conducted without establishing clearly structured performance indicators. Regardless of what type of tool or technique is earmarked to be

applied in any monitoring and evaluation undertaking, the type and structure of performance indicators remains vital in achieving the set objectives.

### **3.12.2. Performance Targets**

Targets are simply the goals or milestones that the municipality intend an indicator to measure at various timeframes. Performance targets are the planned level of performance or the milestones that a municipality sets for itself for each indicator identified. Targets are usually expressed in terms of quantity or time. For example, if a municipality identifies the number of households connected to electricity as an indicator for an electrification programme, 20 households per week may be the target (Performance Management Guide for Municipalities, 2001). In setting targets it is important for the municipality to know how the municipality is performing at the current moment as to test whether the chosen indicator is measurable, realistic and also whether there are any problems associated with it (Craythorne, 2006).

### **3.13. ROLE PLAYERS IN THE EVALUATION OF ANNUAL PERFORMANCE**

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established:

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

For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted of the following persons must be established -

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

The employee's assessment will be based on his or her performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPA's, which constitute 80 % of the overall assessment result as per the weightings agreed to between the employer and employee (DPLG, 2006). Employees must be assessed based on outputs linked to the following performance areas:

**Table 3.2: Key Performance Areas**

Key Performance Areas (KPAs)	Weighting
Basic Service Delivery and Infrastructure Development	
Municipal Institutional Development and Transformation	
Local Economic Development (LED)	
Municipal Financial Viability Management	
Good Governance and Public Participation	
Total	100%

*(Source: Local Government: Municipal Performance Regulations, 2006)*

In terms of Local Government: Performance Regulation, 2006 the assessment of the performance of employees is based on the following rating scale of KPAs:

**Table 3.3: Assessment of the performance of employees**

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

*(Source: Local Government: Municipal Performance Regulations, 2006)*

### **3.14. REWARDING GOOD PERFORMERS**

Until a system for rewarding better performers is put in place, the PMS will not work. To succeed in PMS, there is the need to ensure that good performance is rewarded and poor performance is punished. When people realise that their performance and efforts have no bearing on their rewards, their enthusiasm to do more is curtailed (Dzimhiri, 2008). The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance. A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance.

In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that a score of 130 % to 149% is awarded a performance bonus ranging from 5 % to 9%; and a score of 150 % and above is awarded a performance bonus ranging from 10 % to 14%. In the case of unacceptable performance, the employer shall provide systematic remedial or developmental support to assist the employee to improve his or her performance (DPLG, 2006). Molofo (2012) states it is important for municipalities to encourage and motivate good performers. They should not focus on poor performance and subsequently take disciplinary action against employees, but rather take actions such as mentoring and developing, as well as encouraging good performance through rewards.

### **3.15. CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEM IN MUNICIPALITIES**

Although performance management in local government is governed by a legislative framework and performance management regulations the actual process of performance management systems in municipalities requires significant improvement. Performance management system has the potential to assist municipalities to address the performance challenges they face. Several challenges of PMS are briefly discussed below.

### **3.15.1. Lack of understanding**

According to Brown (n.d), executives and managers confuse performance appraisal and performance management; it becomes an annual event that looks back at past performance; many officials take PM as a money making tool and others regard it as a threat to their status while it must be an invaluable tool for planning future work performance, behavior and development. Allen-Ile, Lie & Munyaka (2007:409) state it clear that the effective implementation of the PMS may lead to increased workloads for managers, therefore managers need to understand the system as this will enable them to cope, rather than discarding or not supporting it.

According to Lee (2005:115), all performance management systems should be designed to generate information and data exchange so that the individuals involved can properly dissect performance, discuss it, understand it, and agree on its character and quality. Therefore, a good understanding of PMS will have long term benefits for Section 57 managers as they can use it to indicate progress to their communities as well as the challenges that the municipality experiences in the delivery of services (Handbook for Municipal Councillors, 2006:100).

### **3.15.2. Inadequate implementation**

Pulakos & O'Leary (2011) emphasis that if performance management is implemented inadequately its effects can damage employee confidence and harm employee–employer relationships, and the large number of unsuccessful attempts to improve performance management highlights its inherent difficulties. Organisations also fail to notice that performance management is an integrated process linked to numerous other activities. Many municipalities have developed sophisticated scorecards to assist in measuring overall organisational performance, the actual translation of these scorecards into individual performance agreements especially for senior management is often weak (Local Government Budget and Expenditure Review, 2011). Therefore the actual implementation of performance management system in municipalities requires significant improvement.

### **3.15.3. Design flaws**

Markus (2004:3) maintains that many performance management systems consist of an annual appraisal which may review a list of objectives. In most cases the connection between individual objectives and organisational values, goals and strategies is not made. Apart from the difficulty in defining such broad capabilities effectively, this places the emphasis on inputs to work rather than outputs - results. The argument for this approach has been that organisational results are dependent on a range of factors which are often outside the control of the individual, and that it is not fair to evaluate performance based on results. This is obviously true of the results of an organization as a whole, but employee performance management systems are about individuals. Individuals are employed for specific jobs. Therefore employee performance management is concerned with job performance. Most performance management systems do not adequately address role specific job requirements at all.

### **3.15.4. Lack of resources to perform**

According to the Public Service Commission (2007:15), the ability to manage performance is severely undermined by a lack of resources available to employees in meeting set standards. That is, for as long as employees can blame their lack of performance on external factors, they will always be able to justify their position. Providing the right tools to assist employees in meeting targets, be those technological, training, management support, human resources, budget, equipment, is fundamentally important to the performance management system.

### **3.15.5. Lack of accountability**

Mark & Nayyar-Stone (2002:21) state that managers have the perception that there are more urgent issues that local governments have to deal with, and that performance management is not a current priority. What makes personnel perform, according to Van der Waldt (2006:140), is the exercise of leadership from the top down, and the ability of

departmental leaders at all levels to instill fundamental philosophical principles of responsible and ethical behaviours; to motivate and channel individual, and group efforts; to communicate objectives; and to promote an understanding of the department's role and purpose among all personnel. Therefore the annual report serves as instrument to promote the accountability of the municipal executive to the municipal council. This is evident due to the fact that the process does not end with the mayor presenting the report to the council and the council simply accepting or rejecting the report. The annual report is rather followed by the council issuing an oversight report (De Visser, 2008).

### **3.15.6. Difficulties of measuring performance**

According to Whitford & Coetsee (2006), the most difficult part of the performance appraisal process is to accurately and objectively measure the employee performance. The results from performance management are sometimes found to be questionable in terms of reliability in measurement and consistency of application. Venter (2007) & Kanyane & Mabelane (2009) also state that measuring performance in municipalities is not a simple task since various qualitative and sometimes unquantifiable variables have to be considered. These qualitative aspects can be rather complex and even intangible, such as the general welfare of a community and hence can make performance improvement and productivity measurement extremely difficult.

Halachmi *et al.* (1997) argue that measuring performance in municipalities is more difficult than it is in the private sector, this is mainly because municipal programs are very complex and have multiple and challenging objectives, thereby making the development and application of performance indicators more challenging. Outcomes are technically more difficult to measure; they are complex and involve the interaction of many factors, planned and unplanned. It can also be problematic to relate what an agency or programme actually contributes towards achieving specific outcomes (Curristine, Lonti & Joumard, 2007). Rating inflation is another major concern. Management worries that raters engaging in lenient rating can defeat the desire to more

firmly embedded meritocracy in organisations. Raters have a strong tendency to give ratings leniently since low ratings can lead to resentment and perceptions of inequity while lenient ratings are helpful in maintaining or improving a positive climate in the workgroup (Rowley & Yang, 2008).

### **3.15.7. Poor use of performance information**

Nunn, Bickerstaffe & Mitchell (2009:16) suggest that one of the pitfalls of performance measurement is that its results are inappropriately or insufficiently used or used in a confused manner in the decision making, implementation and management process. This information is needed by management for planning purposes as well as to manage their employees and resources successfully. According to Mkumbeni (2009:45), many municipalities are either not collecting information about their community, or they are collecting the wrong information. In most cases they also don't know how to analyse the collected information, and thus they could not use it.

### **3.15.8. Lack of management commitment**

The role of leadership is consistently regarded as the most important human factor in PMS, meaning the quality of encouragement, guidance and support by the managers can never be overstated (Salem, 2003). Without the full commitment of municipal leadership, a PMS is unlikely to survive. Gaffoor & Cloete (2010:428) state that the greatest challenge facing municipalities in terms of achieving organisational effectiveness is attaining leadership support. Dzimbiri (2008:53) has noted that most senior managers see PMS as additional work rather than as part of their jobs and this leads to non-commitment.

When management commitment and leadership buy-in for the use of the PMS is lacking, other organisational members will put less or no priority on working with the new system (Waal & Counet, 2008:369). Manyaka & Sebola (2012) also stated that

managers do not seem to care about how their employees perform whereas it is their responsibilities to contribute to the improvement of the overall organisational performance by getting better results from their teams and individual employees. In order to achieve high organisational performance all managers, both elected and appointed are required, not only to set high expectations for performance but also to make a commitment to improving performance.

### **3.16. THE EFFECTS OF PERFORMANCE MANAGEMENT SYSTEM**

Performance management system has both the positive and the negative effects. Thus far PMS has the following positive effects in an organisation namely; it increases employee development, aligns people behavior towards continuous improvement, improves service quality, leads to managerial freedom and reduces free-floating managers.

#### **3.16.1. Positive effects of Performance Management System**

Performance management is an essential part of every successful organisation. This management instrument is used to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organisation. Therefore these positive effects are outlined below.

##### *3.16.1.1. PMS increases employee development*

By using the PMS according to Kleynhans, Markham, Meyer, Van Aswegen & Pibeam (2009:142), municipalities can identify areas that are having a negative effect on each employee's performance, human resource managers are then able to develop training programmes that will allow employees to build on their strength and improve in the areas in which they are weak. The information gathered from a performance management system should show which employees need training and development as well as the specific skills they need to work on.

### *3.16.1.2. Align people behaviors towards continuous improvement*

Pulakos (2004:23) state that performance management drives employee behavior to align with organisational goals and objectives. This alignment happens because job responsibilities and expectations are clear, resulting in increased individual and group productivity; and better information is available to use for compensation and promotion decisions.

### *3.16.1.3. PMS improves service quality and outcomes*

Reddy, Sing & Moodley (2003) state that performance management has emerged as an important tool to enable municipalities to become front-line developmental agencies that strive for high quality service delivery. PMS also improves the quality of goods and services that are provided to achieve the defined objectives as such results become the focus, rather than the activities conducted in the past. Service delivery is regularly altered or tuned to respond to current resident needs. A focus on client also needs causes organisations to rely more on co-operation and partnership (Municipal Performance Measurement Program Handbook, 2007).

