

CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1. Introduction

This research explores performance management systems implemented by Greater Sekhukhune District Municipality (GSDM) in facilitating development and service delivery. It is in the interest of this study to assess the current structures in place in the District Municipality of Sekhukhune and weigh the extent to which they can or are able to put in place effective performance management systems in the municipality.

Part of the method in this study will be perusal of administrative dimensions such as the level of capacity in the municipality to develop and implement performance management systems. The other important aspect to explore is existing political limitations that might have a negative impact on the process of facilitating performance management.

The transformation in the South African public service requires that public provisioning is people centred and service-oriented. The transformation agenda was informed by anomalies of the previous state and it is intended to put correct measures in place to deal with skewed legislation enacted by the non-democratic government. At the centre of the transformation is an agenda that strives for transparent public service that is accountable to its citizens.

In order to harness these objectives, the government developed a White Paper on the Transformation of the Public Service (WPTPS) in 1995, followed by a number of legislations and policies developed to support this policy framework.

In 1996, former President Nelson Mandela established the Presidential Review Commission (PRC) that was tasked to carry out a comprehensive investigation into the operation, transformation and development of the public service and make recommendations for improving and accelerating the transformation agenda.

The commission found that national and provincial governments have been very strong on policy and commitment. Though weak on the implementation the commission acknowledges and commends the real achievements that have been made in translating some of the policy commitments in practice and the progress in implementing the transformation agenda has varied widely between different departments and provinces. The commission also argues that in allowing for such variations, overall progress in relation to the effective implementation of transformation and reform process has in many ways been seriously disappointing.

The commission recommended amongst other things that a new Ministry of Local Government be established with the sole purpose of harnessing resources for service delivery at local communities, Bardill (2000). This recommendation was supported by the African National Congress's Reconstruction and Development Programme (RDP, 1994). According to the RDP, local government is of critical importance to the reconstruction and development of South Africa, (1994, p.129).

The Ministry of Local Government developed a number of policies and the legislations to direct and coordinate activities and programmes cutting across all departments. The critical challenge to the ministry was service delivery through means at the disposal of the ministry.

The daunting task for the department of local government was to manage performance of local municipalities based on the quality of service delivered, with the incorporation of Batho-Pele principles (a Sotho expression meaning People First), that advocates among other things respect to citizens, courtesy, value for money, accountability and transparency.

GSDM's Integrated Development Plan (2005-2008) requires that all local municipal programmes embodied in various departments have to be fully assessed to determine the extent to which they inculcate the culture of performance, compliance with the overall policy framework and community satisfaction in terms of service delivery.

1.2. Background to the study

The South African constitution (1996) mandates the Department of Local Government to provide services, promote social and economic development as and encourage the involvement of communities and community organizations in matters of local government.

The ministry published the White Paper on Local Government (WPLG) in 1998 that advocates for a performance management system in local government through the notion of developmental local government. The White Paper requires municipalities such as GSDM to align their objectives with national standards set for municipal service delivery monitored within a national framework for performance management.

GSDM forms part of the current five districts in the newly demarcated municipal boundaries of Limpopo province in the Northern part of South Africa and is spread over both Mpumalanga and Limpopo provinces. Greater Sekhukhune district used to be a cross border municipality between Limpopo and Mpumalanga provinces, until recently when a ruling was made by

parliament to have some local municipalities within Sekhukhune fall under Mpumalanga and Limpopo respectively as a result the entire district is incorporated into Limpopo in accordance with proclamation 22 of 27 November 2005.

GSDM is a category C municipality and according to the White Paper on Local Government, which is a municipality area that has municipal executive and legislative authority in an area that includes more than one municipality. Sekhukhune area measures approximately 1 326 437ha and lies into the North West of Mpumalanga and to the South of Limpopo. It is located outside major towns such as Pretoria at approximately 200km to the South, Nelspruit at about 150km to the East and Polokwane about 180km to the North.

