

**AN EVALUATION OF THE IMPLEMENTATION OF PERFORMANCE  
MANAGEMENT SYSTEM: A CASE STUDY OF BA-PHALABORWA  
MUNICIPALITY IN LIMPOPO**

by

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## DECLARATION OF THE EDITOR

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26 November 2010


To Whom It May Concern:

This letter is meant to acknowledge that I, MM Mohlake, as a professional editor, have meticulously edited the study thesis of Mr Setimela Sampson Sebashe (Student # 200114745) Entitled “An Evaluation of the Implementation of Performance Management System: A Case Study of Ba-Phalaborwa Municipality in Limpopo”.

Thus I confirm that the readability of this work in question is of a high standard.

For any queries please contact me.

Regards

A handwritten signature in purple ink, consisting of several overlapping loops and a final horizontal stroke.

**MM Mohlake**



## DECLARATION

I, Setimela Sampson Sebashe, declare that **AN EVALUATION OF THE IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEM: A CASE STUDY OF BA-PHALABORWA MUNICIPALITY IN LIMPOPO** is my own original work and that I have not, in its entirety or in part, submitted it to any university for a degree, and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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SETIMELA SAMPSON SEBASHE

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DATE

## **DEDICATION**

This study is dedicated to:

### **My Wife**

Lebeko Francinah Sebashe

### **My Children**

Mpomo;

Tšhegofatšo;

Lebogang; and my son

Motheithi

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This thesis would not be what it is, had it not been the expert editing of Mosimaneotsile M Mohlake. You were always ready to assist and go an extra mile. Thank you.

## **ABSTRACT**

The purpose of this study was to evaluate the implementation of Performance Management System in the Ba-Phalaborwa Municipality. The need for this study was considered relevant and necessary as municipalities today have become focus points for service delivery as per their constitutional obligations. Central to the constitutional mandate, amongst other things, the Municipal Systems Act 32 of 2000 requires municipalities to establish a Performance Management System that will play a pivotal role in promoting a culture of Performance Management. It is through Performance Management that priorities, objectives and targets set, as contained in the Integrated Development Plan, are implemented and measured.

In this study, the researcher evaluates the capacity of the management of the Ba-Phalaborwa Municipality to implement Performance Management System, the compliance of the Performance Management System with legislation and the perceptions of labour unions in the implementation of the Performance Management System. The study further provides an analysis of the state of the Performance Management System in the Ba-Phalaborwa Municipality. It discloses several issues that require immediate attention by management in order to make Performance Management fully compliant and functional. Amongst other things, the study reveals that there is minimal employee involvement in the planning of Performance Management, lack of training opportunities to address identified weaknesses, non-payment of performance bonus to good performing employees and majority of employees not knowing their performance targets as reflected in the Service Delivery and Budget Implementation Plan.

The study concludes by providing recommendations to management of the Ba-Phalaborwa municipality on how to enhance good Performance Management. Some of the recommendations proposed are payment of performance bonus to good performing employees, consultations with all employees on the implementation of the system, cascading of the Performance Management to all lower levels employees, to cite just but few examples. The correct implementation of Performance Management System will serve as a means to enhance organizational efficiency, effectiveness and accountability in the use of resources in accelerating access to good quality services and a better life for all.

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## **CHAPTER ONE**

### **INTRODUCTION AND BACKGROUND**

#### **1.1. Introduction**

From the legislative point of view, it is evident that the government believes that people from all walks of life, no matter where they live and who they are, are entitled to good quality services. However, service delivery to the public continues to be a challenge and as such requires the commitment and dedication of all public servants. For the government of the day to meet its objectives and targets with regard to service delivery, Performance Management is inevitable. In the Department of Public Service and Administration, the Public Service Regulations, 2001, as amended 2 October 2009 serves as a guiding document in the development and implementation of Performance Management and Development System. In municipalities, the Municipal Systems Act, 2000 (Act. No 32 of 2000) serves as a basis for the implementation of Performance Management System.

Performance Management System enhances organizational efficiency, effectiveness and accountability in the use of resources in accelerating access to quality services and a better life for all. It further harnesses an organization's overall objectives by linking the work of each individual employee to the overall organizational mission and vision. An implementation of the Performance Management System in the Ba-Phalaborwa Municipality started in 2005. Presently, it is implemented to Section 56 managers (Directors) and some Assistant Directors. The challenge facing the municipality is to roll down the implementation of the Performance Management System to other lower levels employees.

#### **1.2. Problem Statement**

Performance Management System has its roots in legislation. Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) requires municipalities to develop a Performance Management System that will assist to set targets, monitor and review performance based on indicators linked to the Integrated Development Plan.

In a view to support this legislative framework, the Department of Provincial and Local Government developed a guide in 2001 to assist municipalities to implement a performance management system. With regard to employees' performance, Kanyane and Mabelane (2009:67) assert that performance should be monitored, evaluated, appraised and feedback be given. Presently, the Performance Management System is not linked to the Integrated Development Plan (IDP); it is only the employee performance that is done and there is no reward for performance. This impact negatively as there is low staff morale that contributes to poor delivery of services. It is for this reason that this study aims to evaluate the implementation of the Performance Management System in the Ba-Phalaborwa Municipality, so that shortcomings may be identified in order for recommendations to be made to management to improve the status quo. Thus, contributing towards increasing the municipality's output capabilities.

### **1.3. Aims of the Research**

The aim of this study is to investigate the implementation of Performance Management System in the Ba-Phalaborwa Municipality. It will further suggest possible recommendations on the implementation of the Performance Management System.

### **1.4. Objectives of the Study**

The objectives of the study are, namely:

- To analyse the roles and responsibilities of key stakeholders (managers, supervisors and lower level employees) in the Performance Management System;
- To appraise whether the Performance Management System being implemented by the municipality is complying with legislation;
- To examine the perceptions of labour unions in the implementation of Performance Management System; and
- To make possible recommendations to improve the implementation of the Performance Management System.

### **1.5. Research Questions**

This study is guided by the following research questions:

- What are the roles and responsibilities of managers, supervisors, lower level employees and other key stakeholders in the Performance Management System?
- Does the Performance Management System implemented by the municipality comply with legislation?
- What are the perceptions of labour unions regarding the Performance Management System?
- What are the possible recommendations that can be made to improve the Performance Management System?

## **1.6. Definitions of Concepts**

In order to understand Performance Management System well, one finds it necessary to define concepts that are pertinent to it, which, as the researcher believes, are important to the envisaged study.

### **1.6.1. Integrated Development Plan**

*The White Paper on Local Government* (1998: 27) defines Integrated Development Plan (IDP) as a process through which a municipality can establish development for short, medium and long term periods following certain steps. IDPs are planning and strategic frameworks meant to help municipalities to fulfil their developmental mandates.

### **1.6.2. Performance Management System**

Armstrong (1994:23) defines Performance Management as a method of establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way that that increases the probability that defined outputs will be achieved in both the short and longer terms. Swanepoel (1998:111) further maintains that Performance Management is “an approach to managing people that entails planning employee performance, facilitating the achievements of work-related goals and reviewing performance as a way of motivating employees to achieve their full potential in line with organization’s objectives”. Mafunisa and Kanyane (1992: 2), as adapted in Mogotsi (2002), further supports the above-mentioned scholars by maintaining that “Performance Management is a process of getting better results from the organization’s individuals and teams, by understanding and managing performance within an

agreed framework of planned goals, objectives and standards”. Cascio (1993:122) agrees by defining Performance Management as the total process of observing an employee’s performance in relation to job requirements over a period of time and then making an appraisal of it. According to Van der Waldt (2004: 40), Performance Management is:

An approach to management that seeks to harness the endeavours of individual managers and workers towards an organization’s strategic goals, first of all defines goals; it defines the output needed to achieve those goals and gains the commitment of individuals or teams to achieve those outputs; and, finally, it monitors outcomes.

### 1.6.3. Organizational Performance Management

Organizational performance is an approach to establish an organizational culture in which individuals and teams take responsibility for the continuous improvement of the organization, and of their own skills and contributions to the desired results (Cameron, 2003:244).

### 1.6.4. Individual Performance Management

Walters (1995: x) defines individual Performance Management as the directing and supporting of employees to work as effectively and efficiently as possible in line with the needs of the organization. The individual Performance Management contributes towards the attainment of the organizational objectives and goals. Individual performance will inform the organizational performance wherein an organization will set key performance indicators and report back implementation progress to the community.

### 1.6.5. Performance indicators

Performance indicators are measures that describe how well a programme is achieving its objectives. They enable those who are outside the organization with a basis for judging performance and establishing accountability (Van der Waldt, 2004:53).

### 1.6.6. Performance targets

Performance targeting is defined by Kearney and Berman (1999:177), as adapted in Van der Waldt (2004), as a process of making explicit to employees, either, either individually or as a group, the level and type of expected work performance, as well as the time frame for realizing

such performance and, subsequently, providing feedback on and discussions of performance achievements.

#### 1.6.7. Performance planning

Performance planning is part of the overall strategic planning of an institution with a view to allowing employees to perform optimally in order to reach organizational goals. It ensures that employees are aware of performance standards and how their performance in relation to those standards will be measured and what the results of such measurements could be (Van der Waldt, 2004:40).

#### 1.6.8. Performance review

Performance review is a process whereby an organization, after evaluating its own performance, assesses as whether the targets and goals set are achieved or not. It starts with individual performance wherein the supervisor and the subordinate discuss the work performance in relation to the targets set for the period under review. It generally depends on the provisions of guiding policies as to when to conduct performance reviews. Individual performance reviews will inform the organizational performance reviews wherein an organization will review the targets sets and report back to the community. *Performance Management and Development Policy for the Mpumalanga Provincial Government* (2007) further sees performance review as the formal process of reviewing performance, quarterly in the course of the performance period, in which progress is assessed, problems identified and performance plans amended where deemed necessary. It is also a continuous process of formal feedback aimed at risk management, problem solving and tactical reflection. Performance review does not replace ongoing informal day-to-day peer and managerial performance feedback.

#### 1.6.9. Performance evaluation

Performance evaluation is a process that is used to determine effectively employees' abilities to perform certain duties successfully and identifying training needs for development purposes; and it can be used as an opportunity to develop an individual development plan for each employee. With regard to performance evaluation, English (1991), as adapted in Brand and Pretorius (2003:577), asserts that "performance evaluation plays a decisive role in the development and

motivation of employees, and is still management's most effective tool for improving productivity.”

Regarding performance evaluation, the *Performance Management and Development Policy for the Mpumalanga Provincial Government* (2007) further states that it refers specifically to the annual formal process of evaluating performance taking into account all formal performance reviews and it leads to management decisions regarding recognition and reward, individual development and corrective action.

#### 1.6.10. Rewarding performance

Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the organization's mission (<http://www.opm.gov/perform/overview.asp>). Reward can serve as a form of improving performance and bettering productivity in institutions. It is one of those tools used in the retention and recruitment of employees based on the provisions of performance management policies of organizations, which outlines the criteria. With regard to rewarding performance, Van der Waldt (2004: 259) argues that:

Performance Management alone, no matter how effective, will have little effect on performance if it is not translated into feedback or rewards. No matter how clear the objectives, how precise the measurement or how meaningful the feedback, if there is no linkage to rewards, then performance will not be maximized.

## **2. Outline of the Research Report**

This study evaluated the implementation of Performance Management System in the Ba-Phalaborwa Municipality in Limpopo. Emphasis was placed on the implementation of the system, compliance to legislation and its impact to service delivery.

### **Chapter one: Introduction and Background of the Study**

In this chapter, the researcher gives a general introduction of the study. The focus is on the background to the problem, aims and objectives of the study, as well as definitions of relevant concepts. The researcher further outlines the reasons that led to the choice of this research topic.

## **Chapter two: Literature Review**

The views of different scholars and policy makers on the research topic are highlighted and discussed in this chapter. This is important as it lays a foundation in understanding the nature and extent of Performance Management System in the public service, thus expanding the knowledge base of the topic.

## **Chapter three: Research Designs and Methodology**

This chapter outlines the research methodology utilized in carrying out the research. The method used is relevant to the objectives and aim of the study and as such the phenomenon being investigated received proper and relevant attention.

## **Chapter four: Data Presentation and Analysis**

In this chapter, the researcher employed appropriate data collection techniques and methods to collect data and analyse it.

## **Chapter five: Conclusion, Summary and Recommendations**

Chapter five gives conclusion, summarize the findings of the study and provides some recommendations and prospects for future research.

### **3. Conclusion**

Chapter One introduces the research study and gives a brief background of the study. The problem statement, aims and objectives of the study are also outlined. The research questions which guide the research process are also stated. Definitions of some concepts that are pertinent to the study are given.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

According to Schulze (2002:2), a literature review is a systematic, critical analysis and summary of existing literature relevant to the research topic. It aims at contributing towards a clearer understanding of the nature and meaning of the problem that has been identified. Marshall and Rossman (1999:43) postulate that literature review builds a logical framework for the research and sets it within a tradition of inquiry and a context of related studies. According to Strydom, Fouche and Delport (2005:124), the aims of literature review are amongst others the following:

- Serves as an excellent source for selecting a topic as it reduces the chances of selecting an irrelevant or an outdated topic. Rubin and Babbie (2001:120) support this view by stating that an early review of the literature is a prime source for selecting a topic to begin with, as it provides substantially better insight into the dimensions and complexity of the problem.
- Saves time and avoids duplication of the same research. With regard to this view Mouton (2001:87), reiterates that literature review saves time, avoids duplication and unnecessary repetition.
- Assist in identifying obstacles and deficiencies in previous research. A researcher may identify the practical obstacles that others have already encountered in the planned line of research and determine better methodologies.
- Assist the researcher in shaping and redefine the research questions. Marshall and Rossman (1999:43) agree by asserting that literature review also refines and redefines the research questions and related tentative hypotheses by embedding those questions in larger empirical traditions.