### *3.16.1.4. PMS leads to managerial freedom*

Ohemeng (2009:114) defines managerial freedom as the freedom to choose how to pursue a goal once it has been set by others; that is, operational autonomy, as distinct from strategic autonomy, which is the freedom to set one's own agenda. Managerial freedom ensures that organizational attention is shifted from inputs and process to outputs in control and accountability mechanisms through the setting of performance targets and output objectives. Letting managers manage means not judging these managers by the way and manner in which services are delivered, but on the basis of results or outcome in terms of what was to be delivered (Callahan, 2007). The primary focus for these managers is not on how the job is done but rather on what is achieved.

This frees managers to truly manage and motivates employees to achieve the stated objectives (Municipal Performance Measurement Program Handbook, 2007).

#### *3.16.1.5. PMS reduces free-floating managers*

De Visser (2008:35), points out that if PMS is implemented properly, it helps to bring to an end the days of free-floating managers who do not meet the set delivery targets but escape responsibility, thus establishing accountability in local government. For example, according to Mafunisa (2007) seventeen top directors employed in municipalities across the Limpopo Province were trained teachers with no management-related qualifications. At least four of the 17 directors hold positions as municipal managers, while the rest occupy key positions as directors of finance, integrated developing planning (IDP), corporate services, local economic development (LED), accounting and human resources. De Visser (2008) also argued that the fact that 30% or more of senior municipal management has five or less than five years local government experience reveals a disconcerting trend towards appointment of inadequately skilled senior management. Consequently there are certain rules that establish the accountability of the municipal administration to the executive, these include the service delivery and budget implementation plan, budget statement and mid-year budget and performance assessment report. Therefore in order to improve accountability thus eliminating free-floating managers, all municipal managers need to have signed performance agreements in place.

#### **3.16.2. Negative effects of Performance Management System**

Even though performance management has contributed to the improvement of municipal productivity, there are also negative effects of PMS which discourages employees to achieve high organisational performance, which are discussed as follows:

### *3.16.2.1. Time consuming and demands considerable financial investment*

For any change to be institutionalised and sustained, a continuous supply of financial, human and material resources is crucial (Dzimhiri, 2008). Halachmi, Arie & Bouckaert (1997) state that the operation of an effective performance management system is costly in terms of employee's time and the technology that is required. Senior managers have to decide whether the payoff from expenditures on performance management is worth investment. This happens especially at the initial implementation stage because the benefits will then be uncertain. Performance management systems cost money and quite a bit of time.

Measurement in particular is costly and higher costs are especially likely when new measures must be developed and implemented. These resources are wasted when systems are poorly designed and implemented (Salem, 2003). Furthermore, information is not a free resource, to produce comprehensive, valid, comparable and continuous performance data is a serious business that requires skill, time, and, greatly scarce financial resources. Therefore this is too expensive for most of municipalities and this would invite criticism that they are diverting scarce funds from actual program operations (Martinez, 2006).

### *3.16.2.2. PMS discourages good performance*

Many officials see PMS as a money making tool and this has changed to be a misused instrument where officials complete the review and evaluation forms for the sake of money. This occurs when managers are allowed to revise or change their performance targets late in the year to ensure they get their bonuses, but these changes do not align to organisational performance. It also occurs when a manager is tolerant of an employee's mistakes or weaknesses and gives the employee a high rating which is not deserved. At the end of the day it kills the purpose of the PMS because bad and good performers are given the same rewards (Cheminais *et al.*, 1998).

### *3.16.2.3. Openness and political self-confidence*

Salem (2003:10) argues that another negative effect of PMS is that is a government's degree of openness and political self-confidence. The question to be asked is that, are officials ready to report the bad as well as the good? The prospect of accurate performance information and increased accountability can be very threatening to some officials, managers, line personnel, and interest groups. Politicians will not support performance management system if they anticipate negative results that could provide embarrassing ammunition for their opponents. Similarly, public servants are tempted to protect their own interests by implementing programs in a way that will make the programs look good in light of the established performance indicators. As it is commonly argued that what gets measured gets done. However, the result is that sometimes what gets done is not what should be done (Halachmi *et al*, 1997).

### *3.16.2.4. PMS is difficult to understand*

According to Brown (n.d), executives and managers confuse performance appraisal and performance management; it becomes an annual event that looks back at past performance while it must be an invaluable tool for planning future work performance, behaviour and development. Allen-Ile, Lle & Munyaka (2007) state it clear that the effective implementation of the PMS may lead to increased workloads for managers, therefore managers need to understand the system as this will enable them to cope, rather than discarding or not supporting it.

### *3.16.2.5. PMS leads to copying, not learning*

Ideally, benchmarking means that an organisation is inspired by the experiences of others, but subsequently makes its own choices. However, benchmarking may degenerate into silly copying, the best practices are simply transplanted from organisation A to organisation B. Copying is always risky, because it is never clear what

exactly the best practice that has to be imitated is and whether an organisation will accept or reject the transplant (De Bruijn, 2007). Therefore in local government it is very difficult to compare municipalities as they have different circumstances (Nkuna, 2013).

### **3.17. CONCLUSION**

The importance of performance measurement as a service delivery improvement tool in local government is undeniable. Performance measurement helps municipalities to assess how well a municipality performs when delivering goods and services to the public. In the context of this chapter, it is concluded that performance management system brought both the positive and negative effects in recent years. It is also necessary to emphasize that municipalities need to respond to performance management system challenges, ensure that resources are used efficiently and citizen's needs are met. The forthcoming chapter will focus on research design and methodology to be used in conducting this study; this will include description of the study area; research population; sampling size and procedure; data collection and analysis methods.

## CHAPTER 4

### RESEARCH DESIGN AND METHODOLOGY

#### 4.1. INTRODUCTION

In the preceding chapter performance measurement was discussed with the aim of providing among others but not limited to an overview of performance measurement, the rationale for performance measurement, types of performance measures and approaches of performance measurement within which the performance of section 57 managers can be located. This chapter presents the research methodology used in attempting to answer the research questions as stated in chapter one. Therefore the research design will be described followed by the description of the study area, research population, sampling size and procedure, data collection methods, data analysis methods, validity and reliability and ethical considerations.

#### 4.2. RESEARCH DESIGN

Depending on the orientation of the study, either qualitative, quantitative or a combination of both methods may be applied in the research process (Durrheim, 1999:31). For the purpose of this research, a qualitative design was used. The researcher has chosen qualitative design because is highly flexible in that the data collection is on-going and occurs simultaneously with data analysis, which allows the research plan to be altered as needed (Krysiak & Finn, 2010:102). Qualitative research method according to Bergh *et al.* (2009:440), is executed by analysing and classifying data into themes in a more subjective way based on behaviour observation and by analysis of written and spoken language. Blaikie (2003:47) also emphasise that qualitative methods are used when data are in words and remain in words throughout the analysis.

### 4.3. DESCRIPTION OF THE STUDY AREA

The study area of this study is the five municipalities within the Capricorn District Municipality. Such municipalities are as follows: Molemole municipality, Polokwane municipality, Aganang municipality, Blouberg municipality and Lepelle-Nkumpi municipality. Capricorn District Municipality (CDM) is situated in the centre of the Limpopo Province, sharing its borders with four other district municipalities namely; Mopani (east), Sekhukhune (south), Vhembe (north) and Waterberg (west). CDM is situated at the core of economic development in the Limpopo Province and includes the capital of the province, the City of Polokwane. One national and various major provincial roads pass through the district municipal area, i.e. the N1 - National Road from Gauteng to Zimbabwe and the rest of Africa, the P33/1 (R37) from Polokwane to Burgersfort/Lydenburg, the P94/1 (R521) from Polokwane to Alldays and Botswana and the P17/1 (R71) from Polokwane to Tzaneen and Phalaborwa.

Fig.1. Location map of the Capricorn District Municipality in the Limpopo Province



(Source: [www.demarcation.org.za](http://www.demarcation.org.za)).

The District Municipality covers an area of about 2 180 530ha which constitutes 12% of the total surface area of the Limpopo Province. Blouberg Local Municipality has the largest proportion of around 43% (927,270ha) followed by Polokwane Local Municipality with 17% (379, 272ha), Lepelle-Nkumpi Local Municipality with 16% (347,891ha), Molemole Local Municipality with 15% (336, 272ha) and lastly in that order of hierarchy, Aganang Local Municipality which contribute 9% (190,798ha), (Capricorn District Municipality IDP, 2012/2013).

#### **4.4. RESEARCH POPULATION**

The Capricorn District Municipality has a total complement of 550 municipal officials. Therefore the target population will be Section 57 managers of all municipalities within CDM; this will include the Municipal Manager, Chief Financial Officer, Planning and Development Unit manager, Community Services Unit manager, Corporate Services Unit manager and Technical Services Unit manager in each of the five local municipalities in Capricorn District. Municipal Section 57 managers were chosen in this study because the PMS is not cascaded to all levels of the organisational structure and the researcher believes that they are the ones who have the ability to acquire resources and put them to efficient and effective use to achieve the desired outcomes of PMS of the municipality.

#### **4.5. SAMPLING SIZE AND PROCEDURE**

In this study the researcher used purposive sampling as a sampling technique. According to Krysik *et al.* (2010:109), in purposive sampling, researchers choose individuals for their special knowledge and for their formal training or education. Purposive sampling was used in this study because it provided the researcher with an opportunity to identify participants who are likely to provide data that is detailed and relevant to the research questions (Sapsford & Jupp, 2006:245). Section 57 managers

were the best candidates to provide detailed data because PMS is rollout only on their level. The proposed sample size of this research was thirty (30) municipal Section 57 managers from the five municipalities selected within the CDM. These Section 57 managers' were divided into five (5) groups since the researcher was using five municipalities within the CDM. They were (a) five (5) Section 57 manager's from Molemole municipality; (b) six (6) Section 57 manager's from Polokwane municipality, (c) six (6) Section 57 manager's from Blouberg municipality, (d) seven (7) Section 57 managers from Aganang municipality and (e) six (6) Section 57 managers from Leppelle-Nkumpi municipality. This provided a total number of thirty (30) out of thirty (30) Section 57 manager's from all these five municipalities. According to Babooa (2008:144) for a sample to be considered applicable, the researcher should select at least a minimum of 10% of the given research population. Therefore the reason why thirty (30) Section 57 manager's were chosen to participate in this study is because the researcher believes that the larger the sample the more representative of the population it becomes and also the more reliable and valid results will become.