1.2.1. GSDM population growth rate

GSDM consists of five local municipalities namely: Greater Groblersdal, Greater Marble Hall, Greater Tubatse, Fetakgomo and Makhuduthamaga. The population of Sekhukhune is 967 197 people. The population growth rate between 1996 and 2001 was 1.2 percent (Census, 2001). Unisa's Bureau for Market Research projected the growth rates in Sekhukhune's population to be fast growing at between 2 and 3 per cent in 2005/2009. Tubatse Local Municipality is leading other local municipalities with a higher number of people and this is due to the expanding mining industry in the area that attracts thousands of people in the labour market (see table 1).

The district's economic hub is mining and agriculture, with mining mainly located in Greater Tubatse municipality, in the Eastern part of Sekhukhune district. The Bureau for Market Research (Unisa, 2001), estimates that the population growth rates are expected to decline by 1 percent taking into account the impact of HIV/AIDS. Based on the Bureau for Market Research

(Unisa) growth rates, the estimation of the population for 2005 to 2009 is presented in table 1 below.

Table 1: GSDM Population growth rate

Municipality	2005	2006	2007	2008	2009
Fetakgomo	97 141	98 278	99 349	100 342	101 346
Groblersdal	233 215	236 014	238 657	241 115	243 599
Makhuduthamaga	276 404	279 417	282 266	284 920	287 598
Marble Hall	127 668	129 072	130 363	131 667	133 115
Tubatse	290 319	293 803	297 035	300 005	303 005
Total	1 024 748	1036 583	1047 670	1058 049	1068 62

Source: Limpopo Development Information Database, 2001

Historically Sekhukhuneland is a large area that had its borders stretching to the Vaal River in the old Transvaal of the Republic of South Africa. The area has been known as Sekhukhuneland since the 1800's and was mainly occupied by the Bapedi people under the leadership of King Sekhukhune.

History tells that occupation battles in this area have overtime resulted in mutual relations formed between the settlers and the Bapedi, Ndebele, Swazi, English and Afrikaans speaking South Africans, who have now all become an integrated part of the community known as the Sekhukhune District. This has resulted in several missionaries being established hence the erection of churches and schools in the area, which later became the foundation of education in this African community. The GSDM occupies the most Eastern part of Limpopo province.

1.2.2. GSDM population growth per gender

According to 2001 Statistic South Africa census results, the population of Sekhukhune is 967 197. The population growth rate between 1996 and 2001 is 1.2 per cent.

Table 2: Population growth dynamics per gender

Municipality	Male	Female	Total
Fetakgomo	40 694	51 398	92 092
Groblersdal	98 689	122 050	220 739
Makhuduthamaga	114 038	148 883	262 921
Marble Hall	55 765	65 558	121 323
Tubatse	121 254	148 868	270 122
Total	430 440	536 757	967 197

Source: Limpopo Development Information Database, 2001

Table 2 illustrate gender variations at GSDM local municipalities where women are in the majority. This however represents some contradictions as men are dominant in the labour market especially in the mining sector, agricultural and professional institutions such as the municipalities as well as education. This gender imbalance has some implications in the municipalities where the majority of men occupied senior positions. While women are in the majority, very few of them occupy senior positions in the municipality. The male dominance in the municipality senior positions can be seen in by male voices in political circles in all local municipalities. Regardless of men in the majority in these municipalities, performance and service delivery is still very much behind.