#### **2.2. Performance Management legislation and theoretical framework**

For this study, various legislations, regulations and statutory framework provide for the establishment of a Performance Management System in the local sphere of government. The legislative frameworks assist local governments in the implementation of Performance Management System. Scholars such as Van der Waldt (2006), Kanyane and Mabelane (2009)

and Swanepoel (1998), to mention only a few, conducted studies on Performance Management System. The views of different scholars and legislative frameworks on the research topic are of utmost importance as they will lay a foundation in understanding the nature and extent of Performance Management System in the public service, thus expanding the knowledge base of the topic.

### *The Constitution of the Republic of South Africa*

*The Constitution of the Republic of South Africa (1996)* plays a crucial role by setting basic values and principles governing public administration. Section 195 (1) of the constitution states that public administration must be governed by the democratic values and principles enshrined in the constitution, including the following principles:

- Efficient, economic and effective use of resources must be promoted;
- Public administration must be development-oriented;
- People's needs must be responded to, and the public must be encouraged to participate in policy making; and
- Good human-resource management and career-development practices, to maximize human potential, must be cultivated.

Thus, the intentions in the promulgation of all other related Performance Management System legislations, was to give effect to the provisions of Section 195 (1) of the constitution.

### *Municipal Systems*

Chapter 6 of the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) accords municipalities the responsibility to develop a Performance Management System; set targets, monitor and review performance based on indicators linked to the Integrated Development Plan; publish an annual report on performance management for the councillors, staff, the public and other spheres of government; incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government; and involve the community in setting indicators and targets and reviewing municipal performance.

Regarding community participation the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) further accords residents the right to give feedback to the municipality on the quality and level of services offered to them. It encourages community members to participate in the following ways:

- preparation, implementation and review of IDPs;
- establishment, implementation and review of a municipality's Performance Management System;
- monitoring and review of a municipality's performance,
- preparation of a municipality's budget; and
- decisions about the provision of municipal services.

The Performance Management System must include targets and indicators, which are similar to those set in the municipality's Integrated Development Plan. The performance targets and performance indicators must enable the municipality to monitor, measure and review performance.

Regarding Performance Management, Section 19 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) requires a municipality to annually review the needs of the community; its priorities to meet those needs; its processes for involving the community; its organizational and delivery mechanisms for meeting the needs of the community; and its overall performance in achieving the objectives of local councils as stated in section 152 of *The Constitution of the Republic of South Africa (1996)*. It further expects a municipality to develop mechanisms that will enhance consultation of the community and community organizations in performing its functions and exercising its powers.

*The Local Government: Municipal Finance Management Act 2003 (No. 56 of 2003)* gives the mayor of a municipality the authority to co-ordinate the annual revision of the Integrated Development Plan in terms of Section 34 of the Municipal Systems Act and the preparation of the annual budget, and determines how the Integrated Development Plan is to be taken into account or revised for the purpose of the budget.

### *Public Service Regulations*

The Public Service Regulations, 2001, as amended 2 October 2009 serves as a guiding document in the implementation of Performance Management and Development Systems. It stipulates that departments shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organizational efficiency, effectiveness, accountability in the use of resources and the achievement of results. Performance Management processes shall link to broad and consistent plans for staff development and be aligned with the department's strategic goals. It further states that the primary orientation of performance shall be developmental and shall allow for effective response to consistent inadequate performance and for recognizing outstanding performance.

*The Public Service Regulations* (2001) further outlines the roles and responsibilities of supervisors on employees, coordination and communication on the Performance Management System, ways to reward performance and how to deal for unsatisfactory performance.

Regarding Performance Management, *Accenture* (2010: 3) asserts that Performance Management can be effectively practised across the entire organisation in an integrated, interactive and sustained way in order to assist public service organizations to overcome challenges and deliver more with less. The study further indicates that public service stakeholders such as citizens, tax payers, service users and consumers, as well as the media, non-governmental organizations and other stakeholders are becoming increasingly vocal in their expectations to see performance been improved and service levels brought in line with those that they experience as customers of the private sector. This simply denotes that the public service should starts to provide services in such a way that it equates its standard with the public sector.

Of critical importance, *Accenture* (2010) further stipulates that Performance Management in the public sector is more important as it will:

- drives greater value for money for many by focusing management effort and resources on social outcomes that really matter to citizens;
- provides clear accountability individuals and departments for making changes supportive of the overall strategy;

- ensures coherence between strategic objectives and operational plans, through the cascading of objectives and measures, which in turn ensures that limited resources are focussed on activities that will make the most difference;
- enables organizations to control costs by clearly aligning budgets not only to activities, but also to outcomes;
- promotes greater efficiencies by enhancing service performance levels, driving out waste and reducing delivery risks through the process of continuous learning; and
- promotes organizational agility through rigorous monitoring of activities, helping organizations proactively and tracking for risks and changing customers' needs.

The above stated importance of Performance Management clearly disclose that Performance Management can be used strategically as a proactive way to anticipate, respond to and mitigate performance issues before they can escalate into problems. Thus, helping government, public service managers and other lower levels employees to be aware of the risks that might result into problems or challenges raised by the citizens as service receivers. Effective Performance Management demands an integrated approach based on a strong foundation of measurability, careful planning and fiscal discipline consisting of functions and activities that are carefully managed with a cyclical integrated framework (*Accenture*, 2010:10).

Just like other scholars of Performance Management such as Swanepoel (1998) who stipulates that Performance Management is composed of four components, namely planning performance, managing performance, reviewing performance and rewarding performance; and Spangenberg (1994) who further confirms the above view by stating that Performance Management includes the following elements: a shared vision of organizational objectives, or a mission statement communicated to all employees; individual Performance Management targets related to both operating unit and wider organizational objectives; and the review process used to identify training, development and reward outcomes; *Accenture* (2010) when supporting these views states that for Performance Management to be effective it should comprise of the following steps:

*Step 1: Set social outcomes and strategic plans*

At this stage, attention is focused on development of strategic plans on social outcomes. Further focus managerial attention on the identification of value drivers and activities that contribute most to value and are easiest to influence.

*Step 2: Define and mobilise meaningful performance targets*

The entire organisational stakeholders are mobilised to deliver on the same priorities by making sure that they understand their roles and responsibilities and the envisaged objectives of the organisation. Stakeholders are assigned clear accountable roles for effective change and resources are allocated based on the oriented action plans for the organisation.

*Step 3: Drive value through strategic planning and budgeting*

At this stage, the entire organisational stakeholders take ownership of the organisational plans. It is also at this stage wherein finances and operational plans are integrated.

*Step 4: Keep monitoring performance and progress*

Managers and stakeholders compare delivery with the planned objectives and if need prioritise and re-focus efforts to address poor performance. Stakeholders are encouraged to develop a culture of continuous improvement which is aligned to the targeted outcomes. Stakeholders should further anticipate and remediate issues as the Performance Management framework matures.

It is evident from the above discussion on the four steps for the implementation of Performance Management System as proposed by *Accenture* (2010) and supported by scholars such as Swanepoel (1998) and Spangenberg (1994) that Performance Management is an integrated phenomenon composing of various elements that are intertwined to each other, thus meaning that if one element is ignored the whole system will be impacted negatively. It is therefore, of utmost importance to follow all steps in implementing the Performance Management System in an organisation so as to promote effectiveness and efficiency.

*The Performance Management and Development Policy for the Mpumalanga Provincial Government* (2007: 11) views Performance Management and Development System as a critical tool in ensuring the attainment of improving the efficiency and effectiveness in terms of service delivery, ensuring that targets as informed by the Growth and Development Strategy are met, achieving service deliveries standards agreed upon with its citizens, and providing for sound and objective individual performance management. The policy further sees Performance Management and Development System as an ongoing communication process that involves both the manager and the employee to ensure that essential job functions which relate to the vision, mission and goals of the organisation are identified and described, realistic and appropriate performance standards are developed, feedback regarding performance is given and received and planning career development to sustain, improve or build on employees' work performance.

According to the provisions of the *Performance Management and Development System for the Mpumalanga Provincial Government* (2007), Performance Management consists of the following five phases:

Phase 1: Performance Planning;

Phase 2: Performance Monitoring, Reviewing and Evaluation;

Phase 3: Performance Development Planning;

Phase 4: Recognition and Reward; and

Phase 5: Management of poor performance

The policy regards the above-mentioned phases as integrated, on-going systematic process of planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically reviewing performance and rewarding good performance. It further stipulates that performance monitoring, reviewing and evaluation is the process of consistently measuring performance and providing ongoing feedback to the employee or group of employees on their progress towards reaching the objectives against the performance plans. Monitoring and review of employees' performance will be done by conducting quarterly reviews with employees wherein their performance is compared against the agreed performance standards and objectives as agreed in the performance plan.

Regarding the planning phase of Performance Management the *Green Paper: National Strategic Planning* (2009:13) asserts that the planning process strengthens the relationship between the state and the society, as their relationship extends beyond the imperatives of electoral cycles and mandates of government of the day. It is through this process that the state fosters an environment of mutual trust with the public. The planning process further ensures an active citizenry, a culture in which the public enriches both policy development and implementation by the state.

It further stipulates that there is an intimately linked relationship between the planning process and the monitoring and evaluation process, as good planning should inform excellent criteria to judge progress; planning is meaningless without long-term objectives and milestones on the road to those objectives. On the other hand, performance monitoring and evaluation will assist to assess progress, identify constraints, weaknesses and failures in implementation, and effect mechanisms of corrections or enhancement. Based on the integrated nature of these elements, it is therefore, imperative to have a systematic and on-going relationship between the planning process, monitoring process and the evaluation process.

The Republic of South Africa developed a policy document called *Improving Government Performance: Our Approach* (2009). The main purpose of this document is to outline the Presidency's approach to Performance Management Monitoring and Evaluation. It guides the direction and processes of policy implementation and further serves as a guiding tool to the assessment of individuals and collectives of people, to evaluate an institution's effectiveness and even to assess the validity of a policy.

On the issues of Performance Monitoring and Evaluation the policy document on *Improving Government Performance* (2009) states that performance monitoring and evaluation must not be the end of the process and as such the outcome and output of the process should be used to promote a change in behaviour and create a culture of accountability. The information from the process should also assist in understanding why policies and implementation approaches work, or more importantly, not work so that corrective measures can be employed.



It is sometimes important to compare the strategies, tactics and methods of implementing Performance Management System in our country with other countries. This will assist in checking and identifying the strengths, weaknesses and similarities in the two compared countries, thus improving the weaknesses by benchmarking using the good practices. In his study of *Performance Management in the Australian Public Service*, Max (2001) emphasizes that Performance Management is an essential tool that is relevant at all levels, as it provides a means to improve organizational performance by linking and aligning individual, team and organisational objectives and results. Performance Management further provides a means to recognise and reward good performance and to manage under-performance. Max (2001:7) further asserts that effective Performance Management requires a framework that integrates organisational, business and individual planning and it should involve the following:

- clarifying performance objectives and linking these with organisational business plan;
- periodic performance appraisals of individuals or teams against the achievement of these objectives;
- provide feedback from this appraisals;
- recognition or rewards for performance, including performance pay, salary progression guided by performance or non-pay reward system;
- team and individual development to build capabilities; and
- counselling, or other action to deal with poor performance.

The study further proposes three critical factors which organisations and individuals should consider when designing and implementing Performance Management System. It identifies that when designing Performance Management System should be based on a detailed understanding of the outcomes sought by government and stakeholders, as well as the culture of the organisation; should engage and win the support of staff through transparency, fairness, simplicity and progressive implementation; and should ensure that the Performance Management is a part of the overall corporate management structure of the organisation and there should be a clear demarcation line between staff responsibilities and the objectives of the organisation and that the implementation of Performance Management is carefully planned with an adequate training component for development of employees.

The above discussion on the study of *Performance Management in the Australian Public Service* by Max (2001) clearly discloses that in the implementation of Performance Management System countries follow similar approaches and methods with the only differences been the usage of terminology. In the study, Max (2001) distinguishes the most important steps of implementing Performance Management as clarifying performance objectives and linking them with organisational goals, doing periodic performance appraisals, providing feedback, recognition or rewards for good performance and capacity development of employees. These components of Performance Management are the same as the ones that are stipulated by the *Performance Management Policy of the Ba-Phalaborwa Municipality* (2010), the *Public Services Regulations* (2001) and the *Local Government: Municipal Systems Act (Act 32 of 2000)*. The above-mentioned legislative framework provides for planning performance, managing performance, assessing and evaluating performance, reviewing performance and rewarding performance.