#### **4.6. DATA COLLECTION METHODS**

The proposed study required both the primary data and secondary data. The method that was used to gather primary data was interviews and secondary data was sought from various documents. These methods are briefly explained below.

##### **4.6.1. Interviews**

Qualitative data collection is usually done with small numbers of respondents using interviews (Auriacombe, 2005:384). Therefore the first data collection method that was used in this study was the interviews. Bless *et al.* (2006:116), state that an interview involves direct personal contact with the participants who are asked to answer questions relating to the research problem. Semi-structured interviews were conducted with Section 57 managers in this study selected from all municipalities within the CDM. According to James & Sally (2001:206) semi-structured interviews have no choices from

which the respondents selects an answer, rather the question is phrased to allow for individual responses. It is an open-ended question but is fairly specific in its intent and it helps build a positive relationship between the interviewer and respondents.

The reason for using semi-structured interviews is simply because they are flexible and adaptable. This means that it can be used with different types of persons (for example visually impaired people) and responses can be probed, followed up, clarified and elaborated to achieve specific accurate responses. They also give the interviewer an opportunity to motivate the responses and it result in much higher response rate. Data collection method such as questionnaires were not be preferred by the researcher in this study because the target population was small and a questionnaire will lead to low response rate. In other words a questionnaire only allows a limited choice of responses. Therefore since this study uses qualitative approach Section 57 managers were interviewed from each municipality within the Capricorn District Municipality. However, officials from Polokwane municipality failed to avail themselves during the data collection period.

#### **4.6.2. Documentations**

Secondary data was also collected from various documented sources such as government policies and legislation, research reports, academic books and annual reports of various municipalities selected within the Capricorn District Municipality.

#### **4.7. DATA ANALYSIS METHODS**

During data analysis, the textual accounts of interviews are searched for common themes and findings consists of descriptions of the field using the various relevant, theoretical concepts necessary to interpret the participants view (Boeije, 2010:5). According to Bless *et al.* (2006:163), the data analysis process allows the researcher to generalise the findings from the sample used in the research to a larger population in which the researcher is interested. Therefore as this study uses qualitative approach, descriptive and interpretative analysis was used to analyse data. As part of analysing data the researcher wrote summaries of the responses of interviewees and sorts them

in a meaningful way in line with the thematic areas to be determined in accordance with the research objectives. Thereafter the researcher wrote a report about the collected data.

#### **4.8. VALIDITY AND RELIABILITY**

According to Bless *et al.* (2006:157), validity refers to the degree to which a study measures what it purports to measure whereas reliability is an estimate of the accuracy and internal consistency of a measurement instrument. Goodwin (2009:134) states that reliability is important because it enables one to have some confidence that the measure taken is close to the true measure. Validity is also important because it tells you if the measure actually measures what it is supposed to measure and not something else. According to Oliver (2008:68) if a measurement is reliable, this means that it is consistent, supplying the same answer at different points in time. Therefore in this study the researcher utilised appropriate sample size; ensured that the data collected is properly transcribed, recorded and filed and also improve its reliability the researcher carefully used simple language (not bombastic words) during the interview session.

#### **4.9. ETHICAL CONSIDERATIONS**

In pursuance of objectives of the study, it was envisaged that the researcher was guided by the following ethical considerations that are prevalent in any research endeavour. These include although not restricted to anonymity and confidentiality, voluntary participation and no harm to the participants and informed consent.

##### **4.9.1. Anonymity and Confidentiality**

According to Henn (2006:85) anonymity ensures that a person remains nameless and unidentifiable whereas confidentiality means that the researcher holds the data in confidence and keeps it from public consumption. Bless *et al.* (2006:143), state that the principle of anonymity is linked with confidentiality. Anonymity means that a participant's

data must not be associated immediately and obviously with his or her name or any other identifier. Confidentiality means that the information provided by participants, particularly sensitive and personal information, should be protected and made unavailable to anyone other than the researcher. The researcher guaranteed anonymity and confidentiality of respondents by ensuring that the information collected was at all times kept under secure conditions.

#### **4.9.2. Voluntary participation and no harm to the participants**

Human research should never injure the people being studied, regardless of whether they volunteer for the study or not. Therefore the researcher emphasised voluntary participation and also protected the identity of participants by ensuring that there is no linking between the identities of the participants.

#### **4.9.3. Informed consent**

Informed consent is when a potential participant freely and with full understanding of the research agrees to be part of the study (Hennink, 2007:35). Therefore the researcher wrote a cover letter that informed the participants who the researcher is, what the research is all about, why the researcher is conducting the research project, why the participants were selected and also who will have access to the information gathered. The researcher also wrote a letter to request permission from the municipalities selected within the CDM to collect data. With regard to Polokwane municipality the researcher obtained an approval to conduct research but during the data collection period senior managers failed to avail themselves as a result the researcher did not force them as the researcher emphasised voluntary participation in this study.

#### **4.10. CONCLUSION**

In this chapter, each step of the research process was explained, from the grand plan or blueprint, to the smaller details of how each step will be implemented. This chapter identified the methodology and research population used in order to meet the objectives of this study. A qualitative method was used in this study which resulted in interviews and documentation used as data collect methods. It also identified sampling size and

procedure, data analysis method and ethical consideration principles that were followed in this study. The forthcoming chapter will therefore focus on or present the analysis and interpretation of the responses of the interviews for section 57 managers within the CDM.

## **CHAPTER FIVE**

### **DATA ANALYSIS AND INTERPRETATION**

#### **5.1. INTRODUCTION.**

The previous chapter focused on the research methodology and on how the research was conducted. Therefore the purpose of this chapter is to present the analysis and interpretation of the responses of the participants surveyed in the study area. The purpose of this study was to investigate the management of Section 57 manager's performance within municipalities in Capricorn District, in the Limpopo Province of South Africa. The study was conducted in four municipalities within the Capricorn District Municipality namely, Molemole Municipality, Polokwane Municipality, Lepelle-Nkumpi Municipality and Blouberg Municipality. The reason for choosing Section 57 managers is because the PMS is not cascaded to all levels of the organisational structure in all municipalities within CDM meaning it is only applicable for senior managers level only and the researcher believes that Section 57 managers are the ones who have the ability to acquire resources and put them to efficient and effective use to achieve the desired outcomes of PMS of the municipality. It is therefore important to emphasise that all senior managers from the four municipalities were exposed to the same type of interview questions from the researcher and all four municipalities within Capricorn District Municipality have adopted PMS. The collected data from all the interviews were consolidated and the analysis of the information gathered follows hereunder:

#### **5.2. RESEARCH FINDINGS.**

This study investigated the management of Section 57 manager's performance within municipalities in Capricorn District. Data was collected from the 8<sup>th</sup> to the 12<sup>th</sup> of September 2014. Qualitative method was used for the purpose of this research which resulted in semi-structured interviews used as the main data collection method

supplemented by documentation. Twenty-four Section 57 managers were interviewed instead of 30 Section 57 managers. This is because senior managers from Polokwane municipality couldn't avail themselves during the data collection period. However, such did not compromise the representativity of the results as those that were interviewed.

### **5.2.1. Biographical information.**

The presentation and analysis of this study begin by presenting the biographical information (Section A) of the respondents and it will be presented in a form of figures. The biographical information of the respondents includes the gender, age, highest academic qualification and the working experience of the respondents. All this information is crucial because it give an overview of the employee profile and will definitely have an impact on the performance of that employee, for example age, qualification and experience of the person goes hand in hand because an experienced person is likely to add value to the performance of the municipality. An employee with the required qualification for a specific position or job is likely to add value to the performance of the municipality, thus it is necessary to get an understanding as to whether the people employed in positions within the municipalities are suitably qualified for the positions. Therefore obtaining employees background is very important in understanding whether the employee add value to the overall performance of the municipality or not. Biographical information is here under presented:

#### *5.2.1.1 Gender.*

The probing of gender in this study is important because it helps the researcher to determine the male and female dominant of Section 57 managers within the Capricorn District Municipality. The participation of gender in this study is presented below:

Figure 5.1: Gender.

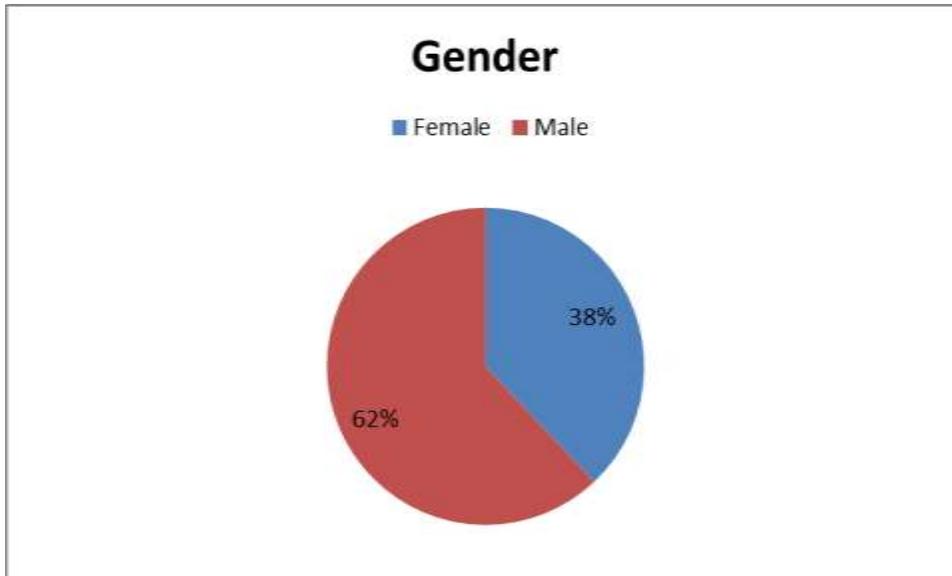


Figure 5.1 above presents the gender of the respondents. Senior managers within the Capricorn District municipality participated in large quantity. 62% were males and 38% were females. This indicates that the number of males in senior management positions exceeds the number of female's population. This could be due to the fact that many women still feel that they can't handle the pressure of a leadership role in modern organisations. They are still being treated as being inferior to men and some are still scared of disrupting the status quo (cultural norms) which hinders them to advance progressively in their workplace environment.

#### 5.2.1.2. Age.

The age of the respondents often determines the person's knowledge or experience in a particular field of work. Therefore when asking a 22 years old employee about PMS and asking a 51 years employee about PMS, the responses or perceptions are likely to be different from each other. The age of the respondents in this study are indicated below:

Figure 5.2: Age.