1.2.3. GSDM education profile

Table 3: GSDM education profile

Municipality	None	Primary	Secondary	Tertiary	Unspecified/ Disability	Under 5
Fetakgomo	32 318	19 705	23 665	1 077	2 523	11 441
Greater Groblersdal	67 084	60 165	57 144	3 262	10 124	30 103
Greater Marble Hall	24 318	25 156	21 681	1 022	2 750	12 046
Greater Tubatse	62 401	48 003	48 331	1 488	6 967	27 419
Makhudutham aga	86 392	77 158	69 715	3 415	7 905	39 254
Total	272 513	230 187	220 536	10 264	30 269	120 263
%	27.8	23.5	22.5	1.0	3.0	12.3

Source: LPGDS, 2005

As indicated in the above table, the district has a relatively high illiteracy level, with almost 28 percent of the population having no formal school education whatsoever. Only 1 percent of the population has obtained tertiary educational qualifications. Limpopo, Provincial Growth and Development Strategy (LPGDS) indicate that Sekhukhune has the least number of highly skilled individuals in the whole province. The low skills reduce the ability of the district to innovate and to productively implement programmes for development and service delivery purposes.

Performance management requires amongst a skilled work force that can conceptualise, manage and implement decisions and processes for institutional development and service delivery programmes in the municipalities. With high skill shortage at GSDM, productivity may not be achieved and the municipality will always remain behind in terms of service delivery. This can be seen in the current situation where most communities in the GSDM local municipalities do not have basic services such as water and sanitation, electricity and proper road infrastructure. To deliver all these necessities the municipalities requires specialised technical, architectural and engineering skills.

1.3. Problem Statement

There is a general assumption that performance management is a useful tool in the drive for successful service delivery by municipalities. Central to this assumption is that performance management is an important measurement tool and therefore believed to be a highly preferred model for measuring success in the public sector, especially in that it is pronounced to have worked well in the private sector.

The department of local government published two legislations; the Municipal Structures Act (1998) and Municipal Systems Act (2000) where emphasis was made for category C municipalities like GSDM to establish performance management systems and policies. Whilst all the municipalities are required in terms of legislation (Municipal Systems Act) to establish performance management systems, the reality is that there are backlogs in most rural municipalities in South Africa that are not conforming with the legislation.

Lack of or non-compliance with legislation by most state institutions such as municipalities leads to poor service delivery. Observations are that most municipalities do not have the required capacity to implement policies and programmes and GSDM is no exception (SALGA, 2000). This situation is cause for concern that justifies a need to assess the extent to which performance management systems are implemented in the municipality.

1.4. Purpose Statement

The purpose of this study is to identify and assess institutional arrangements in place for performance management at GSDM. The assessment process will mainly consider and focus in detail on the current structures in place in the municipality for purposes of facilitating development and implementation of performance management.

1.5. Research Questions

The study is centred on the following key questions that seek to address the problem and purpose of the study. These questions are essential to probe for the purpose of having a clear picture of how performance management system was conceptualised and practiced at GSDM. The questions are defined as follows:

1.5.1. What are the structures in place in the municipality aimed at facilitating the development and implementation of a performance management system? This question seeks to find out about the structural systems entrenched by the municipality aimed at implementing performance management systems.

1.5.2. What are the challenges facing the municipality in implementing a performance management system? This question is based on the assumption

that the municipality might have difficulties in establishing PMS or if it has PMS in place, the difficulty might be in implementation.

Therefore this question stems from the premise that there are challenges at GSDM.

1.5.3. What are the appropriate mechanisms in place to overcome these challenges?

Based on the challenges, the assumption is that there should be some plans in place to address these challenges both in the short and long term basis. This question probes on issues that are potential risks to the success of conceptualising or implementing a performance management system. One of the objectives in raising this question was to identify some key lessons learnt in the conceptualisation and implementation processes for performance management systems.

1.6. Significance and Limitations of the Study

The significance of this study is that it explores the critical challenges faced by municipalities, with the view that most municipalities are failing to implement

policies due to lack of capacity and inadequate resources. The study will substantially explore some practical social challenges encountered in the implementation of performance management system.

1.7. Chapter Contents

1.7.1. Chapter 1: Introduction and Background

This is an introduction and a foundation setting the tone for the study, with clearly outlined contextual issues on the purpose, background and significance of the study. This chapter of the report briefly explain the core problem that signifies a need to do this research based on the identified key questions and the problem statement.