#### *Local Governance*

*The White Paper on Local Government* (1998) provides three approaches that can assist municipalities to become more developmental, namely, integrated development planning and budgeting; Performance Management; and working together with local citizens and partners. It emphasizes the potential of integrated development planning as a mechanism to enable prioritization and integration in municipal planning process.

It further proposes the introduction of a Performance Management System to local government and suggests ways in which municipalities can engage citizens and community groups in their capacities as voters in the affairs of the municipality. Regarding the provisions of the White Paper on Local Government (1998), Van der Waldt (2006) asserts that the White Paper visualizes a process in which communities will be involved in governance matters, including planning, implementation and performance monitoring and review. In this way, communities would be empowered to identify their needs, set performance indicators and targets and thereby hold municipalities accountable for their performance in service delivery. According to Tshishonga and Mbambo (2008:771), community participation creates and provide a platform for people as individuals as well as collectives to organise themselves into formidable forces to

assume power to influence decisions through their active participation via the democratic structures.

Chapter 3 of the *Municipal Planning and Performance Management Regulations (2001)*, provides that a municipality's Performance Management System must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. *Municipal Planning and Performance Management Regulations (2001)* further requires municipalities to in the development of the Performance Management System to ensure that the system amongst others:

- demonstrates how it is to operate and managed from the planning stage up to the stages of performance and reporting;
- clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- relates to the municipality's employee Performance Management processes; and provides a procedure by which the system is linked to the municipality's integrated development planning processes.

Section 8 of the *Municipal Planning and Performance Management Regulations (2001)* further states that when setting key performance indicators municipalities must ensure that the performance indicators and targets are measurable, relevant, objective and be precise. It also emphasises the importance of the involvement of the local communities, all administrative units and employees, every municipal entity and service providers with whom the municipality has entered into a service delivery agreement, in the setting of key performance indicators and targets.

Chapter 4 of the *Municipal Planning and Performance Management Regulations (2001)* articulates the significance of community participation in the drafting and implementation of the

Integrated Development Plan; consultation on the contents of the Integrated Development Plan; monitoring the implementation of the Integrated Development Plan; discussing the development, implementation and review of the municipality's Performance Management and the monitoring of the municipality's performance in relation to the key performance indicators and performance targets set by the municipality.

The notion of community involvement on key performance indicators and performance targets is supported by section 42 of the *Municipal Systems Act No. 32 of 2000* which contemplates that a municipality, through appropriate mechanisms, processes and procedures must involve the local community in the development, implementation and review of the municipality's Performance Management System, and, in particular, allow the community to participate in the setting of the appropriate key performance indicators and performance targets for the municipality.

*The Role of the State and Governance* (2009: 14) further postulates that governance is about the collective, democratic management of people's lives and extends beyond government. Good governance requires the involvement of civil society including labour and business in the decision-making and development of society. Therefore, government develop mechanisms to promote participatory democracy and culture of liberation in all institutions of governance, and it should further develop steps to accommodate the need for the effective involvement and participation of men and women, of those who are not literate as well as those with literacy, the rural poor, working people and the disabled. The mechanisms and strategies developed should assist in determining a clear role for organs of civil society in the promotion of participatory democracy.

#### *Performance Management Guidelines for Municipalities*

As part of the broader support framework, the Department of Provincial and Local Government has developed a guide in 2001 to assist municipal practitioners in the local government sector to implement the Performance Management System. It is intended to serve as a set of simple, user-friendly non-prescriptive guidelines that will enable municipalities in developing and implementing their legislatively required Performance Management System. The Guide is designed in a manner that will enable municipal practitioners to develop and implement such a

system within their resource constraints, suited to their circumstances and in line with the priorities, objectives, indicators and targets contained in their Integrated Development Plan.

The guide is aimed at local government councillors, managers, officials, Community Based Organizations and members of the public. It further presents guidelines on the development and implementation of an organizational performance management system while highlighting some of the linkages to an employee or personal Performance Management System.

In his study on *Managing Local Government Performance: Key Considerations and Challenges*, Van der Waldt (2006) highlights key considerations and challenges associated with the improvement of local government service delivery through the implementation of a Performance Management System. He states, amongst others, the lack of clear roles and responsibilities, and political factors as some of the variables that impact negatively on the delivery of services to communities.

In their study on *Performance Management and skills capacity in the Government sector*, Kanyane and Mabelane (2009) highlight the importance of professionalism in Performance Management. They further indicate the importance of communication, training, motivation and reward in the implementation of Performance Management System. They further assert that with regard to communication, Kanyane and Mabelane (2009) believe that organizations need managers with good communication skills to motivate people, to instruct, counsel and advise, to build effective teams and to negotiate fairly.

In the study of *“A Passion to Govern”: Third – Generation issues facing Local Government in South Africa*, Atkinson (2002: 9) provides strategic guidelines to be employed in municipal governance that are customer oriented and work in partnerships with the broader community in service delivery. The study proposes that municipal governing bodies should allocate and use funds on the basis of measurable results, tie all resource systems to rewarding results, provide for continuous evaluation of results as a basis for continuous quality improvement.

Clearly, the study further stipulates that the function of drafting the Integrated Development Plan as part of the planning phase of Performance Management should be placed in the highest political and administrative level of authority. At a political level, the driving force behind the drafting of the Integrated Development Plan must be the executive committee or the executive mayor, whilst administratively it must be initiated and managed in the Office of the Municipal manager so that the manager's authority can be used in seeking the co-operation of other municipal line departments.

The issue of public participation and the involvement of the civil society are also encouraged. With regard to this issue, it further states the society can participate through the preparation, implementation and review of Integrated Development Plan; monitoring and review of the municipality's performance; preparation of a municipality's budget and by taking decisions about the provision of municipal services.

In his study on *Synergies between an Integrated Development Plan, a Service Delivery and Budget Implementation Plan and other related plans for 2005–2006 fiscal year* in the Nelson Mandela Metropolitan Municipality, Vatala (2005: 232) confirms the importance of stakeholders consultation in the development of the Integrated Development Plan (IDP) when asserting thus:

This broad plan of the municipality is the result of vigorous consultation and engagement with stakeholders who must immensely contribute to the drafting, review and adoption of the plans. In a sense, an Integrated Development Plan must be community based and communities must have an "upper-hand" to own the processes and the plan itself. Thus, ownership of the plan will enhance political and fiscal accountability between elected representatives and appointed municipal officials.

Community participation and engagement is further emphasised by Tshishonga and Mbambo (2008) in the study of, *Forging democracy from below: The challenges and imperatives of crafting community participation and engagement*, when stipulating that by engaging the citizens in matters of governance, not only that there could be a panacea for looming democratic deficit, but people could also be afforded an opportunity to exercise their democratic right to influence

decisions through their active partaking in the democratic elected structures' activities particularly those in the local government sphere. They further indicated that community participation as of utmost importance it creates significant opportunities for people from disadvantaged communities to participate in the decisions that affect their lives.

The provisions of the *Performance Management System Policy: Ba-Phalaborwa Municipality (2010)* stipulates that the municipality's Performance Management shall be managed in a consultative, supportive and non-discriminatory manner; should centre on open and on-going communication about performance between the supervisor and the employee; shall link the municipality's strategic goals and the Integrated Development Plan; and shall allow recognition for good performers, and an effective response to performance that is not satisfactory or is poor. *The Performance Management System Policy (2010)* of the municipality is applicable to employees referred to in the Municipal Systems Act (2000) as section 56 managers and the municipal manager, employees employed on fixed term contracts on other positions other than section 56 managers and all permanent employees of the municipality falling under the ambit of the South African Local Government Bargaining Council.

Furthermore, the *Performance Management System Policy (2010)* provides for performance review by the supervisor and employee, evaluating performance and rewarding performance. However, it should be noted that the Ba-Phalaborwa Municipality: Performance Management Policy only caters for individual performance management. The policy further provides for performance assessments in the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters. There is no room for individual employee involvement in the planning phase of Performance Management. Further silent on how planning for performance and feedback is to be done with community members and other stakeholders, thus promoting local democracy through community participation and planning of performance. The involvement of community members and other stakeholders in the setting of targets and objectives in the planning phase of Performance Management will ensure that people are afforded their democratic rights to influence decisions.

*The Ba-Phalaborwa Municipality: IDP, Budget and PMS Review Framework & Process Plan (2011- 2012)* provides the periodical dates for the performance assessments of section 56

managers (directors) and assistant directors, leaving out other employees on other levels. This simply reveals that Performance Management is only done to the directors and assistant directors, thus compromising effective, efficient and accountable provision of service to the community. The non-involvement of other employees in Performance Management contradicts the provisions of the *Ba-Phalaborwa Municipality: Performance Management System Policy (2010)* which stipulates that Performance Management shall be applicable to all employees of the municipality.

After performance assessments, performance targets are reviewed and as such it is of utmost importance to communicate and feedback to community members and other stakeholders on the changes and achievements with regard to the performance of the municipality. *The Ba-Phalaborwa Municipality: IDP, Budget and PMS Review Framework & Process Plan (2011-2012)* just like the Performance Management Policy does not provides periodical dates for feedback to the community on a quarterly basis when individual employees assessments are done.

### **2.3. Components of Performance Management System**

The main purpose of Performance Management is to enable public service departments and institutions to deliver quality services in a cost-effective, efficient and accountable manner. For public service departments to meet this constitutional mandate, it is therefore, imperative for them to adhere to the components of Performance Management as proposed by various scholars when implementing the Performance Management System. With regard to the implementation of Performance Management, Spangenberg (1994:249) asserts that the implementation in the exploration phase will normally begin with the awareness among staff members of a need for a more effective Performance Management System or for improved overall effectiveness of the organization or parts thereof. The consultation process will make sure that employees are well informed of what is to unfold before the actual assessments of individual employees. It is through this process wherein the fears and uncertainty of all stakeholders are clarified.

With regard to change and stakeholder management, the *South African Local Government Association (Limpopo Province), Human Resources Management Working Group Document*,



*dated 09 July 2010*, states that in municipalities there are always common problems experienced in the implementation of Performance Management System and it further highlights the problems as lack of ownership from management and staff, absence of common understanding of Performance Management System and fears and concerns that Performance Management System will be abused as a tool for punishment. Max (2001:30) agrees thus:

Some organisations have tried to build the sense of ownership of performance management systems by involving staff or their representatives in the design of the process. Staff ownership is very important and will go a long way towards overcoming the cynicism of performance and scepticism of performance management systems. Staff involvement in the design and review processes also assists in the awareness raising and education of staff.

Noting the challenges associated with the implementation of Performance Management System in municipalities as alluded above, it is therefore, imperatives for municipalities before the starting implementing the Performance Management System to determine an approach, process, tools and techniques to be used to enable the implementation initiatives to be effective and efficient.

*The South African Local Government Association (Limpopo Province), Human Resources Management Working Group Document (2010)* further proposes that in order for municipalities to manage change in the implementation of Performance Management System effectively and efficiently, the following processes should be followed:

- Establish a project team or task team responsible for development and implementation of Performance Management System in the municipality;
- Do a readiness assessment;
- A benefits case; and
- Develop a communication plan for awareness.

Mogotsi (2002:26) agrees with the above views by saying that the general staff needs to be informed and discussions undertaken to show the need and importance of Performance Management within the institution, because the process of Performance Management will create many challenges and reforms within the institution, and if not properly communicated and

discussed with, staff might bring about resistance. Mogotsi (2002) still emphasizes the importance of consultation with stakeholders before rolling out a Performance Management System in an institution. It is in these consultation meetings wherein employees, stakeholders, community members and other relevant stakeholders will be informed of the processes to be followed in the implementation of the Performance Management System.

According to Swanepoel (1998:11), Performance Management is “an approach to managing people that entails planning employee performance, facilitating the achievements of work-related goals and reviewing performance as a way of motivating employees to achieve their full potential in line with organization’s objectives”. He further stipulates that Performance Management can also be regarded as an on-going process that determines the planning, managing, reviewing, rewarding and development of performance. It is evident from the above by Swanepoel (1998) that Performance Management is composed of four components, namely: planning performance, managing performance, reviewing performance and rewarding performance.

Spangenberg (1994:14) supports the above view by stating that Performance Management includes the following elements: a shared vision of organizational objectives, or a mission statement communicated to all employees; individual Performance Management targets related to both operating unit and wider organizational objectives; and the review process used to identify training, development and reward outcomes. Even though in Spangenberg (1994) the components of Performance Management are not given as simple as in Swanepoel (1998) as planning performance, managing performance, reviewing performance and rewarding performance, however when one analysis the statement it is clear that by communicating the vision and mission with objectives of the organization and setting of individual targets, Swanepoel (1998) refers to planning performance.

With the components of Performance Management, Mabelane (2007:13) proposes that Performance Management consists of a range of activities, the primary aim of which is to help managers to increase the effectiveness of their staff, who will be rewarded accordingly and the four activities are formal performance review, continuous appraisal, performance improvement

programmes and reward reviews. Hartle (1995) further confirms that for Performance Management to be effective it should be a joint activity comprising of management functions such as planning, managing, reviewing and rewarding. Heisler, Jones and Benham (1998) agree with Hartle (1995) when they state that Performance Management consists of four elements, namely: directing, energising, controlling and rewarding.