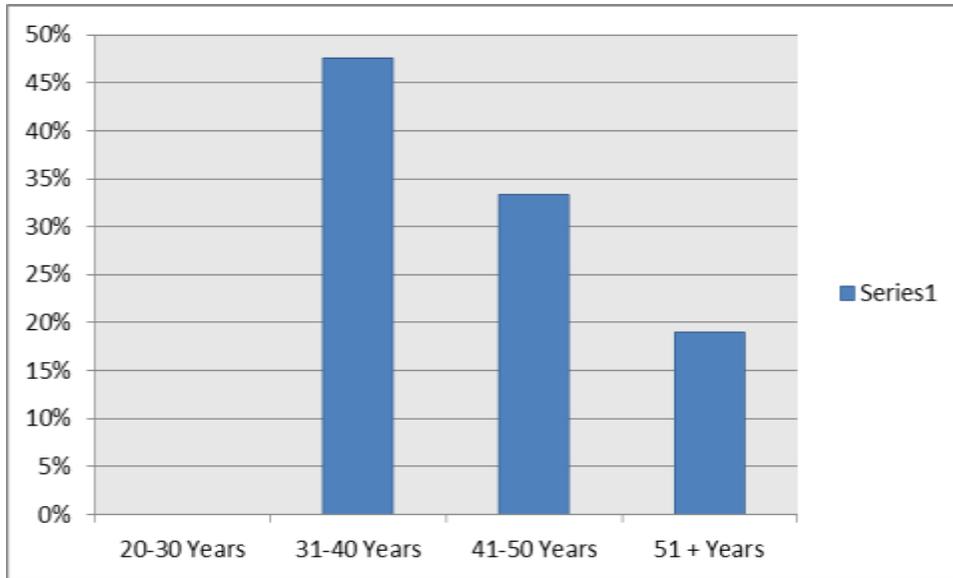


Figure 5.2 above represent age group of the respondents as maturity of a person is determined by his or her age level. In all municipalities within CDM there are no senior managers between the age of 20-30 years. This is because in order for someone to be a director the person must have 4+ years' experience within a specific discipline of which 3 years is of reputable middle management experience within local government; 31-40 years (48%); 41-50 years (33%) and 51+ (19%). It can be deduced that 31-40 years respondents were the majority. This group of people is regarded as economically active and productive group within each municipality. The municipality has great opportunity to employ them for a long time which may be good because the municipality will not spend money for new recruitments over and over again. They are the largest portion of the population and they have more understanding of developmental issues that affect the daily lives of their communities.

### 5.2.1.3. Highest educational qualification.

The highest academic qualification of the respondents in this study was also of significance because it assists the researcher to establish the academic background of the respondents within the Capricorn District Municipality. A senior manager who completed a Master's degree may respond to questions differently than those whose education ended in Diploma level. The figure below indicates the educational qualifications of the respondents:

Figure 5.3: Highest educational qualification.

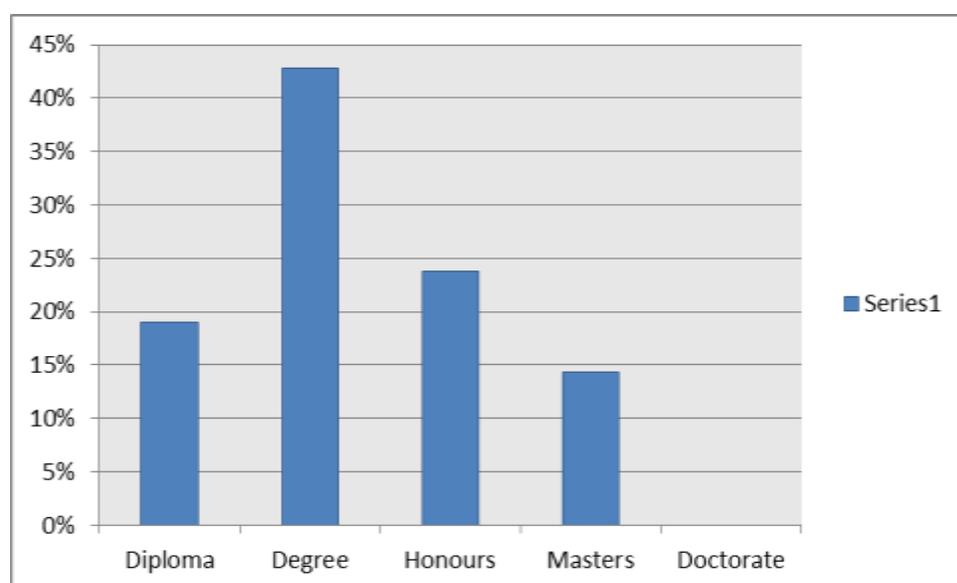
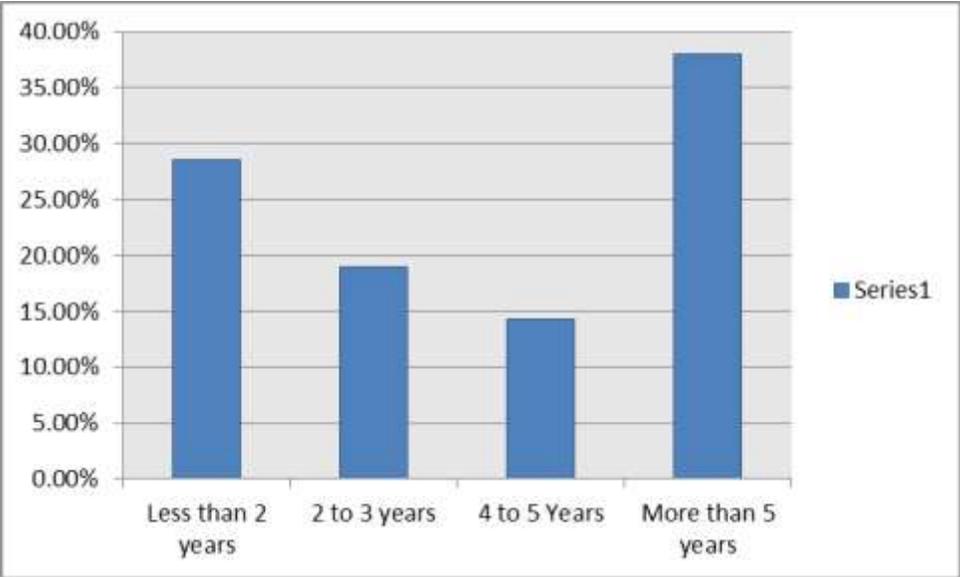


Figure 5.3 indicates that 19% of respondents have diplomas, 43% of respondents hold degrees in different fields, 24% of respondents hold honours, and 14% of the respondents are in possession of master's degrees. In all these four municipalities within CDM there is not even a single director who holds a doctorate degree. This means municipalities must target senior managers per occupational category for training in order to meet the changing needs of the communities and these senior managers need to be knowledgeable and understand their areas of knowledge so that they could be able to advice the politicians accordingly . In general education attainment at the District municipality is rely high because most of senior managers have degrees and post graduate degrees than Diplomas.

5.2.1.4. Working experience in years.

The working experiences of senior managers were necessary in this study as the experience of an employee is likely to add value to the performance of the municipality. Thus, a senior manager who has less than two years in a managerial position may respond to questions differently than those whose work experience is above five years.

Figure 5.4: Working experience in years.



Regarding the respondents' work experience, the majority of (38%) of them had more than 5 years of experience, followed by (28%) who had less than 2 years of experience, thirdly (19%) of them had 2 to 3 years' experience and lastly 14% of them had 4 to 5 years of experience. Section 57 managers are employed on a 5 year performance based contract. This suggests that the performance of senior managers within the four municipalities is likely to be satisfactory because their employment contracts are renewed based on their performance. In general the findings suggest that most of the senior managers had their contract renewed annually since the majority have been in their positions for more than five years.

### **5.3.1. PERFORMANCE MANAGEMENT INFORMATION.**

This section provides results on performance management issues in CDM. The data is categorised into five different themes, namely the nature of PMS in municipalities within the Capricorn District Municipality, the status of performance of Section 57 manager's within the Capricorn District Municipalities, the challenges of PMS faced by municipalities within the Capricorn District Municipality, the effects of PMS on the performance of Section 57 manager's and the measures for achieving high performance of Section 57 manager's through PMS within Capricorn District Municipalities. The findings of the study on these five themes are presented below:

#### **5.3.1.1. The nature of PMS in municipalities within the Capricorn District Municipality.**

Section 38 of the Municipal Systems Act, 2000 mandates municipalities to establish a PMS 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. Therefore it is for that reason that necessitates the researcher to investigate the nature of PMS in municipalities within CDM. The findings are presented below into five sub-themes. In establishing this, the researcher probed the following about the nature and extent of PMS in CDM: Section 57 managers understanding of PMS, the effectiveness of PMS in municipalities within CDM, the measuring, reviewing and monitoring of performance in municipalities within CDM, measurement approaches used to evaluate goals and objectives and key performance indicators that are used to measure performance with regard to the municipality's development priorities and objectives as set out in the IDP.

##### *5.3.1.1.1. Section 57 managers understanding of PMS as applied in their municipality.*

It is crucial that Section 57 managers have an understanding of what is performance management system within their municipalities. This is mainly because they cannot apply that which they don't understand. Therefore the findings of the study on the understanding of performance management system as applied in municipalities within CDM revealed the following:

Not all senior managers in municipalities within CDM have a common understanding of what PMS is. Some displayed a lack of knowledge or understanding about what PMS is by responding that a Performance Management System is a Performance Management System. However those who understood it they had a common understanding of what it is. Therefore here are the three distinctive perceptions of what PMS is within the municipality:

Perception 1: *“PMS is a tool used to measure the level of performance in an institution basically focused on the objectives that have been set and thereafter the achievement of the goals”.*

Perception 2: *“PMS as a tool that is been used to assess ones performance so that the municipality can be able to detect non-performance or poor performance so that at the end of the day the supervisor can provide a training that will assist to advance institutional performance”.*

Perception 3: *“PMS is a tool used to assess the performance or achievement of the set objectives of the institutions and it can also be used to assess the performance of individual employees”.*

Even though there are three perceptions visible in the analysis of senior manager’s understanding of PMS, but it is very clear that senior managers within CDM have a limited understanding of what PMS is. In general their understanding is that it has to do with performance of individuals and achievement of the set objectives.