1.7.2. Chapter 2: Literature Review

Based on the questions raised in the study, this section of the report provides data sourced from literature. This chapter is aimed at assessing the current state of research and knowledge on the subject under study to locate the essence of this study in the broader literature. This section of the report also serves to justify the relevance of this study in a correct context as well as identify gaps in the existing literature on the subject.

1.7.3. Chapter 3: Research Methodology

This chapter describes the approach and the methodology used in the study. It is in this chapter where various methods explored in this study will be clearly defined and these methods are identified as interviews, questionnaires and literature review. These examples of explored methods are informed by the qualitative nature of the study.

1.7.4. Chapter 4: Research Findings and Analysis

Chapter 4 of this study is about sharing findings by the study in an objective manner. The findings will strictly be on the basis of the key questions raised in the study. Findings based on interviews done and documentations collected is analysed.

1.7.5. Chapter 5: Conclusion and Recommendations

This chapter tie all key aspects of the report based on the research findings, data analysis as well as recommendations by the report. All issues tied together are responsive to the research question, research problem and purpose of the study. Based on the conclusion, this section of the report will on the basis of the findings make recommendations to be considered in the interest of improving performance management system practices at GSDM.

CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

For the purpose of this study selected academic and non-academic documents, pieces of legislation, policies as well as journals on performance management were collected to develop a theoretical understanding on the concept of performance management systems. The literature reviewed for this study mainly concentrated on conceptual issues relating to performance management. The literature reviewed also focused on the institutional arrangements for GSDM from an institutional perspective.

While it is in the interest of this study to focus on the institutional perspective, attention is also given to defining performance management from an individual perspective by way of flagging some views on individual employee perspective. Though it is not the intention of this study to focus on individual employees, it is however necessary to reflect on the individual employee's role as defined in a context of performance management. This is supported in another school of thought that individual performance should be linked to organizational vision, mission and objective.

The main part of the literature reviewed for this study focuses on both performance management and local government and is elaborated as follows:

Performance Management: This topical aspect of the literature forms part of conceptual definition and understanding of performance management. It is important to unpack performance management and objectively look at its purpose. Performance management has to be understood in a systematic

context by outlining its purpose in terms of service delivery as a core business for municipalities.

Local Government: This section of literature reviewed mainly focused on structures and legislations that define performance management. Reference to historical evolution form the core part in tracking down the essence of local authorities as one layer of state authority and its consequent power and impact on development of the country.

2.2. Understanding of Performance Management

2.2.1. General Overview

The focus of this study is on the institutional arrangements for performance management in local municipalities, especially by looking at the defining features of performance management systems from administrative technical set ups as well as some development and implementation of service delivery programmes.

It is important to also apply some general theoretical understanding underpinning the concept of management and seek answers to the question, what is performance management? Management as a concept need to be understood and translated into reality. However, in understanding this concept, there is a need to briefly track the emergence and history of performance management.

Some scholars argue that the concept of management is both an art and science. These sentimental theories stem from the fact that as a management science of social sciences, management is an exact science and is compared

to physical science. However, it is also pointed out that sometimes management is perhaps the most inexact science of the social sciences.

Performance management concept has been around for many years, dating back to the Wei Dynasty in China in the third century. Performance management is said to have arrived in North America during the industrial revolution in the late 18th century. Observations, research and documents had been produced on the concept of performance management as one of the most praised, criticised and debated management practices for decades, (Glendinning, 2002, p.161). Performance management is not a new approach. It is a disciplined approach to management which should ensure that the whole organization is committed and capable of providing a quality product or service.

Locket (1992) indicated that total quality management (TQM) is a precedent to performance management and in some organisations TQM is regarded as a powerful discipline for effective implementation of business strategies embracing the whole organization. Performance Management can be applied in the same way as TQM, (Lockett 1992, p.16). Locket (1992) also argues that performance management in some organizations is represented as merely a good appraisal system, while in other organisations it is regarded as an attempt to direct the whole organization towards superior performance.