Van der Waldt (2004:239) views Performance Management as a key human resource management tool which ensures that employees know what is expected of them; managers know whether employee's performance is delivering the required objectives; poor performance is identified and improved and good performance is recognised and rewarded. He further asserts that the success of the public service in delivering its operational and developmental goals depends primarily on the effectiveness and efficiency with which public employees carry out their duties.

It is evident from the above views of various scholars that performance must be planned, evaluated, reviewed and rewarded. Even though there are some minor differences with regard to the composition of elements to be considered in Performance Management, but it worth mentioning that all scholars agree that for Performance Management to succeed and achieve its objectives there is always a need that stakeholders must be involved at all levels, meaning planning of performance; evaluation of performance; reviewing of performance and rewarding of performance. It is of utmost importance to mention that all the above-mentioned components of Performance Management work together and ignoring one will mean compromising the whole process. It is therefore, imperative for the implementers of Performance Management to adhere to them as given.

Of utmost importance is that the views of the above-mentioned scholars with regard to the components of Performance Management are in line with the provisions of the *Public Service Regulations (2001)* and the *Local Government: Municipal Systems Act No. 32 (2000)*.

### 2.3.1 Performance Planning

The main purpose of performance planning is to facilitate the achievement of an institution's purpose, mission and objectives. Planning directs the activities of an institution and also highlights the roles of managers, employees and other relevant stakeholders. According to Keith (1995:163), it is not only the employer who is involved in performance planning, but also other stakeholders as well, would like to exercise an influence on the way each organization would perform. Municipalities operate in a very dynamic environment with a variety of stakeholders having interests and expectations on their performance. Municipalities are thus, required to interact and communicate with all stakeholders, which are both internal and external. Internal stakeholders will include amongst others employees, council and organised labour, while external stakeholders may include community members, community organizations and other interested groups. In support of the above view, Carrel et. al (2000:17) regard communication as the glue that binds various elements, coordinates activities, allows people to work together and produces results.

It is at this stage wherein the institution's vision and mission is always taken into consideration. Institutional objectives and performance targets are outlined and incorporated into individual performance plans of employees. The performance assessments cycle are outlined in this stage in order to enhance development and support mechanisms through the development of personal development plans which will be utilized to address gaps identified.

In this regard, Tyson (1995:143) stipulates that one feature of culture change is the centrality of a new 'enabling' climate for new roles to be accepted; and the structure and systems that deliver output to come to the fore. In the above assertion, Tyson (1995) emphasizes the importance of performance planning as it allows the individual employees and their supervisors to set performance targets which are agreed upon and further clarifies all the processes to be followed when assessing performance.

Gillepsie (1989:93) concurs with Tyson (1995) on the involvement of employees in the planning stage of performance by asserting that supervisors must accept responsibility for the work of their departments, and that they should share responsibility and authority with their employees.

Furthermore, argues that participative management increases the interaction among those above the supervisor in the hierarchy, those on the same level, and those below them.

At the beginning of each financial year, also referred to by some scholars as an assessment cycle, an employee should enter into a performance contract with his/her supervisor. The performance contract will serve as a performance plan which will amongst other things outline the deliverables that an employee must accomplish during the course of the financial year. With regard to senior managers in municipalities, *The Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation No. 805 of 2006*, stipulates the purpose of performance contracts as:

- To specify objectives and targets defined and agreed with the employee and to communicate to the employee, the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and the budget of the municipality;
- To specify accountabilities as set out in a performance plan, which forms an annexure to the performance plan;
- To monitor and measure performance against set targeted outputs;
- Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- In the event of outstanding performance, to appropriately reward the employee; and
- Give effect to the employee's commitment to a performance-oriented relationship with its employee in attaining equitable and improved service delivery.

It is evident from the above assertion that even in municipalities senior managers just like any other employee are supposed to be involved in performance planning. The above assertion clearly outlines that in the planning phase targets are set and agreed upon by the employee and the employer and those targets are aligned to the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP), which is the strategic document guiding the development process of a municipality. The targets set will assist when assessments are done in order to determine as whether the employee performed as expected or there is

outstanding or poor performance. It is even through the performance plans that are done at the planning stage that will assist to determine whether an employee qualifies for a reward in the form of a performance bonus as per the provisions of the municipality's Performance Management System Policy.

In the Public Service as opposed to the Local Government environment (municipalities) the Public Service Regulations (2001), states that as from the 1<sup>st</sup> April 2002 all senior managers have to enter into performance agreements and these performance agreements shall apply for a particular financial year and shall be reviewed annually. It further highlights that a minimum of two formal performance reviews must take place during the course of the financial year (one preferably in the middle of the cycle and the other towards the end of the cycle). Planning performance in the Public Service will promote and advance the principles of the Public Service Regulations (2001:36), namely:

Departments shall manage performance in a consultative, supportive, and non-discriminatory manner in order to enhance organizational efficiency and effectiveness, accountability for the use of resources and the achievement of results. Performance Management processes shall link to broad and consistent plans for staff development and align with the department's strategic goals. The primary orientation of performance shall be developmental but allow for effective response to consistent inadequate performance and for recognizing outstanding performance.

In line with the provisions of the *Public Service regulations (2001)* principles, if Performance Management is planned properly, it will make sure that virtually all employees will be consulted with regard to deliverables expected of them by their employers. Each individual employee will be able to know his or her contribution towards the achievement of the institution's results and objectives. Mechanisms and processes should be in place to cater for good performance and to address unsatisfactory performance. The supervisor should ensure that Performance Management policies are in place and must be accessible to all stakeholders in order to minimise resistance and promote transparency and administrative justice.

Van der Waldt (1999:183) further affirms that planning performance will promote the co-operation between various departments and individuals in an institution. He further states if the objectives are clearly formulated and suitable plans are prepared, tasks and resources can be

allocated so that everyone can contribute effectively to the achievement of the organization's objectives. With the above assertion in mind, one strongly maintains that for an organization to achieve maximum results, planning is inevitable. And it further calls for an organization to do equitable distribution of human resources, financial resources and physical resources in a manner that will enhance and maximise performance.

### 2.3.2 Performance Evaluation and Development

Tobin and Wise (1979:163) define evaluation as a process of ascertaining or appraising the value of something and, as such, requires that judgement be made. They further postulate that for a successful management of performance of the human resources to exist, there is a need that performance of human resources needs to be evaluated so that it can be improved. Performance should be managed throughout the entire performance period. Regarding evaluation, Phillips (1996:24) concludes that it shows proof of results and the staff or subordinates need to see the results of their efforts. The staff should know how well they are performing and that management must know how well the function is progressing and this is difficult without a formal approach to performance measurement and evaluation (Mabitsi, 2008:25). Mabelane (2007:11) further affirms the above views by asserting that performance evaluation is used to examine each individual's performance against set goals during a certain period.

*Monitoring & Evaluation: Some Tools, Methods & Approaches* (2004:5) provides the purpose of Monitoring and Evaluation as to provide government officials, development managers, and civil society with better means for learning from the past experience, improving service delivery, planning and allocating resources and demonstrating results as part of accountability to key stakeholders.

It is at this stage wherein the supervisor documents the efforts, accomplishments and weaknesses of the subordinate. The supervisor should provide continuous support, feedback, coach and counsel the subordinate and where possible implement capacity building trainings. Capacity building and other training interventions are done mainly to strengthen an individual's ability in order to achieve the desired goals and objectives, which will in turn increase an institution's efficiency, effectiveness and accountability in delivering quality services. Regarding the

importance of development and training on employees, Mogotsi (2002:12) postulates that training and development can assist to equip employees within an institution, whether senior or junior, super-ordinate or subordinate, with the necessary skills and competencies to carry out their jobs effectively in pursuit of the vision and mission of the institution. Mogotsi's (2002) view on training and development is supported by Max (2001:32) when saying that:

Training and development plans tend to be shopping lists rather than linked to performance expectations and capabilities. Plans should be key tools to provide feedback on current skills and identify ways to improve skills.

Without a sufficient capacity, municipalities will not be able to fulfil certain duties and responsibilities. However, it is of paramount importance that municipalities themselves, as well as the other two higher spheres of government, ensure that municipal capacity is adequate to ensure compliance with their new constitutional and other legislative obligations. Municipal capacity is thus regarded as one of the more important tools available to municipalities to ensure service delivery and overall fulfilment of their duties and responsibilities. Capacity building should therefore form one of the strategic programmes that municipalities must put in place (Bekink, 2006:492).

The above view is supported by Gerber (1999:449) by defining human resources development as the process of changing an organization, stakeholders outside it, groups inside it and people employed by it through planned learning with a view to equipping them with knowledge and skills needed for the future. Although the above quotation focused mainly on municipalities, one cannot divorce other public service departments and institutions to it, as they are all equally arms of government in delivering quality services to citizens. It is therefore, based on the above view imperative to all public service departments, local governments and public institutions to develop the capacity of their employees at all levels. Thus, capacity development will therefore, assist employees in knowing their roles and responsibilities and as such minimising unnecessary deviations and contradictions in executing their duties and functions.



In municipalities, on an annual basis skills audit is done in order to profile and update each employee's competency requirements. Once the weaknesses are identified, a personal development plan for each individual employee must be developed. It is through the Workplace Skills Plan that an implementation plan in terms of addressing gaps identified and enhancing future performance of employees is done. Chapter 2, section 30 of the *Skills Development Act 97 of 1998*, stipulates that each public service employer must budget for training of its employees. If capacity building programmes are implemented effectively, they will respond to the needs of the organization, further equip employees for future promotions.

### 2.3.3 Performance Review

Performance review is a process where an organization or an institution, after evaluating its own performance, assesses as whether the targets and goals set are achieved or not. Mabelane (2007:3) confirms by stating that performance review is one way of giving feedback to employees on whether they are doing a good job or mediocre one. It starts with individual performance wherein the supervisor and the subordinate discuss the work performance in relation to target set for the period under review. Generally, it depends on the provisions of institutional or organizational guiding policies that stipulate when to conduct performance reviews wherein an institution will review the targets set and report back to the community and other stakeholders. For an organization to meet and deliver on its targets and objectives, it is definitely dependant to the individual performance of employees within the organization. Effective and good performance by each individual employee which is linked to the organization's targets and objectives will mean that the organization will ultimately achieve its set targets and objectives. The above view clearly indicates the importance of performance assessments and reviews for all employees, in meeting the organizational targets and its optimal performance merely depend on the performance of their individual employees.

In the study on *The Role of Performance Management Amongst Administrative Staff at the University of the North*, Mogotsi (2002:15) sees communication and feedback between the employer and the employees and between the employees themselves in the review process as been of utmost importance. He further asserts that institutions lacking the necessary communication and feedback will experience performance related problems as employees need

to know how their performance is measured and managed in order to improve and develop their role in the institution.

In municipalities, as provided for by legislations, performance reviews are conducted are conducted at the end of each quarter after quarterly performance assessments, with two formal ones and two non-formal assessments. Chapter 6, section 40 of the *Municipal Systems Act (2000)* instructs municipalities to establish mechanisms to monitor and review its Performance Management. Regarding performance review, section 41 further stipulates that a municipality must monitor performance; measure and review performance at least once per year; take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; establish a process of regular reporting to council, other political office bearers and staff of the municipality, the public and other appropriate organs of state.

It is evident from the above view that individual performance cannot be separated from the organization performance, thus after individual performance review the organizational performance review should be done. It is after this process that a municipality will report to the community reflecting areas where targets were met and also indicating areas of under-performance.

Regarding performance reviews, the *Public Service Regulations (2001)* stipulates that the employee's supervisor shall monitor performance on a continuous basis and give feedback on his or her performance at least four times a year orally if the performance is satisfactory and in writing if the employee's performance is not satisfactory. The provisions of the *Public Service Regulations (2001)*, guides and regulates the performance review process for both employers and employees. It is through the performance review process that the supervisor communicates clearly and effectively with subordinates, praises the employees where the performance was good, and also agrees on intervention mechanisms in order to address the indentified gaps. Spangenberg (1994:14) agrees that the performance review process is used to identify training, development and reward outcomes. Stredwick (2000:237) further asserts that Performance Management System can yield positive outcomes, which are rewards and development. During

this process it is of utmost importance for employees where there is under performance to acknowledge the mistakes and ready to improve through mentoring, training and development in the quest for effective and efficient service delivery to the community.

In support of the above view, Williams (2002:145) confirms that performance review is an essential element in performance measurement and requires some sort of performance measurement, or at least the monitoring of performance, and feedback to the job holder. In pursuance of his view, he further advocated that for Performance Management to be effective, performance review and provision of feedback should happen much more frequently. This view is furthermore supported by Mogotsi (2002:17) by stating that:

[The] provision of continuous feedback on the performance results of employees will generally increase an employee's sense of personal accountability and responsibility. It will further instil pride that the employee is part and parcel of the institution and that what he/she contributes to the institution is worthwhile and appreciated.

To further support the importance of feedback, Max (2001:32) acknowledges that receiving feedback is a key benefit of Performance Management and many managers saw it as an essential component of Performance Management Systems and a fundamental skill that managers need to ensure the effectiveness of performance management. Max (2001) further states that without effective giving and receiving of feedback, Performance Management will unlikely to improve individual or organisational performance or to be credible to staff.