#### *5.3.1.1.2. The effectiveness of PMS in municipalities within CDM.*

These municipalities have adopted Performance Management System as a tool to achieve effective service delivery. This is because effective PMS needs to have a well-articulated process for accomplishing service delivery targets, with defined roles and timelines for senior managers. The findings of the study on the effectiveness of Performance Management System revealed that not all senior managers of municipalities within the CDM are of the common view that PMS is effective in their municipalities. Some stated that it is effective because it enables the Council to hold

each senior manager accountable for deliverables of targets set for his or her directorate. But for it to be fully operational it has to be cascaded to the lower level so that all employees can focus on a similar goal. This is because the overall achievement of the municipality does not depend on the performance or achievement of Section 57 managers only but the performance of all the employees at large. While other senior managers indicated that PMS is not effective and it is just done for compliance sake. Senior managers know that they have to report on quarterly, half yearly and on annual basis but then they will wait for the PMS manager to “*say please submit the due date has passed*” and they end up submitting the reports that are not up to standard. Therefore this means that some senior managers are not adhering to the system as it is put and it is important to emphasise that there is no legislative requirement covering the PMS of other employees within municipalities, meaning that senior managers must not try to justify their failure to perform based on the fact that the system is not cascaded to the rest of the staff. They need to go an extra mile in meeting their targets because they are the ones appointed in terms of the performance contracts. Therefore from the above analysis it is clear that the system is not effective because senior managers are waiting for the system to be rolled out to the rest of the staff so that it can be effective.

#### *5.3.1.1.3. The measuring, reviewing and monitoring of performance in municipalities within CDM.*

In order to maintain, sustain and continuously improve municipal services, performance should be measured, reviewed and monitored to ensure that implementation is done according to what is planned. The measuring, reviewing and monitoring should not only focus on financial performance but should also include non-financial performance. This will help to establish whether the municipality is achieving the targets set for a particular financial year. The findings of the study on how performance is measured, reviewed and monitored are presented below:

In all municipalities respondents mentioned that PMS is measured on quarterly basis as per the SDBIP of a municipality. In every quarter senior managers are subjected to

performance assessment and evaluations whereby their performance for that quarter is looked at and each have to report on how far is he/she in terms of the set targets in case where the targets are not met a senior manager is expected to provide reasons as to why targets are not met. In all municipalities the system is monitored by the Municipal Manager (MM) as the accounting officer of the municipality, the Mayor and the Council. These municipalities are guided by the measurement criteria adopted from the regulation (MSA) and municipal policy framework from CoGTA. The measurement criteria have two areas which are Key Performance Areas (KPAs) and Core Competency Requirements (CCR) with the weighting of 80:20. The 80% is allocated to KPAs accounting to the main area of work and the 20% is allocated to the core competency requirements which include managerial attributes or competencies such as strategic leadership, financial management skills, project management skills, people management, honesty and integrity, communication and knowledge of developmental local government.

#### *5.3.1.1.4. Measurement approaches used to evaluate goals and objectives.*

Once a municipality has committed to implementing performance measurements, they need to develop specific performance measures that are best suited for their municipality. It is important to know which measurement approaches exist in each municipality because these approaches are capable of changing the behaviour of employees through measurement, feedback and learning. The findings of the study on measurement approaches are presented below as follows:

The respondents interviewed revealed that all the municipalities within the CDM uses the SDBIP to evaluate their progress in attaining the set goals and objectives. At the beginning of each financial year the municipality will have the Budget and the IDP and thereafter it will have SDBIP followed by the targets that are set by each senior manager which will form the basis of his or her performance measurement. Therefore the three plays an important part in that the IDP and the SDBIP informs the citizens on whether the funds allocated were spend as planned and each municipality must publish

their budget, IDP and the SDBIP in order for citizens to be aware of what level and quality of services they need to receive so that they can hold public officials accountable in case where the services are not delivered as expected.

*5.3.1.1.5. Key performance indicators that are used to measure performance, with regard to the municipality's development priorities and objectives as set out in the IDP.*

Section 41 requires that a municipality must in terms of its Performance Management System and in accordance with any regulations and guidelines that may be prescribed, 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. This will help to establish how a municipality carries its developmental mandate in providing services to the public. The findings of the study on key performance indicators that are used to measure performance in CDM by the respondents are as follows:

(a) Basic and infrastructure services to communities.

One of the objectives of local government as per Section 152(1) (c) of the Constitution of RSA, 1996 is to promote social and economic development. Therefore municipalities need to employ strategies to attain this mandate. This can be done through the provision of basic services such as water, electricity, waste management, housing, roads and transportation to address the needs of their communities.

(b) Ensure sound financial management and systems.

Each municipality is required to ensure sound financial management and put systems in place. In other words municipalities have to implement appropriate budget and financial management policies. They must keep full and proper financial records, manage resources effectively, efficiently and economically and also they must have disciplinary proceeding where financial misconduct occurs.

(c) Promote institutional transformation and organisational development.

The delivery of services to communities relies highly on institutional capacity and organisational development level of the municipality. Therefore in order for a municipality to implement its powers and functions it has to establish Council Committees and administration. This includes the organisational structure, skills development and employment equity of the municipality must be in place.

(d) Promote good governance and public participation.

Development local government requires municipalities to promote good governance and community participation. Therefore in promoting and ensuring good governance in providing services municipalities must establish mechanisms such as communication and community participation, internal audit, performance management, risk management and policies and by-laws.

(e) Promote and enhance local economic development.

This can be achieved through developing enabling policies that advocate sustainable use of natural resource, human capital and infrastructure. Municipalities need to look at areas such as population growth, economic growth, household income, community health services, disaster management, library services and community safety. In terms of Section 53 of the Constitution of Republic of South Africa, 1996 states 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, and participate in national and provincial development programmes. Therefore if a municipality can achieve the above objectives consistently, within its financial and administrative capacity it could be described as a functional, well-performing municipality because a municipality's performance is measured by determining the extent to which its communities have access to the above objectives.

### **5.3.1.2. The current status of performance of Section 57 manager's within the Capricorn District Municipalities.**

A good performance management system enables municipalities to understand how its employees are currently performing, and to identify those employees that contribute most, or least. It is therefore for that reason that necessitates the researcher to probe the status of performance of Section 57 managers. In determining this the researcher probed the current status of performance of Section 57 managers, the management of performance of Section 57 managers, the rewards used to motivate senior managers who meet their set goals and targets within the time frame and the developmental programmes in place for poor performers to enhance their performance which the findings are presented below:

#### *5.3.1.2.1. The current status of performance of Section 57 managers in municipalities within CDM.*

Section 57 managers in municipalities are under constant pressure to improve their performance and the quality of service they should deliver. This is because service delivery is regularly altered or tuned to respond to current resident needs. Therefore the findings of this study on status of performance of Section 57 managers revealed that in general the performance of Section 57 managers within CDM is rated to be average because there are some targets that were supposed to be met but they were not met. Senior managers also indicated that in some municipalities their performance is not enough to attract a bonus incentives because what their municipalities did in terms of their performance policy they pitched performance at a high assessment of a minimum threshold of 70% which is very high for senior managers to achieve a bonus incentive. However, there is an indication that municipalities are improving on issues that are within their competency but these municipalities are not yet there where they can go out and boast about their performance, it is still work in progress. Therefore in order for senior managers to perform above the level expected municipalities need to provide them with resources which include finances and human capital such will assist in making municipalities development-oriented.

*5.3.1.2.2. The management of performance of Section 57 managers in municipalities within CDM.*

A good Performance Management System act as an early warning mechanism as it will reflect improved performance or underperformance which will allow for relevant intervention for improvement or rewards. The need to manage performance of Section 57 managers exists in all municipalities as the pressure to perform and deliver services continues to be a reality in South African municipalities. The findings of the study on how performance of Section 57 managers is managed revealed that all the four municipalities have indicated that the PMS start with the performance agreement which must be linked to the IDP and the SDBIP. Once the two are linked officials are forced to perform on the agreed targets and the municipal manager also plays an important part of monitoring. All municipal directors reports quarterly to the accounting officer. In that way their performance can be tracked and the municipal manager can hold senior managers accountable for good or underperformance. In case where the set targets are not met corrective measures are put in place to improve performance.

*5.3.1.2.3. The rewards used to motivate senior managers who meet their set goals and targets within the time frame.*

Rewards are typically the outcome of performance evaluations and as such Performance Management System should be used as a tool or measure to reward performance in various ways. The reward system will also help to establish a culture of good performance by motivating employees to achieve strategic goals. The findings of the study on the rewards used to motivate senior managers who meet their set targets is presented below:

Responses from Section 57 managers shows that there are currently no incentives for senior managers who by far exceed the expected performance but there is a policy in place which provides for the payment of performance bonus to senior managers who by far exceed the expected performance targets, however the bonuses are not paid due to the fact that sometimes the performance results are unknown. Senior managers have intrinsic motivation (the motivation that comes from inside, not influenced by external

rewards such as money). Senior managers have indicated that they get motivated through achievement of their set targets. To them to deliver services to the communities is a noble thing to do, they rejoice because they are improving the quality of life of their communities, that in its self is a motivation and it keeps them going. However, some senior managers indicated that they will exceed their targets but when they are supposed to be rewarded the Council does not agree. They are frequently told that their municipality received a bad audit opinion and as such all Section 57 managers will not receive any performance bonuses. Therefore it is important for each municipality to reward better performers because through distributing rewards, local governments can achieve higher staff retention, as well as providing higher quality services which will in return reduce service delivery protests within the communities.

*5.3.1.2.4. The developmental programmes in place for poor performers to enhance their performance.*

A good performance management system allows municipalities to undertake a thorough assessment of the training needs of its employees, set development plans and gives them the option of using the results of the performance management process to influence their performance for the better. This helps to establish whether developmental programmes for employees and other employees who didn't meet the required performance are in place or not. The findings of the study on the developmental programmes in place for poor performers are presented below:

Senior managers from all four municipalities indicated that during the signing of performance agreement, it comes with a Personal Development Plan (PDP) where senior managers identify areas that they need to be developed in. All senior managers list all the areas which they require intervention through skills development at the beginning of each financial year. Those areas would be reviewed and incorporated into a Work Skills Plan (WSP). Then a capacity building training will be provided for each director in line with their training needs. There is a training committee in place and that committee resides in HR section and is comprised of representatives from the entire

departments within the municipality and there is an annual training schedule that is comprised of inputs from departments and research reports conducted by the skills development facilitator when identifying the training needs. Senior managers also indicated that their municipalities have training programmes in place, which covers a range of issues such as financial management, PMS, supply chain management, strategic management and furthermore there are other programmes rendered by South Africa Local Government Association (SALGA) that are aimed to make senior managers understand what local government must do from their own portfolios. There are also other short courses that senior management are enrolled in through the local skills development facilitator. Therefore this indicate that municipalities take initiative in supporting the training and development of senior managers because without training, senior managers will not be equipped with the necessary skills, knowledge and competencies which are needed for them in order to deliver effective and efficient services.