Cohen and Brand (1993) identified three key simple practices of TQM as being about working with suppliers to ensure the supplies utilised in the work are appropriately designed for end use, that continuous employee analysis of work processes serves to improve their functioning and reduce process variation, and using close communication with customers to identify and understand what they want and how they define quality.

To put into municipal context performance management based on the TQM practices augurs well with the expectation that in each municipality or any state organ based on BathoPele principles, each employee is there to serve community needs. It is therefore of the utmost important to first understand the nature and kind of product he/she provides to the community. In the case of public sector organisation, the community is identified as the client. Constant communication through various means including imbizos and IDP processes are instrumental in harnessing direct links between municipalities and the communities they serve.

Continuous quality improvement requires a new way of managing work in which employees are not simply ordered around but are asked to think and to participate in the process of organising work. Another important point that may require extra caution is that TQM is not a magic formula, but requires new knowledge, understanding of theory, sustained commitment and a great deal of struggle to implement, (Cohen and Brand,1993, p.5). Lockett (1992) added that, implementing TQM is revolutionary as it requires management to get off what he refer as the high horse and learn to work with the experts at performing work-with workers on the front line.

The perspectives above demonstrate that performance management cuts across all different sectors of the organisation and this demonstrate a need to strike a balance between organisational performance and employee performance, as well as on aspects such as skills and expertise that people bring to the organisation.

2.2.2. Defining Performance Management

The term performance management is used to describe a range of processes, techniques and methods to achieve such an improvement or

value for money in terms of managing public services (Isaac, *et al.*, 1993, p. 59).

In its Performance Management Series Volume 1, SALGA defines performance management as a strategic approach which provides a set of tools and techniques to regularly measure and review performance of the organisation and individuals. Performance management however has to be measured and managed. Performance Management can be defined as a strategic and integrated process that delivers sustained success to organisations by improving the performance of the people who work in them and by developing the capacities of individuals and teams to contribute, (Amstrong, 1994).

Performance management defined in both the context of people and organisations subsequently take into consideration factors such as the organizational objective and employees skills and competency. These factors could implicitly be described to further broaden the definition of performance management.

As indicated in chapter one, it is not simple or easy to completely divorce the individual employee performance efforts from organizational performance. According to Lockett (1992, pp.19-20) the essence of performance management is in the development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization which supports and encourages that achievement.

Competence form part of the boundary for capacity to perform and it is part of effective performance that serves the objective of ensuring that people are motivated to perform to the full extent of their abilities and stretching those boundaries with an effective programme of personnel development. In qualifying the concept of performance management, Lockett (1992) relates performance management to an ecology metaphor, by looking at it as ecological rather than a barrier.

The ecology metaphor according to Lockett, explains that performance management should consider not only the people within the organization but their interaction with each other and the technical parts of their organizations. This metaphor is supported by Curtis' (1999) definition of performance management as an approach to management which harnesses the endeavors of individual managers and workers to an organisation's strategic goals. It defines goals and the outputs needed to achieve those goals and it gains the commitment of individuals or teams to achieve those outputs and monitors outcomes (Curtis, 1999, p.263).

Mthobeli (2002) argues that while it's true that managing personnel performance and organisational performance are two different things, it is essential for personnel to understand the business objectives of the organisation and have his/her, performance being measured within parameters of the organisation's expectations. Performance management can also be defined as an integrative process by using two approaches; vertical and horizontal. These two dimensions of performance management are defined as follows by Armstrong (1994):

Vertical- performance management integrates business strategic plans and goals with individuals and team objectives. The integration also takes place

between the core values and capabilities of the organisation, values adopted and the level of capability achieved by individuals.

Horizontal- performance management strategies should be aligned with other Human Resource strategies concerned with value, paying, involving and developing people.

The perspective of value and pay is being described by Isaac, *et al.*, (1993) who point out that the language of performance management is in a constant state of influx. It is the language of politics, economics, accountancy and management theory-and it is not used consistently.