Service delivery imperatives and the quest for improved performance can only be realised if and only if employees are ready to acknowledge that weakness and supervisors provide intervention mechanisms to address such. In the case wherein set targets and objectives were not realistic and un-measurable, it is in this process wherein they are reviewed. In summarising the above discussion, one concludes that the main purposes of performance reviews are amongst others the following:

- To evaluate and assess progress with regard to targets and objectives set;
- To review targets and objectives considering contextual factors;
- To create a discussion session for employers and employees by discussing changes needed, effect revisions or additions; and

- To provide plans for improvement, if progress is unsatisfactory.

#### 2.3.4 Rewarding Performance

The maximum realisation of Performance Management might not be achieved if there are no incentives and motivation related to good performance. It is generally believed that a reward can serve as a form of improving performance and bettering productivity in organizations. Public service institutions should start to introduce and manage recruitment and retention strategies which will assist in the management of low staff morale and staff turnover. One of the tools that can be utilized in the recruitment and retention of employees is rewarding performance based on the provisions of Performance Management System Policies of organizations which will outline the criteria. With regard to regarding performance, Van der Waldt (2004: 259) argues thus:

Performance Management alone, no matter how effective, will have little effect on performance if it is not translated into feedback or rewards. No matter how clear the objectives, how precise the measurement or how meaningful the feedback, if there is no linkage to rewards, then performance will not be maximized.

It is evident from the above view that rewarding performance, as one of the components of performance management, is inevitable. The *Ba-Phalaborwa: Performance Management System Policy (2010)* provides for the criteria to reward performance as follows:

The performance bonuses are to be calculated on a sliding scale as indicated below:

<b>% Rating over performance</b>	<b>% Bonus</b>
130 – 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 – 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.3 – 163.6	13%
163.7 – 167	14%

With the above performance rewarding criteria of the Ba-Phalaborwa Municipality in mind, one may strongly believe that if it is implemented correctly and employees are made fully aware of the incentives attached to it, service delivery protests and low staff morale will be a thing of the past. Every employee will strive to achieve targets set in order to qualify for performance bonus. Best practices are evidenced in the private sector wherein employees strive to meet targets and objectives set in order to qualify for performance bonuses, thus enhancing and promoting productivity of the institution.

However, it is worth mentioning that other proponents of Performance Management strongly believe that performance pay is certainly not a motivator to work harder. Rather performance pay is used to acknowledge or recognise high performance. A personal 'thank you' and meaningful means that you are serious, you honour and value the person and their performance (Max, 2001). He further argues that there is no conclusive research proving that pay at risk or bonuses are effective at improving organisational performance, as they can also cause friction, a sense of injustice and can undermine team solidarity.

### **3. Conclusion**

It is undisputable that the current public protests by majority of communities that are up in arms are prompted by poor or lack of delivery of services. Service delivery protests can only be minimised through the implementation of effective Performance Management in public institutions. As such, it is of paramount importance for public institutions to give effect to the provisions of section 195 (1) of *The Constitution of the Republic South Africa (1996)*, the Municipal Systems Act (2000), Municipal Structures Act (1998) and other related legislative framework as intended to promote effective, efficient and accountable delivery of services. Performance Management in public institutions should be implemented holistically by utilising all its components as outlined in the discussions and should not be implemented for malicious compliance.

It has been disclosed in the discussions that the concept of Performance Management covers a wide range of components, amongst others including performance planning, performance

evaluation and development, performance review and performance rewarding. The discussions revealed that the components of Performance Management cannot be divorced from each other. They are integrated and support each other, thus ignoring one component will impede negatively towards the attainment of the intentions of the other components. The planning phase will ensure that communication and coordination of all stakeholders is done. It will also assist in outlining the performance targets of each individual employee and the role of the super-ordinate in the Performance Management process. This phase further allows supervisors and employees to enter into performance contract, which outlines the services and deliverables that an individual must accomplish during the performance cycle.

Of utmost importance, when implementing Performance Management, in the exploration phase the awareness among staff members is necessary for a more effective Performance Management System or for improved overall effectiveness of the organization or parts thereof. The consultation process will make sure that employees are well informed of what is to unfold before the actual assessments of individual employees. This will serve to clear the mist, fears and uncertainty of all stakeholders.

The discussion further highlighted the importance of performance review process as it is through that component that supervisors are able to communicate clearly and effectively with their subordinates. It is in this phase wherein good performance is praised and intervention mechanisms are developed to address weaknesses. Community members are updated on the performance of the institution, targets achieved are reported and also challenges are clarified. The discussions also divulged the significance of community participation as it is only through it that the community members are afforded an opportunity to exercise their democratic right to influence decisions through their active partaking in the democratically elected structures' activities particularly in the local government.

Clearly, it is evident from the views of various scholars as discussed that Performance Management to be effective as intended by legislation must be properly implemented. Thus, making sure that it is planned, evaluated, reviewed and rewarded.

## **CHAPTER THREE**

### **RESEARCH DESIGNS AND METHODOLOGY**

#### **3.1. Introduction**

This chapter indicates the research design and data gathering techniques used in the research study. It further outlines in detail the procedures followed and describes how data relevant to the research questions were collected and analysed.

#### **3.2. Research design**

A research design is a plan or strategy which moves from the underlying philosophical assumptions to specifying the selection of respondents, the data gathering techniques to be used and the data analysis to be done (Maree, 2010:70). Creswell (1998:2) supports by defining a research design in the qualitative context as the entire process of research from conceptualizing a problem, to writing the narrative. The choice of the research design is based on the researcher's research skills, research practices, and influences the way in which data will be collected. According to Terre Blanche and Durrheim (1999:33), when developing a research design the researcher must make a series of decisions, along the following four dimensions:

- The purpose of the research;
- The theoretical paradigm informing the research;
- The context or situation within which the research is carried out; and
- The research techniques to be employed to collect data.

The choice of a research design involves a set of decisions regarding what topic is to be studied, among what population, with what research methods, for what purpose (Babbie, 2004:112). Regarding the choice of a research approach, Leedy (1993:139) further stipulates that there is an axiom that is used by research scholars that the data and the problem for any study dictate the research methodology. The present research study followed a qualitative research approach and the choice was guided by a careful consideration and reflection on issues relevant to the above-mentioned dimensions and the views of Babbie (2004) and Leedy (1993). The qualitative research approach guided the execution of the research process to provide valid and relevant answers to the research questions and to respond to the problem statement. In short, one may

conclude that a research design is the way the research is unfolding, especially with regard to the participants and the instruments of data collection.

### 3.2.1. Qualitative research design

Creswell (1994:2) views the qualitative research method as “an enquiry process of understanding a social human problem, based on building a complex, holistic picture, formed with words, reporting views of information, and conducted in a natural setting”. Qualitative research as a research methodology is concerned with understanding the processes and the social and cultural contexts which underlie various behavioural patterns and is mostly concerned with exploring the “why” questions of research. It further studies people or systems by interacting with and observing the participants in their natural environment and focussing on their meanings and interpretations (Maree, 2010:51).

Pertinent to this study, the qualitative research method had its foothold in the fact that Performance Management System, as a human activity, occurs in a particular natural and social environment. Utilising the qualitative research design the researcher focused on describing and understanding Performance Management within its naturally occurring context with the intention of developing an understanding of the views imparted by the respondents, so that the implementation of the Performance Management System can be evaluated in terms of the views, facts, opinions, feelings and meanings of the participants. This view is supported by Silverman (1993:159) when asserting that both the formal and informal interviews should include questions related any of the following:

- Facts;
- People’s beliefs about the facts;
- Feelings;
- Motives; and
- Present and past behaviours.

The present research study is qualitative in nature and as such it used semi-structured questionnaires to collect data. The researcher preferred semi-structured questionnaire as it required the participants to answer a set of predetermined questions. The advantage of the



above-mentioned view is that it allowed the researcher to probe and ask for clarification of some answers as given by the respondents. This was also appropriate in the present research study as some of the sampled participants were illiterate and as such the researcher assisted them in understanding the research questions asked and further clarified where they experienced problems. For the purpose of this study, the semi-structured questionnaire included amongst others the followings questions:

- How often are performance assessments for employees done in a financial year?
- Who are the key stakeholders in the Performance Management System of the municipality?
- What are the roles and responsibilities of managers, supervisors, lower levels employees and other stakeholders?
- What are the perceptions of labour unions regarding the Performance Management System?

The semi-structured questionnaire further consisted of closed-ended questions, “yes” or “no” questions, other set of closed-ended questions that required respondents to state the extent to which they agreed or disagreed with statements related to Performance Management and a set of open-ended questions wherein participants were expected to express their views and further propose recommendations for improvement. The questionnaires were distributed by the researcher to thirty (30) sampled employees in the Ba-Phalaborwa Municipality. The participants in the questionnaires were Section 56 Managers, Assistant Directors, Managers and other Lower Level employees. All the collected data were analysed, interpreted and integrated using content analysis.

### **3.3 Study area**

The study was conducted in the Ba-Phalaborwa Municipality, which is situated in the Eastern part of the Limpopo Province. It borders the Kruger National Park in the East, the Greater Giyani Municipality in the North, the Greater Letaba Municipality in the North-West, the Greater Tzaneen Municipality in the West and the Bohlabela Municipality in the South. It is about 240km East of Polokwane. The total population in the municipal area is projected at 137 505.

The population of Ba-Phalaborwa is concentrated around the following areas:

- Lulekani, which comprises Majeje, Mbamba-mencisi, Matiko-Xikaya, Humulani, Kurhula;
- Namakgale, which comprises Makhushane, Mashishimale, Maseke, and Boyelang;
- Phalaborwa, which comprises Schittoch and farm Silongue;
- Selwane, which comprises Mahale, Prieska and Nondweni; and
- Gravelotte.

### **3.4. Target population**

The term population in research refers to the entire number of objects or phenomenon that the researcher chooses to study (Sengani, 2008:198). Bless (2005:85), as adapted in Sengani (2008), confirms by saying that population "...is the set of elements that the researcher focuses upon and to which the results obtained by testing the sample should be generalized". Target population is defined by Babbie and Mouton (2003:100) as that group of people, items, objects, or elements who meet the designated set of criteria for the study and about whom one wants to draw a conclusion or conclusions. In this research study, the target population was the Ba-Phalaborwa Municipality composing of four hundred and twenty-one (421) employees comprising Section 56 Managers, Assistant Directors, Managers and other Lower Levels employees.

### **3.5. Sample size and selection method**

According to McMillan and Schumacher (1993:16), sampling means to make a selection from the population in order to identify the people or issues to be included in the research. In sampling there are two major strategies which may be employed to facilitate the process, that is, the probability and non-probability. Snowball sampling, which falls under probability sampling methods, was utilized for the purpose of this study. Furthermore, a distinction was made between male and female Section 56 managers, Assistant Directors, managers and other lower level employees as one of the key variables.

Respondents were drawn from the main office and sub-offices of the Ba-Phalaborwa Municipality, that is, Phalaborwa, Namakgale and Lulekani offices. This was done mainly to

check consistency in the implementation of policies in the municipality. In a nutshell, the sample population composed of thirty (30) employees constituted as follows:

- Three (3) Directors (Section 56 Managers);
- Five (5) Assistant Directors;
- Five (5) middle managers;
- Twelve (12) lower level employees; and
- Five (5) labour unions representatives.

The researcher selected the above sample population because some are affected by the system and others are implementers, hence they constituted the sample best suited to address the research questions and objectives.

### **3.6. Data collection method**

Qualitative data were collected from a sampled population of thirty (30) employees by means of a questionnaire and interviews. Semi-structured interviews were conducted to cater for those employees who have minimal educational qualifications. This assisted in clarifying some of the questions posed in the questionnaire. A structured questionnaire consisting of closed-ended questions, “yes” or “no” questions and a set of closed-ended questions which required respondents to state the extent to which they agree or disagree with the statements related to performance management system was to the respondents to complete and returned for analysis purposes. The questionnaire also included a set of open-ended questions wherein participants were expected to express their views and further propose recommendations for improvement. The questionnaires were distributed to thirty (30) employees in the Ba-Phalaborwa Municipality. This was in line with Keeves and Souden’s (1988) views postulating that a sample of thirty (30) is the minimum number of cases required for statistical analysis purposes.

The participants in the questionnaires were Section 56 Managers, Assistant Directors, managers and other lower levels employees. The questionnaires were distributed by the researcher for completion by Section 56 managers, Assistant Directors, managers and other lower levels employees and they were collected fully completed.

### **3.7. Data analysis methods**

The Statistical Package for Social Sciences tool was utilized by the researcher to summarize data; compile appropriate tables and graphs; and to examine relationships among variables. Texts, views, expressions and opinions were analysed using Content Analysis as it is one of the methods used for the analysis of qualitative data.

In analysing the responses, the researcher identified questions and statements in the questionnaire which were related and grouped them together in discussing the findings in relation to the research questions. The questionnaire consisted of twenty-five questions including statements wherein respondents were supposed to state whether they agree or disagree. In analysing the responses the questions and statements, numbers were used as numbered in the questionnaire in order to avoid confusion. Analysis of data will be dealt with in details in the next chapter, Chapter 4.