### **5.3.1.3. The challenges of PMS faced by municipalities within the Capricorn District Municipality.**

The Constitution of Republic of South Africa (Act 108 of 1996), states that local government is the sphere of government that is closest to its constituents. Performance Management System has the potential to assist municipalities to address the performance challenges they face. Therefore this is important because in order for municipalities to continuously monitor their performance in fulfilling their developmental mandate they have to address the challenges they are facing in probing this the researcher probed the following, the challenges of PMS in municipalities within the CDM, the challenges that have a major negative bearing on the delivery of services to communities in municipalities within CDM, the management of underperformance as a challenge in municipalities within the CDM and the management of biased assessment as a challenge during performance assessment process.

#### *5.3.1.3.1. The challenges of PMS in municipalities within CDM.*

The following challenges were raised by the senior managers during interviews as affecting performance management system of their municipalities:

##### (a) Cascading of PMS to staff.

All respondents are in agreement that PMS is not cascaded to the rest of the staff and that's makes it difficult for senior managers to achieve high performance. Because the performance of an institution constitute by individuals meaning if individuals are not assessed they become demotivated because their performance is not measured and their effort are not recognised. There is a delay in supply chain management and also lack of PMS knowledge, the municipalities indicated that they are is still on the learning curve so some aspects of PMS are still not yet understood by senior managers. The Logistical issues with regard to the PMS Sessions, where sessions were supposed to be held but were not held. The rating by the external panel is also a challenge to senior managers in that for every activity if the rating is five the panel will rate it 3. They will hardly rate a person above three that's why senior managers struggle to reach 70% in order to qualify for bonus incentive.

##### (b) Lack of resources.

Perception drawn from the respondents on the challenges is that there is lack of resources in municipalities within the CDM as such currently the municipalities do not have dedicated and qualified personnel to perform the function of PMS. The function in some municipalities is performed by the IDP manager assisted by the HR section and it causes problems because it is work overload and a municipality can't really hold someone accountable because he or she is not appointed for PMS function. Lack of Portfolio of Evidence for instance where a senior manager has attained almost 90% of his or her projects planned to implement but the challenge comes when he or she cannot prove it with supporting documents. Section 57 managers are employed on a 5 year performance based contract usually when the period has elapsed new managers are appointed that lead to lack of continuity, and the municipality experience record keeping problems.

(c) Confused institutional reporting.

Senior managers report on all things and all over, for example they report on PMS, to Treasury, to GoGTA then they tend to weigh the two and end up saying PMS is internal if they don't report external for example Treasury will not release their funds. Directors don't make time to prepare their reports for PMS as such their reports are not consistent, no quality assurance they just send because the report is due. Employees also have wrong perception about PMS they think that PMS "ke kgokgo" (It's a wild beast) and is there to bite them, they have wrong perceptions about it. In most cases senior managers have a lot of good plans but they find that there are programmes from the district, provincial government and even national government which end up consuming a lot of their time and deviate them from the plans that they had.

*5.3.1.3.2. Challenges that have a major negative bearing on the delivery of services to communities in municipalities within CDM.*

Performance management has resulted in improved service delivery and there have been a number of measures undertaken to improve service delivery such as the introduction of Batho Pele principles. This is significant in this study to investigate the challenges that have a major negative bearing on the delivery of services to communities because the failure to identify and deal with those challenges results in service delivery deterioration and leaving many communities with inadequate access to basic services. Therefore the findings of the study regarding challenges that has a major negative bearing on the delivery of services revealed the following namely, high vacancy rate, instability of community needs and late appointment of service providers.

(a) High vacancy rate.

The perception drawn from the majority of the respondents on this aspect is that there is a high staff turnover as such in Community Service unit one sport official resigned, one environmental official resigned, two traffic officers resigned and the positions are currently not yet filled also the director have been without a personal assistant since

February and furthermore the position of PM manager is also vacant. There is poor planning and ineffective supply chain management which affect service delivery negatively. Municipalities are not fully equipped with personnel to perform certain functions aligned to project implementation for example Technical services unit in most municipalities within CDM lack some skills in certain areas of fields such as the quantity surveyor sometimes the municipalities don't come up with the informed specifications when they draft and allocate budget and that hinders the progress of projects.

(b) Instability of community needs.

The instability of community needs is also a huge challenge, for example a municipality can set a target that they want to construct a 2km road but when they are about to start with the road, the community change and say they don't want a road they want a clinic, forgetting that before there can be such target there was budget, IDP and community consultation but when the municipality is about to start the project the community indicate that it is not what they need for now. This affects both the community and the director responsible negatively. As the panel will score the director negatively because the set targets were not achieved meaning the municipality didn't listen to the community or they didn't do community consultation. The panel also forgets that the needs of the community can change even after the budget has been approved.

(c) Late appointment of service providers.

The late appointment of service providers is also a huge challenge to them, for instance the municipality will have a target that by the end of July the project must have reached 40% but due to the delay service providers are not appointed in time and that also delay the implementers. Revenue generation is also a challenge to municipalities within the CDM. This is because most people are unemployed meaning they cannot pay for the services they receive. This negatively impact on the targets set because when the mid-term reviews come the municipalities have to adjust their budget because the money that was expected is not coming. Another challenge that these four municipalities are experiencing is that they are rural municipalities and they are unable to attract and retain the skills they need especially in finance, town planning and engineering.

*5.3.1.3.3. The management of underperformance as a challenge in municipalities within the CDM.*

Performance Management System is an important instrument to be used in alerting the municipality regarding underperformance of employees and also provide for corrective measures when underperformance is identified. The researcher probed the above question in order to find out whether municipalities within CDM are having improvement plans or remedies in place to deal with poor performance before they decide on renewal of contract of an employee. The findings of the study on whether underperformance is well managed as a challenge are presented below:

Some senior managers within the CDM are of the view that underperformance is not well managed. To a large extent because the municipalities still have to close some gaps and the service delivery is still hampered by under staffing. For example a other municipalities currently do not have a legal advisor and that also hampers progress in terms of drafting and writing by laws processes because the municipality don't have internal capacity. They frequently request the district or COgTA to assist with some legal expertise and it takes time to conclude the processes. They also indicated that they still experience delays when coming to the issue of projects where deadlines are not met and nothing happens to underperformers. As such at the end of the day GoGTA or National Treasury withdraw the allocated funds. Whereas some indicated that underperformance is well managed because senior managers have work skills plan, has conferences that they normally attend and whenever the SDBIP is reviewed every director has to identify areas that they need training and where underperformance is experienced remedies are put in place.

*5.3.1.3.4. The management of biased assessment as a challenge during performance assessment process.*

This study probed the challenge of biased assessments during performance assessment in order to investigate whether senior managers are fairly scored in their

performance assessment process. The findings below represent how municipalities manage the challenge of biased assessments:

Responses from senior managers indicated that when self-assessment are conducted the panel assessments which are comprised of the MM, MM from another municipality and the Chairperson of the portfolio committees in order to avoid biasness and ensure fairness. *“There is no biasness; it is just that the external panel have a standard norm in which they don’t rate a director above 3”*. This means that the panel believes that senior managers must do something out of the ordinary; they must go an extra mile in order to have a high rating. Some respondents were of the view that the way they are being assessed is not fair, for instance some of the projects are been cancelled not because of underperformance but because of circumstances beyond their control to such extent that, in one financial year three projects can be cancelled, due to community resistance or water challenges. But for those projects which have been cancelled, when the panel assess the performance they allocate 0% without considering the reasons of cancellation. *“Sometimes you will be underscored but you will not have energy to argue with the assessment panel and you end up saying it doesn’t matter because you don’t even get rewarded for exceeding targets”*. Therefore this indicates that performance assessments are just done for compliance sake than for service delivery objectives.

#### **5.3.1.4. The effects of PMS on the performance of section 57 managers.**

Performance Management System is used to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the municipality. Performance management system in each municipality has both positive and negative impact. It is therefore important for the study to investigate the impact of PMS on the performance of Section 57 managers because it is through PMS that a municipality can build on their strength and improve in areas in which they are weak. The finding of the study regarding the impact of PMS on the performance of Section 57 managers are presented below:

*5.3.1.4.1. The impact of PMS (positive or negative) on Section 57 manager's performance.*

Performance Management System has both positive and negative effects on employee's performance. It can encourage them to perform best and it can also discourage them to perform to their level best. The researcher probed this question in order to find out how PMS contributes to Section 57 managers performance. The findings of the on the above question are presented below:

(a) Reinforces senior manager's energy to perform.

Most senior managers have indicated that PMS has positive impact in that it forces senior managers to perform in terms of the performance agreement entered between them and the municipality. In other words if senior managers knows that they are going to be assessed they will make sure that all the targets set are achieved because those targets are publicised so meaning senior managers have promised the community of those municipalities that they will deliver services as they are being paid by public taxes. It is also a wake-up call or an early warning signal that alert senior managers on areas that need to be improved in reaching their targets and also the fact that Section 57 managers are on a fixed term that its own is a motivation for them to perform.

(b) Lack of rewards.

While some senior managers identified negative impact of PMS as being the lack of rewards. In order for senior managers to work tirelessly municipalities should be willing to recognise their efforts and reward them. The issue of understaffing was a concern in many municipalities. This calls for Treasury to fund more posts within the local government so that senior managers should not have work overload where at the end of the day targets are not met and as a result communities indulge in service delivery protest. Some senior managers emphasised that PMS limits them especially on the issue of targets in that, if targets are not accomplished meaning an official didn't perform whereas they have done other important service delivery related issues that consumed a lot of time .For example a senior manager can spend half of his or her day managing conflicts, having meetings with the trade unions from time to time. When they achieve

50% or 60% of the targets the assessors will regard it as such other than looking on what were they dealing with that also have a potential to hamper service delivery because if conflict is not managed internally it could result in employees having strikes and that would negatively impact the community in terms of the services they must receive. The current PMS has placed senior managers under pressure because the system is not cascaded to lower level of staff. This was a major concern as it impacts the performance of the municipality negatively. Therefore municipalities must ensure that everybody from the MM up to the cleaner must be part of PMS so that the municipalities can perform its mandate effectively and efficiently and not forgetting that the overall achievement of the municipality does not depend on the performance or achievement of section 57 managers only but the performance of all municipal employees at large.

#### **5.3.1.5. Measures for achieving high performance of section 57 managers through PMS within the Capricorn District Municipalities.**

Performance measures support planning and budgeting systems by providing objective information on the condition of services. This is important for the study to determine whether there are any measures in place for achieving high performance of Section 57 managers. Because those measures would assist municipalities in ensuring that their promises to the communities are kept, in probing this researcher probed the following, recommendations to overcome PMS challenges and the progress been done by municipalities within the CDM since the 2009/2012 Auditor-General Report. For each and every challenge that a municipality can find itself in there is always a solution. It might take some time for that challenge to be overcome but the fact of the matter is that a solution is there. The researcher probed the above question in order to let senior managers from all the four municipalities to come up with solutions to their current challenges. This means that if they are able to identify their challenges and recommend solutions they can as well implement those recommendations in their unit to improve the overall municipal performance. The findings of the study on the recommendation in order to overcome PMS challenges are highlighted below:

(a) Appointment of a PMS official.