The most widely used term in the performance management dictionary is that of Value for Money (VFM). VFM is most easily defined as the economic acquisition of resources and their efficient utilization in the realization of the purposes of the organization with simultaneous achievement of economy, efficiency and effectiveness (Isaac, *et al.*, p.61).

Mthobeli's (2002, p.16) view is attested by Locket's assertion that performance management should aim to clarify the organization's needs for business performance and setting up processes that ensure service delivery. This can only be done with a high level of strategic alignment of all the processes involved in the management and development of people throughout the whole organization. In Walters (1995, p.2), Lawson describe performance management as arrangements organisations use to get things done successfully.

In Walter (1995), Lawson also made a distinction between performance and management. In his view, 'performance' is about doing things and 'management', is about getting things done. Isaac, *et al.*, point out that it is

generally agreed that successful performance management depends on appropriate technical and procedural practices and cultural attitudinal characteristics within an organisation.

Lockett (1992, p.22) points to what he refers to as the performance sandwich. The sandwich theory explains that there is a need to engage enthusiasm of the individual in the achievement of their work. Otherwise those systems become simply an additional bureaucratic procedure.

The sandwich analogy is in line with Mthobeli's (2002, p.94) view that it remains critical to see the public sector vigorously practicing performance management to the fullest, not merely as token for legislative compliance. The process of performance management is approached as a legislative compliance matter concerned with organisational efficiency and effectiveness rather than an initiative that is largely value-driven (Mthobeli, 2002).

Table 4: Performance sandwich



Source: John Lockett (1992)

Lockett's sandwich theory is about two slices of bread with a meat in between them and it is broken down as follows;

Slice 1 (upper box) - Cerebral with brain power, tools and skills.

Slice 2 (lower box)- Visceral with the guts to do the work out of personal feeling, enthusiasm and confidence as well as full commitment by individual employee carrying out the task.

The Meat or fulfilling is the task in the middle of the two slices. The task has two important benchmarks being targets and standards.

The argument about the sandwich is that in order to be fully effective in the business world we need to eat all parts of the sandwich. Organisations need

to have clear targets and standards for the task, to have methods and processes which are fully appropriate.

The other level in understanding the concept of performance management is by understanding different roles about What, Who and How to manage? In local municipalities, there are two levels where management can be applicable, at the employee and organizational levels. According to SALGA (2003) at an organisational level, performance management is concerned with the overall performance of the municipality or organisation in relation to giving effect to the integrated development plans at a macro level.

For the purpose of this study, much concentration and emphasis is mainly at an organizational level, whereby performance management helps organizations link evaluations to employee development and to a merit-based compensation. Evaluations can be supplemented with which is critical for performance management whereby coaching and counselling take place to permit individual inputs.

Grote (2000) concludes that the performance management concept can be described as the handy umbrella term for all of the organizational activities in managing people on the job. Though it is not the intention of this study to evaluate performance management and scope in the municipality, it is however necessary not to overlook the area of evaluation in the process of performance management system. From the institutional perspective, evaluation points to the worth of organizations. Lockett, (1992, p.49) outlines the following key factors in evaluating the management of performance management and defines them as follows;

- Strategic objectives: the strategic objectives or missions are a statement of an organisation's basic purpose.

- Mission statement: the mission statement summarises the direction in which an organization wishes to go and sets out the priorities when strategic decisions are being made.
- Inputs: inputs are what an organization needs in order to produce the products or services which are highlighted in the strategic objectives. They are also likely to be the main cost elements within an organization.
- Outputs: outputs are the services and products which the organization produces. They need to be reviewed in terms of volume, quality and cost. They are the services within the organization and need to be closely related to strategic objectives.
- Processes: processes are the systems and procedures which convert inputs into outputs. All processes need to be subjected to critical review to ensure that they remain in line with the strategic objectives and mission of the organization.
- Outcomes: outcomes are distinct from outputs. Outputs are purposive and therefore controllable within the organization. Outcomes are consequential, the results of performance and are outside the direct control of the organization.