### **3.8. Ethical considerations**

Anyone involved in a research study needs to be aware of the general agreement about what is proper and improper in scientific research (Babbie, 2001:470). According to Strydom, Fouche and Delpont (2005:56) too often ethical lapses takes place in research studies, such as the faking of interview data, inaccurate reporting results or bias shown in favour of the researcher's hypothesis. Welman, Kruger and Mitchell (2006:201) indicate that there are four important ethical considerations that a researcher should pay attention to, namely: informed consent, right of privacy, protection from harm, and involvement of the researcher. These ethical elements will be duly complied with in this proposed study.

In the present study the researcher applied for the permission to conduct the research study in writing from the Municipal Manager of the Ba-Phalaborwa Municipality. The respondents signed a Consent Form for participating in the study and a Letter of Confirmation of Confidentiality of the information was given to the respondents. There was no harm to the respondents, whether psychologically or emotionally. In line with the above view, Dane (1990: 44), as adapted in Strydom, Fouche and Delpont (2005:58), states that an ethical obligation rests

with the researcher to protect subjects, within reasonable limits, from any form of physical discomfort that may emerge from the research project. The names of respondents are not appearing in the report in order to promote anonymity and to avoid the likelihood of any views expressed in the report linked to them. With regard to anonymity of the respondents, Babbie (2007:64) stipulates that anonymity is guaranteed in a research project when neither the researcher nor the readers of the findings can identify a person with a given response.

Respondents participated voluntarily in the study as they were allowed to participate or pull out at any given point in time during the research process. Regarding voluntary participation in a social research, Strydom, Fouche and Delpont (2005: 59) assert that emphasis must be placed on accurate and complete information, so that subjects will fully comprehend the investigation and consequently be able to make a voluntary, thoroughly reasoned decision about their possible participation. Lastly, the Code of Ethics of the Ba-Phalaborwa Municipality was adhered to.

### **3.9 Conclusion**

This chapter dealt with the research design and research methodology. The study area, target population, sampling method, data collection method and ethical considerations were also outlined. Data analysis is dealt with in details in the next chapter, Chapter 4.

## CHAPTER FOUR

### DATA ANALYSIS AND FINDINGS

#### 4.1. Introduction

This chapter presents the analysis, interpretation and discussions of findings about the data collected for the study on the evaluation of the implementation of Performance Management System in the Ba-Phalaborwa Municipality. The data were collected by means of questionnaires and semi-structured interviews. The purpose of the study was to evaluate the implementation of Performance Management System in the Ba-Phalaborwa Municipality.

#### 4.2. Analysis and interpretation of data

From the four hundred and twenty-one (421) persons employed by the Ba-Phalaborwa Municipality, thirty (30) employees were sampled and completed the questionnaires. Out of the thirty sampled respondents, twenty-nine (29) respondents constituting 96.6% returned their completed questionnaires, hence the findings of the research study related to the responses given by the twenty-nine (29) respondents.

##### *Gender of respondents*

Out of twenty-nine (29) respondents, fifteen (52%) were males and fourteen (48%) were females. This is tabulated in Table 1 below.

Table 1: Gender distribution of respondents

<b>Employee positions</b>	Director	Assistant Director	Managers	Lower employees	Union Representative	Total	%
Gender	Freq	Freq	Freq	Freq	Freq		
Male	2	3	2	5	3	15	52%
Female	1	2	2	7	2	14	48%
<b>Total</b>	3	5	4	12	5	29	100%

Table 1 above indicates that more males (52%) participated in this research study.

### Age of respondents

Table 2 indicates that the majority of respondents (52%) who participated in this research study were between the age of 20 and 35 years. The second highest respondents (28%) were between the age of 36 and 45 years and some other respondents (20%) were between the age of 46 and 60 years. The age of the respondents is shown in Table 2 below:

Table 2: Age of respondents

<b>Employee positions</b>	Director	Assistant Director	Managers	Lower employees	Union Representative	Total	%
Age	Freq	Freq	Freq	Freq	Freq		
20 - 35	2	1	1	11	0	15	52%
36 - 45	0	2	1	1	4	8	28%
46 - 60	1	2	2	0	1	6	20%
<b>Total</b>	3	5	4	12	5	29	100%

The majority of people on this age category of between 20 and 35 years can read and write without problems and, as such, it suggests that the respondents did not experience some challenges in understanding and interpreting the questionnaire.

### 4.3 Findings of the Study

In analysing the responses, the researcher identified questions and statements in the questionnaire which were related and grouped them together in discussing the findings in relation to the research questions. The questionnaire consisted of twenty-five questions including statements wherein respondents were supposed to state whether they agree or disagree. In analysing the responses, the questions and statements numbers were used as numbered in the questionnaire in order to avoid confusion.

According to Chapter 3, section 7 (1) of the Municipal Planning and Performance Regulations (2001) a municipality's Performance Management System should entail a framework that describes and represents how the municipality's cycle and processes of performance planning,

monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of different role-players.

#### 4.3.1 Capacity to implement the Performance Management System

Table 3 below gives an indication on whether employees in the Ba-Phalaborwa Municipality had the capacity to implement the Performance Management System.

Table 3: Capacity to implement the Performance Management System

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>%</b>
Are officials well trained to implement the Performance Management System?	21%	79%	100%

According to the findings of the study, only 21% of the respondents indicated that municipal officials are trained on the implementation of Performance Management System and the majority of the respondents (79%) indicated that the municipal officials are not trained. The implication is that the management of the municipality do not arrange capacity building programmes to address weaknesses identified. The majority of municipal officials are not trained as disclosed in the findings, then the implementers will flaw the procedures and also the officials who are supposed to take part in the Performance Management System will not understand the process.

The importance of stakeholder awareness and training in the implementation of Performance Management System is emphasised by Spangenberg (1994:249) when asserting that the implementation in the exploration phase will normally begin with the awareness among staff members of a need for a more effective Performance Management System or for improved overall effectiveness of the organization or parts thereof.

The training and consultation process will make sure that municipal employees are well informed of what is to unfold before the actual performance assessments of individual employees. The 79% of respondents which indicated that municipal officials are not trained is a matter of concern and as such poses a serious challenge regarding the effectiveness of the Performance Management System implemented by the Ba-Phalaborwa Municipality. In order



for the Performance Management System of the municipality to be effective, all officials are supposed to be taken through the awareness phase, wherein the fears and uncertainty of employees regarding the system are clarified. For employees not to be trained and lack of awareness campaign on the system before implementation clearly reveals that the management team of the municipality are not executing their roles and responsibilities to ensure effective Performance Management.

#### 4.3.2 Availability of Training Opportunities to address assessment weaknesses

Table 4 summarises the responses on whether training is offered to employees with a view of addressing the identified weaknesses after assessments.

Table 4: Availability of training opportunities

Question	Yes	No	%
Is there any training offered to address identified gaps?	14%	86%	100%

The majority of the respondents (86%) indicated that there is no training offered to address the identified gaps after performance assessments, while only 14% of the respondents agree that training is offered to address identified weaknesses. The 86% of respondents that indicated that management do not arrange capacity building programmes to address weaknesses identified is matter of concern, as it indicates that they are not trained on how to implement the Performance Management System. It is evident from the responses on Table 3, wherein 79% of respondents indicated that municipal officials are not trained on the implementation of Performance Management.

This is a matter of concern as, according to Mogotsi (2002:2), training and development of employees can assist employees within an institution, whether senior or junior, super-ordinate or subordinate, with the necessary skills and competencies to carry out their jobs effectively in pursuit of the vision and mission of the institution. Bekink (2006:492) also indicates the importance of addressing identified weaknesses after performance assessments when illuminating that capacity building should therefore form one of the strategic programmes that municipalities must put in place.

Furthermore, chapter 2 of the Skills Development Act 97 (1998) stipulates that each public service employer must budget for the training of its employees. Gerber (1999:449) also regards training and human resources development as the process of changing an organization, stakeholders outside it, groups inside it and people employed by it through planned learning with a view to equipping them with knowledge and skills needed for the future.

#### 4.3.3 Award of performance bonus

Table 5 below summarises the results of the responses on whether performance bonus is paid to good performing employees.

Table 5: Award of performance bonus

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>%</b>
Is performance bonus given to good performing employees?	3%	97%	100%

The majority of the respondents (97%) disagree with the statement that performance bonus is given to good performing employees. One may assume that the 3% that indicated that performance bonus is given to good performing employees might be due to the respondent not having understood the statement, as 3% represents one respondent. It is clear that the majority agrees that performance bonus is not given to good performing employees.

With regard to payment of performance bonus, the Performance Management System Policy of the Ba-Phalaborwa Municipality (2010) provides for payment of performance bonus to good performing employees, thus the Ba-Phalaborwa Municipality is not complying with its legislation. It is the responsibility of management to provide for the payment of performance bonus in the annual budget, and to make sure that good performing employees are awarded performance bonuses as per the provisions of the municipality's Performance Management System Policy.

If performance bonuses are paid to good performing employees and employees are made fully aware of the incentives attached to it, service delivery protests and low staff morale will be a thing of the past. This is evident in the private sector wherein employees strive to meet their

targets and set objectives in order to qualify for performance bonuses, thus enhancing and productivity of institutions. The non-payment of performance bonus to good performing employees by management of the municipality further indicates dereliction on their duties and non compliance with the provisions of the Performance Management Policy of the municipality, as it is provided for in the policy.

#### 4.3.4 Perceptions regarding giving feedback to employees after performance assessments

A statement was given to respondents to which they either agreed or disagreed. A brief exposé of the responses on perceptions regarding giving feedback to employees after performance assessments is given here.

Table 6: Perceptions regarding giving feedback to employees after performance assessments

<b>Statement</b>	<b>Agree</b>	<b>Disagree</b>	<b>%</b>
Giving feedback after assessments will help employees to know their weaknesses.	97%	3%	100%

Table 6 indicates that overall, 28 (97%) respondents that agree that giving feedback after performance assessments will help learners to know their weaknesses, while only 1 (3%) respondent disagrees with the statement. The fact that 1% indicated that giving feedback after performance assessments will not assist employees to know their weaknesses is a matter of concern as all employees must know the importance of giving feedback after performance assessments.

It is clear that the majority of the respondents in the study know the importance of giving and receiving feedback after performance assessments and Mogotsi (2002:15) sees communication and feedback between the employer and the employees in the review process been of utmost importance. He further stipulates that institutions lacking the necessary communication and feedback will experience performance related problems as employees need to know how their performance is measured and managed in order to improve and develop their role in the institution.

In support of the above view Williams (2002: 145) confirms that performance review is an essential element in performance measurement and requires some sort of performance measurement, or at least the monitoring of performance, and feedback to the job holder. In pursuance of his view, he further advocated that for Performance Management to be effective, performance review and provision of feedback should happen much more frequently. It is therefore, imperative as revealed by the responses of respondents (97%) and also required by the Municipal Systems Act (2000) that it is important for municipalities to establish mechanisms to monitor and review Performance Management.

#### 4.3.5 Existence of a Performance Management Policy in the municipality

Table 7 summarises the responses on whether the performance management policy of the municipality is in place or not.

Table 7: Existence of a Performance Management Policy in the municipality

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>%</b>
Is the performance management policy of the municipality in place?	83%	17%	100%

The majority of the respondents (83%) indicated that the Performance Management System Policy of the municipality is in place, while only 17% indicated that it is not in place. The 17% of respondents that indicated that the Performance Management System Policy of the municipality is not in place it might be due to the fact that awareness campaigns and training of employees was not done to employees as divulged in Table 3, wherein 83% of respondents indicated that training was not done to municipal officials for the implementation of Performance Management System.

When one of the respondents was asked about the availability of the Performance Management System Policy said: “I only heard from one of the employees that the municipality has a Performance Management Policy, but I never saw it”. The utterance of the above respondents clearly reveals that the policy might be in place but only been known to some employees. The

availability of the Performance Management Policy is further supported by the majority of the respondents (83%) that indicated that it is in place.

Even if the performance Management Policy is in place, it is worth mentioning that the municipality is to some extent not complying with the provisions of the policy. The Performance Management Policy of the Ba-Phalaborwa municipality (2010) stipulates that performance bonus is awarded to good performing employees. However, this contradicts with findings of the responses on Table 5, wherein 97% of the respondents indicated that performance bonuses are not given to good performing employees.

#### 4.3.6 Frequency of performance assessments in a year

A question was posed to respondents regarding the number of times performance assessments are done for employees in a financial year. The responses are tabulated below.

Table 8: Frequency of performance assessments

<b>Question</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>Don't know</b>	<b>%</b>
How often are performance assessments for employees done in a financial year?	34%	3%	3%	7%	53%	100%

According to Table 8, 53% of the respondents do not know how many times performance assessments are done; 7% indicated that performance assessments are done only once; 3% indicated that performance assessments are done twice; 3% indicated that performance assessments are done three times and 34% indicated that performance are done four times in a financial year. The 53% of respondents who do not know the number of times performance assessments are done in a financial year is a serious concern as this affects the smooth implementation of Performance Management and also the 13% of respondents who did not state the correct number of performance assessments done in a financial year, some stating three times while others stating two times further poses a serious concern.

The results of the responses contradict the provisions of the Performance Management Policy of the municipality which provides for performance assessments in the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters.

This simply confirms that some employees are not involved in the implementation of the Performance Management of the municipality, which is in violation of the prescribed legislations.