An official must be appointed for PMS and there must be a PMS unit operating as an independent directorate on its own. The official will be responsible for providing better insight in the job and clarify the duties and responsibilities of employees and the PMS directorate will also enable employees to see where they fit into the municipal structure and contribute to the achievement of the objectives of the municipality.

(b) Cascade PMS to all staff.

Municipalities must cascade the PMS to the rest of the staff. Each director must be responsible for the performance management of his or her directorate, by ensuring that employees job descriptions are aligned with the departmental targets, employees are assessed on a quarterly basis and also motivated them continuously to meet the set goals and objectives. This will assist municipalities to become more productive because the overall performance of the municipality does not depend on the performance of section 57 managers only but everybody from the entry level post to the level of executive management.

(c) Link between Performance Agreement (PA), Integrated Development Plan (IDP) and Service Delivery Implementation Plan (SDBIP).

Ensure that there is a link between the performance agreement, IDP and SDBIP. Performance management system plays an important role in ensuring that plans as set out in the IDP and the SDBIP are monitored, that they have developmental impact and that the resources are used efficiently (DPLG, 1998, *Guide to Performance Management for Municipalities*). Therefore the three are interrelated in that they assist all departments of the municipality to work together towards the goals and targets that have been identified.

(d) Filling of all vacant posts.

All vacant positions must be filled especially in areas where those positions can generate funds such as hiring more traffic officials. Once these positions are filled it makes it easy for the municipality to achieve all the set goals and targets because each employee will focus on his or her duties without being overloaded by other duties that don't fall within their job descriptions.

(e) Recognise and reward excellent performers.

Good performers must be recognised and rewarded in many ways apart from the bonus incentive, things like well done and thank you are very important. People feel much valued when their effort is recognised. Continuous appreciation or compliments, encouragement and motivation must not be neglected if municipalities are about to improve their performance.

(f) Allocation of enough budgets.

Increase the equitable share because the municipalities are under budget constraints and also budget for PMS as it requires financial investment. Therefore this calls for Treasury to increase the budget because municipalities must meet the needs of the local communities within their budget parameters. If funds are depleted service delivery will not exist.

(g) Training and workshops for senior managers.

Senior managers and executive management must attend trainings and workshops on issues such as supply chain management, labour and financial management because *“it is very stressful as a director to tell people to do something that you are also not even knowledgeable on”*.

(h) Sufficient resources must be provided.

Municipalities are at the forefront of service delivery and they are forced to deliver services that are fair and consistent. Therefore in order for municipalities to insist in keeping their promises sufficient resources must be provided and municipalities must ensure that those resources are used optimally and with maximum impact.

(i) Compliance with legislations.

Senior managers must be punctual and comply with time frame for submissions of reports. They must also attach the portfolio of evidence *“because no evidence no performance”* meaning each and every work that they do they must keep record. Therefore municipalities must pay attention to the issues of legislative compliance because that indicates a sign of good corporate governance within a municipality.

#### **5.4. CONCLUSION.**

An investigation of managing the performance of section 57 managers in South African municipalities within the Capricorn district municipality was reported and the responses of the respondents or participants were discussed. The researcher analysed and interpreted the responses of the respondents as entailed in the interviews that were conducted. It can be concluded based on the information provided by the respondents that PMS in municipalities within the CDM is still inadequate due to the fact that the system is not cascaded down to other level of staff, there is high vacancy rate, lack of resources, lack of performance rewards, feedback on performance assessment are not received or senior managers are assessed for quarter 1 & 2 at the same time, there is no consistency and quality assurance in performance management reporting and PMS is just done for compliance sake. Therefore the upcoming chapter will draw conclusions and recommendations from all the preceding chapters with regard to managing the performance of Section 57 managers in South Africa.

## CHAPTER SIX

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 6.1. INTRODUCTION

In the previous chapter an investigation of managing the performance of section 57 managers in municipalities within the Capricorn district municipality was reported and the responses of the respondents were discussed. The researcher analysed and interpreted the responses of the respondents as entailed in the interviews that were conducted. The overall results were presented and analysed. Therefore the purpose of this chapter is to draw conclusions, provide summary and findings of chapters and recommendations from all the preceding chapters with regard to managing the performance of Section 57 managers in South Africa.

#### 6.2. SUMMARY OF CHAPTERS

This study was built upon six chapters. Each chapter carried a specific theme that was to be realized at its end. In order to achieve the objectives of this study, the researcher developed the following chapters.

**CHAPTER ONE:** This chapter outlined the orientation of the study. The Chapter provided the background, aim and objectives of the study. The proposed research methodology, design and some key concepts were clarified. Significance of the study and ethical considerations were also outlined. This Chapter was very important because it serves as a plan for conducting the research. The chapter ultimately revealed that the problem statement proposed to investigate is significant, the research methodology planned to use is suitable. The basis that was laid by this chapter ultimately provided a platform by which all proposed dissertation chapters followed.

**CHAPTER TWO:** This Chapter presented an overall introduction of performance management in local government. The legislative framework governing performance management, conceptualisation of performance management, historical background of performance management system, the organisational performance management, the purpose of performance management, principles of performance management, phases and steps of PMS, key components of PM and the PMS cycle were provided discussed. The first objective of this study, namely to examine the nature of PMS in municipalities within the Capricorn District Municipality was met. Literature on the implementation of PMS in each municipality was explored and although senior managers proven that public servants have a better understanding of what PMS is as applied in their sections and that PMS is not effectively practiced in the public service.

**CHAPTER THREE:** This Chapter addressed performance measurement in local government with the aim of providing among others an overview of performance measurement, the rationale for performance measurement, types of performance measures and approaches of performance measurement within which the performance of section 57 managers can be located. Literature on performance measurement in local government was explored. Literature on this issue proven that performance measurement is undeniable because it assist municipalities to assess how well they are performing when delivering goods and services to the public. This chapter also demonstrated that even though performance management in local government is governed by legislative framework and regulations the actual process of measuring performance requires significant improvement.

**CHAPTER FOUR:** This Chapter presented the research methodology used in attempting to answer the research questions as stated in chapter one. The research design was described followed by the description of the study area, research population, sampling size and procedure, data collection methods, data analysis methods, validity and reliability and the ethical considerations. This Chapter was

important because it assisted the researcher to choose the best suitable method in carrying out the research study. It is therefore important to note that if unsuitable research method is used the research could be rendered useless. The researcher chosen qualitative method and has used interviews as a data collection method. The study area was municipalities within CDM and the research population been the Section 57 managers in each municipality which resulted in 26 Section 57 managers been interviewed.

**CHAPTER FIVE:** In this Chapter consideration was given to the analysis and interpretation of data. The analysis and interpretation were chronologically arranged according to the sequence of questions in the interviews. The data that was collected was analysed and presented through the descriptive interpretative analysis and through the use of charts and tables in accordance with the analytical approach used. Data was analysed according to the objectives of the study. The third objective, namely to identify the challenges of PMS faced by municipalities within the Capricorn District Municipality was also met. The shortfalls were identified as being among others lack of PMS knowledge, lack of resources, and non-compliance with the submission dates and incomplete documentation (Portfolio of Evidence). Some senior managers indicated that they have limited knowledge on PMS mainly because they see PMS as a Human Resource Management Unit concept. The research also revealed that there is no proper considerations of training needs, in most cases senior managers are send to training not because training needs were assessed and identified but mainly because they have to attend trainings for the sake of attending. Therefore there is a need for municipalities to audit the Workplace Skills Plan of each senior manager so that they can receive proper training which will in return improve service delivery to the communities.

The fourth objective was also met, namely, to determine the effects of PMS on the performance of Section 57 manager's. The research revealed that PMS has both positive and negative effects on the performance of senior managers. Among the negative effects the research revealed that PMS is not taken serious it is just done for compliance sake as if it is an academic exercise and on the other hand feedback is not

provided. The researcher also noted some positive effects of PMS which include to push senior managers to deliver on the agreed goals and targets, and achieve them and it also promotes accountability amongst senior managers. The fifth objective was met namely, which was to propose measures for achieving high performance of Section 57 manager's through PMS within Capricorn District Municipalities. Recommendations for achieving high performance through PMS were identified as being among others to ensure that there is a link between the performance agreement, IDP and SDBIP, recognise and reward excellent performers, ensure that PMS is budgeted and also provide sufficient resources.

**CHAPTER SIX:** The chapter provided summary, conclusion and recommendation. This chapter also suggests ways in which the performance management system can be improved. Therefore conclusion and recommendations of this study are as follows:

### **6.3. RECOMMENDATIONS**

Based on the findings, analysis and conclusion of this research study, the following recommendations are made:

#### **6.3.1. Proper consideration of training need**

Equipping the senior managers with skills and knowledge through training will enhance capacity development which will enable them to develop innovative and appropriate technologies for managing the performance of their units and for delivering services efficiently and effectively. Many times, senior managers are sent for training without consideration for the relevance to present job or future appointment. The researcher therefore recommends that proper consideration of training need take place through a skills audit on a quarterly basis before municipalities can send a senior manager to training. Senior managers must not attend training for the sake of attending but they must attend when the training is necessary.

### **6.3.2. Resources must be provided for the municipality**

There are four main factors of production namely, natural resources, labour, capital and entrepreneur. From the information obtained in chapter five it was clearly stated that municipalities within the CDM are currently not a water authority but a water provider and they are also neither a housing authority nor a provider. The municipalities only assist in the coordination of the provision. Therefore municipalities must be provided with the necessary resources to continue coordinating the provision of services. Another important factor is labour, goods and services cannot be produced without human effort. The researcher recommends that additional skilled qualified and competent senior managers be appointed where posts have been vacant to speed up the process of service delivery. Section 10 (1) of Local Government Regulations on Appointment and Condition of Employment of Senior Managers states that when the post of a senior manager becomes vacant or is due to become vacant the mayor in the case of a municipal manager or the municipal manager in the case of a manager directly accountable to the municipal manager must by not later than 21 days after being officially informed that the post of a senior manager will become vacant obtain approval from Council for the filling of such post. Furthermore, senior managers should not be appointed based on their political connections, but based on the required criteria. Therefore an open, flexible and transparent and effective recruitment framework is also recommended.