2.2.3. The Purpose of Performance Management

Performance management can be used as a tool to market the business or organisation. Municipalities can use performance management tool for accountability purposes in terms of service delivery by way of indicating and explaining the service to beneficiaries, the intended objectives and how the process of service delivery will be managed and share information with regard to required resources as well as the extent of community involvement. Curtis (1999) noted that performance management as developed in the private sector and adopted in the public sector is primarily a tool for improving service

delivery. Service delivery in a context of performance management according to Curtis (1999) is an implicit interpretation of the role of the state to essentially deliver services to communities.

All local municipalities under GSDM are engaged in this process through ward committee discussions and IDP processes to ensure community participation in an attempt to solicit collective thinking in identifying community needs for purposes of transparency and appropriate service delivery.

Performance management provides a process that helps to manage employee expectations in terms of job demands and on some factors such as job satisfaction. To a larger extent communities are partially involved in shaping performance management frameworks of their local municipalities. However there is a lot that has to still be done to conscientise the community, especially in regard to their involvement on developing performance measures of their local municipalities as required by law.

Section 42 (1) of municipal systems act (2000) states that a municipality through appropriate mechanisms, processes and procedures established must involve the local community in the development, implementation and review of the municipality's performance management system and in particular allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

Municipal managers need to be sensitized regarding their important role in relation to the role the of communities in developing performance measures and managers need to fully understand what the municipality intends to do in terms of objectives and the goals based on the organisation's mission to realise its vision.

Unless all these aspects are understood wholly, it will be difficult to effectively manage performance hence the realisation that if you are not measuring it, you can't manage it, and people must recognise that effective management depends upon precise understanding of their performance in all its aspects and in all parts of the organisational processes.

Through SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, most organisations plan against influential forces beyond their internal controls with various measures being considered. The speedy advent of technology can be one such example where most governments are challenged to cope with it. The ever-changing technological climate and the increasing economic challenges of globalisation are a cause for concern in the world. Technology affects service delivery in that municipalities have to use new ways to communicate messages of service delivery, improving in their internal personnel work in using conventional email. All these require of new technological innovation.

The above challenges can be addressed by allowing organisations to use performance management to improve and develop long-term objectives for future survival due to experiential learning. It can as well be argued that performance management can be used as a survivalist tool for organisations to learn. A learning organisation is about creating future for the organisation by having all members of the learning organisation move around it. In Walters (1995), the point is made that a learning organisation is one that enables effective learning amongst all its members and that applies this learning to question, develop, and improve its overall role and activities.

Lockett (1992, p.28) identified two key objectives for performance as: continuous improvement of business performance and continuous

development of organisational capability. According to Lockett, good business performance is important because it enables the organization to survive and the most effective organisations have encapsulated their current performance in a ¹mission statement. Lockett (1992) also points out that continuous development of organisational capability is the other half of the task of the manager and should be encapsulated in the organisation's ²vision statement.

My own observation as a researcher is that organisations as institutions are perpetually in existence, with their lives largely determined by the extent to which they have achieved intended objectives, capacity to leverage and accumulate resources and acquired profitable use of personnel skills. Guided by performance management directives organisations learn to grow and by performance management they often change strategies, approaches, and methods of operations in response to changing situations, especially to survive in the technological world.

Curtis (1999) pointed out that of it is of critical importance to note about the purpose of performance management is that in advanced industrialised countries the problem that is being addressed is sluggish and over-bureaucratized public bodies. These ailments afflict many less-developed countries and it is in such cases that performance management will help to refocus and restructure organisations to make them more flexible and responsive and to drive a process of change through barriers of resistance (Curtis, 1999, p.262).