Chapter 3 of the *Municipal Planning and Performance Management Regulations (2001)*, provides that a municipality's Performance Management System must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring measurement, review, reporting and improvement will be conducted. In line with this the Ba-Phalaborwa municipality developed a Performance Management Policy (2010: 15) which states that performance assessments will be conducted at the end of each and every quarter, implying that they are done four times in a financial year. It is a worrying factor to realise that only 34% of the respondents know that performance assessments are done four times in a financial year. In total 66% of respondents do not know the performance cycles as provided for the Performance Management Policy (2010) of the Ba-Phalaborwa.

These responses support the responses given in Table 3, wherein 79% of respondents disclosed that municipal officials are not trained on the implementation of Performance Management. Based on the above view one may assume that some respondents do not know the performance cycles because they were never trained and the Performance Management Policy of the municipality was not availed to some municipal officials.

#### 4.3.7 Involvement of employees in planning of Performance Management

Table 9 below gives a summary of the responses with regard to the involvement of employees in the planning stage of Performance Management.

Table 9: Involvement of employees in planning of Performance Management

Question	Yes	No	%
Are employees involved in the planning stage of Performance Management?	17%	83%	100%

Regarding involvement of employees in the planning stage of Performance Management, Table 8 indicates that 83% of the responses showed that municipal employees are not involved in the planning stage of Performance Management. It further shows that 17% of the respondents indicated that employees are involved in the planning stage of Performance Management. From these findings it is clear that the majority of employees are not involved in the planning phase and as such compromise the credibility of the system. It is not surprising if employees are not involved in planning their Performance Management, as there is no provision for individual employee involvement in the planning phase in the Performance Management System Policy of the Ba-Phalaborwa Municipality.

Regarding the involvement of employees and other stakeholders in the planning phase of Performance Management, Max (2001:30) asserts thus:

Some organisations have tried to build the sense of ownership of performance management systems by involving staff or their representatives in the design of the process. Staff ownership is very important and will go a long way towards overcoming the cynicism of performance and scepticism of performance management systems. Staff involvement in the design and review processes also assists in the awareness raising and education of staff.

The planning phase of Performance Management is of utmost importance as it is on this stage wherein the activities of an institution and also the roles and responsibilities of managers, employees and other relevant stakeholders are highlighted. According to Keith (1995:163), it is not only the employer who is involved in performance planning, but also other stakeholders as well, would like to exercise an influence on the way each organization would perform. Tyson (1995) also emphasizes the importance of performance planning because it allows the individual employees and their supervisors to set performance targets which are agreed upon and further clarifies all the processes to be followed when assessing performance.

#### 4.3.8 Provision of feedback after performance assessment

Table 10 gives an indication on whether feedback is given to employees after performance assessments are done.

Table 10: Provision of feedback after performance assessment

Question	Yes	No	%
Is feedback given to employees after performance assessments?	24%	76%	100%

It evident from the above survey that feedback is not given to employees after performance assessments and according to the results as per the responses 76% indicated that feedback is not given to employees after performance assessments. The 24% of responses that indicated that feedback is given to employees after performance assessments might be the senior management (Directors) who are currently involved in the Performance Management. This high percentage of non involvement is of a very serious concern, as for employees to improve on their weaknesses, feedback should be given and intervention mechanisms to address gaps be agreed upon between the employees and their supervisors. The above responses correlate with the responses on Table 6, wherein 93 % of respondents indicated the importance of giving feedback to employees.

It is therefore imperative for the management of the municipality to give feedback to all municipal employees after performance assessments and this will also be in line with the provisions of the Municipal Systems Act (2000) and the Performance Management System Policy of Ba-Phalaborwa Municipality (2010). To further support the importance of feedback, Max (2001:32) acknowledges that receiving feedback is a key benefit of Performance Management and many managers saw it as an essential component of Performance Management Systems and a fundamental skill that managers need to ensure the effectiveness of Performance Management.

#### 4.3.9 Knowledge of municipal targets

Table 11 below gives an account of the responses on whether all municipal employees know the municipal targets as reflected in the service delivery and budget implementation plan.

Table 11: Knowledge of municipal targets

Statement	Agree	Disagree	Not sure	%
All municipal employees know the municipal targets as reflected in the service delivery and implementation plan.	10%	69%	21%	100%



In this category, the responses indicated that only 10% agrees that all municipal employees know their municipal targets as reflected in the service delivery and budget implementation plan, 69% disagree and 21% indicated that they are not sure as the majority of the municipal employees are not involved in the process of Performance Management. From the results of the survey, it is evident that 90% of the respondents do not know their municipal targets as set in the service delivery and budget implementation plan. This is a serious concern as the SDBIP is a monitoring instrument to check whether the targets set in the Integrated Development Plan are met or not. Then, if the majority of the employees do not know their targets, how will the municipality achieve in terms of service delivery.

It is therefore, paramount to the municipal management as implementers and monitoring agents of Performance Management to cascade the Performance Management System to all employees in the municipality. Thus, implementing the system at certain levels and disregarding other levels is non compliance to the purpose of the Municipal Systems Act (2000) and the Municipal Planning and Performance Management Regulations (2001).

#### 4.3.10 Perceptions of labour unions on the need for Performance Management

Table 12 below summarises the responses with regard to the need for the implementation of Performance Management System in the Ba-Phalaborwa Municipality.

Table12: Perceptions of labour unions on the need for Performance Management

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>%</b>
Is there a need for Performance Management System in the Ba-Phalaborwa Municipality?	100%	0%	100%

Regarding the need for Performance Management System in the Ba-Phalaborwa Municipality, the responses indicated that 100% of the respondents find it necessary for the system to be implemented. The views of the respondents are supported by Section 38 of the Municipal Systems Act (2000) that a municipality must establish a Performance Management System that

is in line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan.

The results of the survey in Table 12 disclose that all stakeholders and labour unions included are aware of the importance of Performance Management. It further indicates that it only calls for the management to implement the system as per the provisions the prescribed legislation for them to get the support and corporation of everyone. As per the results of Table 9, it is reflected that employees and stakeholders are not involved in the planning stage of Performance Management as 83% of the respondents are not agreeing.

#### 4.3.11 Need for consultation between unions and management

Table 13 gives a summary of responses on whether there is a need for management to consult labour unions on the implementation of Performance Management System.

Table 13: The need for consultation between unions and management

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>%</b>
Is there a need for management to consult labour unions on the implementation of Performance Management System?	83%	17%	100%

According to the responses in Table 13, the majority employee respondents (83%) indicated that there is a need for management to consult labour unions on the implementation of Performance Management System in the municipality and only 17% of employee respondents do not see a need for consultations with labour unions on the implementation of Performance Management. Consultations starts during the awareness campaigns and continues to the planning phase of Performance Management and should be done in all the stages, as all the stages are integrated and are inseparable.

Max (2001) sees the consultation of labour unions on the implementation of Performance Management as a very important critical tool by asserting that some organizations have tried to build the sense of ownership of Performance Management Systems by involving staff members or their representatives in the design and implementation of the process. With the above

assertion in mind one may conclude that for the purposes of all stakeholders owning the process, it is therefore imperative for management to involve the labour union representative on the implementation of the system.

The above view of stakeholder involvement is further supported by the *South African Local Government Association (Limpopo Province), Human Resources Management Working Group Document, dated 09 July 2010* when stating that in municipalities there are always common problems experienced in the implementation of Performance Management System and the problems arise due to a lack of ownership from management and staff, absence of common understanding of Performance Management System and fears and concerns that Performance Management System will be abused as a tool for punishment.

Noting the challenges that are associated with the implementation of Performance Management System if stakeholders are not involved, it is therefore of utmost importance for the management of the Ba-Phalaborwa Municipality to involve all stakeholders when implementing the system.

#### 4.3.12 Impact of Performance Management on service delivery

Table 14 below gives an account of the responses on whether Performance Management may speed-up service delivery or not.

Table 14: Impact of Performance Management on service delivery

<b>Statement</b>	<b>Agree</b>	<b>Disagree</b>	<b>Not sure</b>	<b>%</b>
Performance Management System will speed up service delivery.	80%	10%	10%	100%

The majority of the respondents (80%) agree that Performance Management will speed up service delivery, 10% disagrees and the other 10% is not sure. It is evident from the results of the survey in Table 14 that the majority of the employee respondents see Performance Management as a tool to enhance and speed up service delivery. The management of the municipality must make sure that the 20% of respondents which indicates those who are disagreeing and been not sure are made aware of the importance of Performance Management in

the municipality. It is only through assessments that the strong points and weaknesses of employees may be identified.

It is only through the implementation of Performance Management System that the individual targets of employees are linked to targets as set in the Integrated Development Plan of the municipality. In this case, as indicated by responses in Table 11, the majority of respondent employees (90%) do not know their individual targets, thus supporting the fact that the municipality’s Performance Management System is not aligned and linked to its Integrated Development Plan.

Regarding the linkage between the Performance Management System, the Integrated Development Plan and setting of performance targets the Municipal Systems Act (2000), chapter 6, section 1 stipulates that a municipality must in terms of its Performance Management System 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 as set out in the Integrated Development Plan.

It is a fact that, for an organization to meet and deliver on its targets and objectives, it is definitely dependant on the individual performance of employees within the organization. Effective and good performance by each individual employee which is linked to the organization’s targets and objectives will mean that the organization will ultimately achieve its set targets and objectives.

#### 4.3.13 Top officials’ understanding of the Performance Management System

Table 14 serves to summarise the responses as whether the top officials of the Ba-Phalaborwa municipality understand the Performance Management System or not.

Table 14: Top officials’ understanding of the Performance Management System

<b>Statement</b>	<b>Agree</b>	<b>Disagree</b>	<b>Not sure</b>	<b>%</b>
The top officials understand the Performance Management System.	59%	10%	31%	100%

The responses indicates that 59% of the respondent employees agree that the top officials of the municipality understand Performance Management System, 10% disagree and 31% not sure whether the top officials understand the system or not. Even though 59% agrees that the top officials understand Performance Management System, the 41% of respondent employees which disagreed and stated that they are not sure is a serious concern. If the subordinates (41%) do not have confidence in the expertise of the implementers on the implementation of the system, then that poses a serious challenge towards the effective and efficient implementation of the system.

The 41% of respondents that disagree with the competence of the top officials of the municipality on the implementation of Performance Management System correlates and are further supported by the responses as indicated earlier:

- 83% of respondents indicated that municipal employees are not involved in the planning stage of Performance Management.
- 76% of respondents indicated that feedback is not given to some employees after performance assessments.
- 90% of respondents indicated that the majority of employees do not know the municipal targets as reflected in the Service Delivery and Budget Implementation Plan.

It may be due to the competency challenges of management of the municipality in the implementation of Performance Management System that some employees are not involved in the planning of performance; feedback not given to some employees after performance assessments and also some employees not informed of the municipal targets as set by the municipality. It is therefore an issue for consideration by the top municipal officials of the municipality to address all the gaps as revealed by findings of the study.

4.3.14 Support by labour unions on the implementation of the Performance Management System  
Table 16 below gives an account of the responses on whether labour unions support the move for the implementation of Performance Management System or not.

Table 16: Support by labour unions on the implementation of the Performance Management System

Statement	Agree	Disagree	Not sure	%
The labour unions support the move for the implementation of Performance Management System.	41%	10%	49%	100%

According to the data in Table 16, 41% of the respondent employees agree that the labour unions support the move for the implementation of Performance Management System, while 10% disagree and 49% of the respondents indicated that they are not sure whether labour unions support or not. The researcher engaged one of the labour union representative sampled to participate in the study about their view regarding the implementation of Performance Management System in the municipality and he said: “We are ready to work with management and support all the good initiatives intended to fast track service delivery as long as we are consulted and briefed on how the process will unfold and its implications to our members.”

With the above assertions in mind, it therefore becomes clear that the labour unions are for the implementation of the Performance Management System and they only need to be consulted. The assertion is further supported by the responses as indicated in Table 12, wherein 100% of the respondents indicated that there is a need for the implementation of Performance Management System in the municipality. The 100% agreement to the implementation of the system included the responses of the five (5) sampled union representatives that participated in the research study.

#### 4.4 Recommendations by respondents

This category serves to highlight some of the possible recommendations proposed by the respondents. The researcher’s recommendations will be outlined in details in Chapter 5. The proposed recommendations by respondents for consideration by management are as follows:

- Training of all employees on Performance Management System;
- Payment of performance bonus to good performing employees;
- Consultation with all employees on the implementation of the system;

- Performance Management System be implemented to all employees;
- Involvement of labour unions on the implementation of the system from the onset;
- Performance Management System must be cascaded to all employees;
- Provide constant feedback on the performance of employees;
- Establishment of a well staffed PMS unit;
- Formal assessments of employees be done annually;
- An appeal committee be established to attend to grievances;
- The system should be simple and understandable to all employees;
- Management must stop malicious compliance and implement the system as required;
- Set achievable targets; and
- Performance Management System must comply with legislation.

The majority of the recommendations proposed by the respondents correlate with the responses given to questions and statements as analysed.