In order for the municipality to run its services smoothly it must also have capital. Capital is comprised of all manufactured resources such as machines, tools, money and buildings that are used in the production process. The researcher recommends that the municipalities must control public money whereby economy, efficiency and effectiveness are promoted. This is to demonstrate that public money is spent in accordance with their mandates and that quality services are rendered to communities. The last important factor is entrepreneur, these are people who see opportunities and willing to take risks by producing goods in the expectation of the customers. Therefore the researcher recommends that municipal officials be capacitated in their field and

senior managers who are found to use public resource to satisfy their own personal needs, strict measures or action must be taken against them as they hinder service delivery.

### **6.3.3. Continuous Evaluation of senior manager's performance.**

The researcher recommends that the accounting officer of each municipality ensure that there is a continuous evaluation or assessment of all senior managers' performance in order to achieve organisational goals and objectives. The assessments must not be done at the end of financial year but must be done on quarterly basis so that a municipality can be alerted where underperformance is experienced which will allow for relevant intervention for improvement. Performance management system must not be seen as a punitive activity and it must not be done just for compliance sake. Senior managers need to understand and be encouraged to take full ownership of the performance management processes.

### **6.3.4. Provision of rewards**

Performance management system will not only improve the service delivery but it will also benefit senior managers, in that senior managers who perform their duties above the expected level should be rewarded in order to ensure that they maintain a high level of performance. Therefore the researcher recommend that municipalities must offer incentives in a form of financial rewards such as performance bonuses and non-financial rewards such as individual recognition to encourage high performers to continue with the good work.

### **6.3.5. Compliance with regulations**

In order for municipalities within CDM to improve their performance the researcher recommends that they must adhere to the requirements of administration outlined in the Municipal System Act, 32 of 2000 which among others include to ensure that managers

and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipal IDP this is to avoid finding municipal employees being busy all day but not delivering the set targets, provide an equitable, fair, open and non-discriminatory working environment this is significant because when employees are treated fairly they will be motivated to perform above the expected level, maximise efficiency of communication and decision making within the administration. Compliance should also be strengthened in ensuring that senior managers submit the required reports together with the Portfolio of Evidence within the prescribed time frame and disciplinary measures must be taken for non-compliance particularly with regard to late submissions.

#### **6.3.6. Community participation must be strengthened**

Community participation is a requirement in terms of Section 16 (1) (a) of the Local Government: Municipal Systems Act 32 of 2000. It states that a municipality must develop its culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the municipality. Communication between municipalities and citizens should be seen as an integral part of service delivery and governance. Municipalities must not only rely on the local media for communicating with their residents. This will reduce the level of community resistance when coming to projects implementation. When communities are engaged more often Therefore the researcher recommend that community participation take place through political structures, through mechanisms such as imbizo's (informal gatherings with councillors where questions can be asked on any issue related to municipal matters), public meetings, consultative sessions and report back sessions with the local community and the municipality must also encourage members of the community to attend by making sure that whatever decision they agree on the municipality fulfills their promises.

### **6.3.7. Recommendation for further research**

Further research in this field is recommended. Based on findings of this study, further research can be conducted to explore on how municipalities can cascade PMS to the rest of the staff. This study needs to be conducted at a national level. This is because the overall achievement of the municipality does not depend on the performance or achievement of section 57 managers only but the performance of all the employees at large and municipalities has been singing the song of cascading PMS but till today PMS in most municipalities is not cascaded. This will help many municipalities to deliver service effectively and efficiently and will reduce incidences of violent protests against poor service delivery. Municipalities within the Capricorn District municipality like many other local authorities in the country have not yet developed the necessary research capacity. Therefore in this regard a partnership with institutions of higher learning as well as research institutions is being recommended.

### **6.4. CONCLUSION**

An exploratory and descriptive study was conducted with the aim to investigate the management of Section 57 manager's performance within municipalities in Capricorn District, Limpopo Province. The study population included twenty six (26) municipal Section 57 managers from Molemole municipality, Aganang municipality, Blouberg municipality and Lepelle-Nkumpi municipality. The concept of Performance Management System is a legislative mandate that has to be implemented by each municipality and is a powerful tool which can assist municipalities to develop an integrated perspective on development in their area. Local government is charged with the responsibility of facilitating social and economic development. This is because municipalities are at the forefront of service delivery and they are close to the citizens. Therefore in order for municipalities to be regarded as well-performing municipalities their performance should be measured by determining the extent to which their communities have access to basic services. Although PMS plays an important role in

the improvement of Section 57 manager's performance, it has not contributed to the improvement of service delivery to a large extent. This is mainly because the system is experiencing some challenges such as lack of resources and high vacancy rate which hampers the delivery of services. However, to ensure that this challenges are overcome the national government together with the provincial government need to work closely with municipalities to ensure that inefficiency in service delivery is eradicated. Therefore in order for PMS to be effective every official should be prepared, be willing and committed to play a role in improving the performance of the entire municipality. In conclusion it is necessary to emphasise that municipalities need to make use of the above recommendations for encouraging, measuring, evaluating, improving, and rewarding senior management performance. The above conclusions have been drawn up based on the evidence collected and analysed in Chapter five and all the objectives of the study have been adequately addressed.

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**Annexure A:** Sample of request letter to conduct research



University of Limpopo  
School of Economics and Management  
Department of Public Administration  
Tel: 015 268 3157/3237 Fax: 015 268 3522

**To: Lepelle-Nkumpi Municipality**

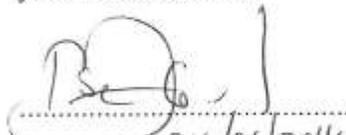
**Cooperate Services Division**

**From: Prof MP Sebola**

**HoD: Public Administration**

**Subject: REQUEST LETTER TO CONDUCT RESEARCH: SEHOA, MF (M.ADMIN)**

1. This serves to confirm that the above-named candidate is an M.Admin registered student in our Department of Public Administration.
2. The candidate is conducting a study on the implementation of Performance Management System for Section 57 Managers in the Capricorn District.
3. The study is solely meant for academic research and to obtain a master's degree in Public Administration.
4. I therefore as a Study Leader in this project request your office to approve her request to conduct research in your area of demarcation.

  
Prof MP Sebola 24/06/2014

**HOD: PUBLIC ADMINISTRATION**

**Annexure B:** Sample of permission letter to conduct research

HEAD OFFICE

303 Church Street  
Private Bag N 44  
MOGWADI 0715  
Telephone: (015) 501 0243/4  
Fax no : (015) 501 0419  
E-mail: [info@molemole.gov.za](mailto:info@molemole.gov.za)



ALL CORRESPONDENCE TO BE ADDRESSED TO THE MUNICIPAL MANAGER

MOREBENG BRANCH OFFICE

25 Cnr. Roets & Vixiers Street  
MOREBENG 0810  
Telephone : (015) 397 4333 / (015) 397 4327  
Fax no : (015) 397 4334

[www.molemole.gov.za](http://www.molemole.gov.za)

**Enquiries: Letsoalo KG**

**Reference: 4/11/1**

13 June 2014

Ms. Faith Sehoa  
PO Box 1735  
Dwarsriver  
0812

**RE: PERMISSION TO CONDUCT RESEARCH**

Your email dated 06 June 2014 at 09h20 has reference.

Kindly note that your request to conduct research has been approved by the Municipality and you will forward a list of documents that you'll like to peruse in the Municipality to the Manager – Human Resources in the Municipality.

You are further advised to liaise with Mr. Government Letsoalo at Cell, 060 525 9484 or [LetswaloKG@molemole.gov.za](mailto:LetswaloKG@molemole.gov.za) regarding the date and time that you wish to visit the Municipality in order to plan well for your visit.

Hoping you find the above to be in order

Kind regards

N.N Keetse  
Acting Municipal Manager

13/06/2014  
Date

Vision: A developmental people driven organization that serves its people"

Mission: To provide essential and sustainable services in an efficient and effective manner.

**Annexure C: Cover letter**

Date: September 2014

To: Senior managers

I Sehoa Makoma Faith (*Student No: 200907855*) I am registered with the Department of Public Administration at the University of Limpopo, Turfloop Campus as a Masters student. The title of my study is: *Managing the Performance of Section 57 Managers in South Africa: A Case of Capricorn District Municipality, Limpopo Province.*

I would greatly appreciate 20 minutes of your time to respond to the enclosed interview questions. You were chosen to participate in this study because you are a senior manager and employed in terms of performance contract. I also believe that you have the ability to acquire resources and put them to efficient and effective use to achieve the desired outcomes of Performance Management System of the municipality. All the information provided by you in this interview is purely for academic purpose and it will be treated with high confidentiality and no information will be disclosed to any other party. I will also avail a copy of my dissertation to the municipality for reference after completion.

Your kind cooperation is highly appreciated.

Yours Sincerely,

Faith Sehoa

## Annexure D: Interview Questions

### SECTION A

#### PERSONAL DETAILS

1. Name of the Municipality

2. Name of the Unit

3. Gender

4. Age

20-30 Years	
31-40 Years	
41-50ears	
51 + Years	

5. Highest academic level you achieved

Diploma	
Degree	
Honours	
Masters	
Doctorate	

6. Your working experience in years

Less than 2 years	
2 to 3 years	

4 to 5 Years	
More than 5 years	

## **SECTION B**

### **PERFORMANCE MANAGEMENT**

#### **1. The nature of PMS in Polokwane Municipality:**

1.1 What do you understand about PMS as applied in this municipality?

1.2 How effective is PMS in this municipality?

1.3 How is performance measured, reviewed and monitored in this municipality?

1.4 What measurement approaches do you use to evaluate goals and objectives?

1.5 What are your key performance indicators that you use to measure performance, with regard to the municipality's development priorities and objectives as set out in the IDP?

#### **2. The status of performance of Section 57 managers:**

2.1. What is the current status of performance of section 57 managers within this municipality?

2.2. How is the performance of section 57 managers managed in this municipality?

2.3. What are rewards used to motivate managers who meet their set goals and targets within the time frame?

2.4. What are the developmental programmes in place for poor performers to enhance their performance?

#### **3. The challenges of PMS within the Polokwane Municipality:**

3.1. What are the challenges of PMS in this municipality?

3.2. Which challenges have a major negative bearing on the delivery of services to communities in your municipality?

3.3. Would you argue that underperformance is well managed as a challenge in this municipality and how?

3.4. How does your municipality manage the challenge of biased assessments during performance assessment process?

**4. *The effects of PMS on the performance of Section 57 managers:***

4.1 Can you say PMS contributes positively or negatively towards improving Section 57 manager's performance and how?

**5. *Measures for achieving high performance of section 57 managers through PMS within the Polokwane Municipality:***

5.1 What would you recommend the municipality to do in order to overcome PMS challenges?