#### **4.5. Conclusion**

The general conclusion that can be made based on the analysis of the data as supplied by the respondent employees is that the Performance Management System in the Ba-Phalaborwa municipality is not successfully implemented. The above conclusion is drawn due to the fact that not all employees are participating in the Performance Management System, not all stakeholders are involved in the implementation of the system, no feedback given to some of the employees after performance assessments and the implementation of the system is not in compliance with the provisions of the prescribed legislations, that is, the Municipal Systems Act 32 (2000), Municipal Planning and Performance Regulations (2001), Performance Management Guide for Municipalities (2001), Performance Management System Policy: Ba-Phalaborwa Municipality (2010) only to cite just but a few legislations.

## **CHAPTER 5**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The aim of this study was to evaluate the implementation of Performance Management System in the Ba-Phalaborwa municipality. In this chapter, conclusions are drawn and recommendations are made based on the analysis of responses in relation to the research questions as stated in chapter 1. Conclusions drawn are informed by both the literature review (Chapter 2) and the data analysis is done in Chapter 4. This chapter further provides possible future research topic, as it did not explore in detail other sub-domains of Performance Management System.

The investigation of the implementation of Performance Management System in the Ba-Phalaborwa Municipality was based on the following main research objectives:

- To analyse the roles and responsibilities of key stakeholders (managers, supervisors and lower level employees) in the Performance Management System;
- To appraise whether the Performance Management System being implemented by the municipality is complying with legislation;
- To examine the perceptions of labour unions in the implementation of Performance Management System; and
- To make possible recommendations to improve the implementation of the Performance Management System.

#### **5.2. The roles and responsibilities of stakeholders**

Research question 1: What are the roles and responsibilities of managers, supervisors, lower levels employees and other stakeholders in the Performance Management System?

Regarding the capacity to implement the Performance Management System, the respondents indicated that the municipal officials are not trained on the implementation on the implementation of the Performance Management System. Stakeholder awareness and training of employees by management on the implementation of the Performance Management System



plays a very important role. The implementation of Performance Management should begin with the awareness among staff members.

The responses of respondents confirms that there are no training offered to address identified gaps and this cannot be ignored. Management and supervisors should identify weaknesses through performance assessments and develop mechanisms in the form of interventions to close the identified gaps. It is through training and human resources development that an organization may change internally through planned learning of employees with a view of preparing them with knowledge and skills needed presently and in the near future.

Giving and receiving feedback after performance assessments is of utmost importance, as it serves as a communication tool between employer and employees. Organizations lacking the giving of feedback after performance assessments generally experience Performance Management related problems as employees want to know their performance outcomes in order for them to know their weaknesses and improve on them.

An overwhelming majority of the respondents disagreed with the statement that performance bonus is given to performing employees. It is a fact that payment of performance bonus to good performing employees as an incentive can motivate employees to work to the best of their abilities. It can further assist in improving low staff morale amongst employees and as such enhancing and maximising productivity of the organization.

### *Recommendations*

It is the responsibility of management to train employees on the implementation of the Performance Management System in order to ensure effective and efficient Performance Management. The researcher recommends that the management of the Ba-Phalaborwa municipality should conduct awareness campaign to all stakeholders and also train employees on the implementation of Performance Management.

The researcher further recommends that management should provide feedback to all employees after performance assessments so that employees can know how their performance is measured,

thus, giving them an opportunity to improve and contribute towards the development of the organization. It is also important for management to develop intervention mechanisms to address the identified weaknesses, as training and development can assist employees with the necessary skills and competencies to enable them to carry out their jobs effectively and efficiently.

The researcher further recommends that performance bonus be given to good performing employees as per the provisions of the Performance Management Policy (2010) because it will boost the morale of employees and maximising productivity in the institution.

### **5.3. Performance Management System complying with legislation**

Research question 2: Does the Performance Management System of the municipality comply with legislation?

The respondents showed that the Performance Management System Policy of the municipality is in place. However, a minimal number of the respondents indicated that the Performance Management Policy of the municipality is not in place. This clearly reveals that municipal policies are not made known to all staff members. The Performance Management Policy of an organisation guides and directs implementation. The adopted policy should be given to all stakeholders in order to promote openness, fairness and transparency in the implementation of the system. According to the responses only a third of the respondent employees know the frequency of performance assessments and over half of the respondents indicated that they do not know the number of times performance assessments are done in a financial year. Regarding performance assessments, the Performance Management System Policy (2010) of the Ba-Phalaborwa municipality provides for one at the end of each and every quarter.

The analysis of data further disclosed that municipal employees are not involved in the planning stage of Performance Management. In order to promote and build ownership of Performance Management System, staff members and or their representatives should be involved in the planning phase. This will ensure that employees know their performance targets as reflected in the Service Delivery and Budget Implementation Plan. Performance assessments for employees

and the review of the performance planning should be effected as per the provisions of the approved and adopted legislations.

From the results of the survey it is evident that the majority of employees do not know their performance targets as set in the Service Delivery and Budget Implementation Plan. This is evident as the majority of respondents disagreed with the statement that all municipal employees know their targets as reflected in the Service Delivery and Budget Implementation Plan.

### *Recommendations*

It is recommended that the management of the Ba-Phalaborwa Municipality should implement the Performance Management System in the municipality in line with the provisions of the Performance Management System Policy as adopted by council and the policy should be distributed to all employees and further workshop employees on its provisions. It is further recommended that the frequency of performance assessments should be made known to employees because it will enable them to be fully prepared for assessments.

The management of the municipality should cascade Performance Management to all lower levels employees as required by legislation. This will ensure that the organizational performance, which is informed by the individual performance of employees, is not affected by the fact that some employees are not assessed.

The researcher further recommends that employees be involved in the planning phase of Performance Management because it is at that stage wherein the roles and responsibilities of employees, managers and other stakeholders are outlined. It is in the planning stage of Performance Management wherein individual employees and their supervisors set performance targets which are agreed upon.

It is also recommended that the management and supervisors should inform employees on their performance targets as reflected in the Service Delivery and Budget Implementation Plan because this will make them to strive to meet targets and objectives as set.

#### **5.4. Perceptions of labour unions regarding the Performance Management System**

Research question 3: What are the perceptions of labour unions regarding the Performance Management System?

The Municipal Systems Act 117 of 1998 requires municipalities to establish Performance Management System which will assist in measuring performance. The analysis of the survey disclosed that labour unions are aware of the importance of Performance Management in an institution and they support the move for its implementation.

It should be noted that when implementing Performance Management labour unions should be consulted to ensure ownership of the process by stakeholders and further foster healthy working relations. The study revealed that some of the respondent employees see no need for management to consult labour unions on the implementation of the Performance Management System. This is a matter of concern as without the involvement of all stakeholders there will always be problems experienced in the implementation due to lack of common understanding of the system and fears and concerns that the system will be abused as a tool for punishment

Some of the respondents disagreed with the statement that Performance Management will speed up service delivery. Even though it a minimal number, it cannot be ignored and as such it raises a serious concern. It is therefore, imperative for management to raise awareness to all employees on the importance of Performance Management in relation to service delivery. Once the importance is realised, then all employees will strive to meet their targets and as such contributing towards the achievement of the organizational goals and objectives.

The study further disclosed that some of the respondent employees disagreed with the statement that the labour unions support the move for the implementation of Performance Management System and some were not sure whether the labour unions supports the implementation of Performance Management or not.

The analysis of the responses further revealed that the respondents disagreed with the statement that the top officials of the municipality understand the Performance Management System. The

disagreement by respondents is supported by the of responses that indicated that municipal employees are not involved in the planning stage of Performance Management; responses that indicated that feedback is not given to employees after performance assessments and the responses that indicated that the majority of employees do not know their municipal targets as reflected in the Service Delivery and Budget Implementation Plan. For the effective implementation of the Performance Management System it requires the top management of the municipality to be well trained in both the legislation governing the system and its implementation.

### *Recommendations*

The researcher recommends that management should raise awareness to all union representatives because it will encourage their buy-in and as such avoiding unnecessary Performance Management related problems as all stakeholders will own the process.

Regarding employees without knowledge of the importance of Performance Management, the researcher further recommends that management should conduct workshop to all employees and highlight the importance of Performance as it is through it that the capacity and skills of employees are improved.

It is further recommended that the top officials of the municipality should be trained on the implementation of the Performance Management System to ensure effective and efficient implementation of the system. This will develop and build sense of trust and confidence in the knowledge of the system by the general employees.

### **5.5. Recommendations by respondents**

**Research question 4:** What are the possible recommendations that can be made to improve the Performance Management System?

For one to improve, it is always advisable to listen to what other people are saying. The good things are then maintained and room is made to improve on the weaknesses. In responding to the

questionnaire, the respondent employees as they are working closely with the implementers and on the one hand been affected by the system recommended amongst others the following:

- That a well established PMS unit be established;
- That the system should be simple and understandable to all employees;
- That management should set achievable targets; and
- Management should stop malicious compliance and implement the system as required by legislation.

## **5.6. Conclusion**

Based on the main four research questions, the study revealed that the management of the Ba-Phalaborwa municipality as implementers of Performance Management were to some extent not performing their roles and functions as expected. This is evident in the fact that not all employees were assessed and for the few that were assessed, feedback was not given to all. Of utmost importance, the study disclosed that there were no trainings provided to address the weaknesses identified during performance assessments.

The study further revealed that the Performance Management Policy of the municipality was not known to some of the employees, thus conforming that no awareness campaign was done before the system was implemented. Furthermore, the study disclosed that the majority of the employees do not know their performance targets as stated in the Service Delivery and Budget Implementation Plan. This clearly confirmed the non-involvement of employees in the planning stage of Performance Management System.

The study further divulged that non payment of performance bonuses to good performing employees contributed towards low staff morale, which affected the effective and efficient delivery of services. It further solicited recommendations from respondents and all the recommendations proposed clearly correlated with the issues revealed after the analysis of data, thus, conforming the relevance in the findings of the study.

### **5.7. Suggestions for future research**

The research study has not covered every sub-domain of Performance Management System in the Ba-Phalaborwa Municipality. Future research in this field is necessary as it will explore in more detail the implementation of institutional Performance Management System, in particular, “The impact of community involvement and other stakeholders in the implementation of Performance Management System”.

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**ANNEXURES**

**ANNEXURE A: Consent Form**

**Topic: An Evaluation of the Implementation of Performance Management System: A case of the Ba-Phalaborwa Municipality in Limpopo**

Sir/Madam

.....

Request for your participation in a Research Project:

Please be informed that this research questionnaire is not going to be used to incriminate you in any way. You are at liberty to withdraw in the exercise at any time. The purpose of the research is only for the fulfillment of my Masters Degree in Public Administration at Turfloop Graduate School of Leadership Edupark.

Thanks

## ANNEXURE B: RESEARCH PROJECT QUESTIONNAIRE

Topic: **An evaluation of the implementation of Performance Management System: A case study of the Ba-Phalaborwa Municipality in Limpopo**

1. Gender:

Female	1
Male	2

2. Age: Mark with a cross in the appropriate box.

20 – 35yrs	
36 – 45 yrs	
46 – 60 yrs	

3. What is your position in the municipality?

Director (Section 56 Manager)	1
Assistant Director	2
Manager	3
Other employees	4
Union Representative	5

For each of the following statements regarding performance management system in the Ba-Phalaborwa Municipality, indicate by making a cross in the appropriate block, what applies to you:

	Yes	No
4. Is there a need for a Performance Management System in the Ba-Phalaborwa Municipality?	1	2
5. Is the Performance Management policy of the municipality in place?	1	2
6. Are officials well trained to implement the Performance Management System?	1	2
7. Are employees and other stakeholders involved in the planning stage of Performance Management?	1	2
8. Is performance assessment done on a quarterly basis?	1	2
9. Is feedback given to employees and other stakeholders after performance assessments?	1	2
10. Is there any training offered to address identified gaps?	1	2
11. Is performance bonus given to good performing employees?	1	2
12. Is there a need for management to consult labour unions in the implementation of Performance Management System?	1	2

To what extent do you agree or disagree with each of the following statements about the Implementation of the Performance Management System in the Ba-Phalaborwa Municipality?

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
13. Performance Management will help to speed up service delivery.	1	2	3	4	5
14. All municipal employees know the municipal targets as reflected in the Service Delivery and Budget Implementation Plan.	1	2	3	4	5
15. Payment of performance bonuses will help to improve the low staff morale.	1	2	3	4	5
16. Giving feedback after assessment will help employees to know their weaknesses.	1	2	3	4	5
17. The top officials understand the Performance Management System.	1	2	3	4	5
18. The labour unions support the move for the implementation of Performance Management System.	1	2	(a)	(b)	(c)

19. Are performance assessments done on a quarterly basis on all employees?
20. Who are the key stakeholders in the Performance Management of the municipality?
21. How is Performance Management System being implemented in the Ba-Phalaborwa Municipality?
22. What are the roles and responsibilities of managers, supervisors, lower levels employees and other stakeholders?
23. Is the Performance Management System implemented by the municipality complying with legislation?
24. What are the perceptions of labour unions regarding the Performance Management System?
25. What are the possible recommendations that can be made to improve the Performance Management System?

**Note:** You can use a separate paper to provide answers for questions 19 – 25.

**Thank you for completing this questionnaire.**

**ANNEXURE C: APPLICATION FOR PERMISSION TO CONDUCT RESEARCH**

**ANNEXURE D: PERMISSION GRANTED TO CONDUCT A RESEARCH STUDY IN  
BA-PHALABORWA MUNICIPALITY**