Both internal and external environmental factors of organisations are determining factors for the future survival of organisations. Internally

¹ Mission is a statement of what the organization is here to do- foot note

² Vision Statement a statement of what the organization is likely to become

organisation goes through introspection whereby review processes take place by way of activity evaluation and planning. External factors poses as critical challenges, in that failure to master external forces that may be detrimental to the organisation can lead to a loss of business or a collapse of the organisation.

According to SALGA (2003) one of the key reasons to implement performance management is to address lack of organisational self-introspection and that is to provide a warning signal, especially for stakeholders with diagnosis of what could be potential risks could be that are likely to affect the realisation of full implementation of the integrated development plans at municipalities.

The other most important reason is to facilitate increased accountability on service delivery to citizens, and to facilitate learning and improvement to both the municipality as a state organ and the community. It is on the basis of these that SALGA also defines a performance management system as a tool based on the key principles of BathoPele (1998).

SALGA's Human Resources Policy Conference (2003) passed a resolution to adopt a comprehensive generic policy for performance management within municipalities as provided for in the municipal systems act (2000). This resolution was adopted together with key identified critical issues to be attended to, including, that the organisational performance management system be clearly linked to organisational performance and to employee performance management that the IDP constitutes the performance plan for all municipalities and performance begins and ends with the targets set out in the integrated development plans. Systems to monitor and evaluate effectiveness of performance management systems across all municipalities in the country must be established.

Performance management helps employees within municipalities to understand exactly what work they must do to contribute towards the municipality achieving its strategic objectives. Performance Management should be regarded as a communication tool that helps managers provide a motivating climate to assist employees in developing and achieving high standards of performance so that they contribute towards improving the effectiveness of the municipality (SALGA, 2003).

As correctly summarised by Grote (2000) performance management is the handy umbrella term for all of the organisational activities involved in managing people and the organisation. It therefore, involves, a number of responsibilities and activities in the entire organisation, hence a system with a set of objectives. Further references are that performance management can be defined as working with and through others to achieve organisational objectives. Performance management is about seeking to deliver more results from a given level of resources. It requires recognition of the scarcity of resources that seek to garner the resource inputs and maximise the outputs produced from inputs.

2.2.4. Criticism of Performance Management

Much of the literature reviewed is highly supportive of the performance management system with less criticism. Existing observations point to the performance management concept as one of the most praised, criticised and debated management practices for decades.

There is limited criticism in the literature about performance management. Reasons for this may be that the concept of performance management is in itself uncontested hence everyone wants to manage everybody and

everything. This section of literature review intends to share ideas about some criticisms and challenges to the subject.

Though hailed on a wide scale as an efficient and effective mechanism, it is argued in some quarters that performance management has its own flaws. Massie (1979) points out that, scientists such as Taylor and Fayol, in the early twentieth century seriously thought and theorised about the concept of management. These great thinkers were amongst the few theorists who vehemently, criticised the traditional management style and approaches in those years and they developed new scientific ways of management (Massie, 1979).

Massie (1979) cited Taylor's new thinking of scientific management as innovation generated tremendous opposition and the main public opposition was demonstrated before special congressional committee hearings in 1912. At these hearings Taylor's ideas contained some of the lucid explanations of the central ideas of the first stage of management as a separate and identifiable discipline, reported Massie (1979). Massie (1979) also cited Fayol and Taylor for not necessarily opposing management as a concept, but rather modifying how management can be perfected and well-performed. It exposes the kind of activities and functions of management to be in place for performance management. Kazmier (1964) identified functions of management as planning, organising, directing and controlling.

Any work in either the private or public sector alike has to be planned, organised in such a manner that it will give proper direction to the organisation in achieving the intended objective, with managers giving leadership direction. Managers should be able to account for each planned activity based on the expected output and outcome.

Massie (1979) also indicated that Gantt joined Taylor and Fayol in the fray against existing traditional management practices and emphasised the philosophy of the worker and the importance of morale in production. Gantt devised a wage payment system which stimulated foremen and workers to strive for improvement in work practices. He developed a charting system, otherwise known as the Gantt chart, for scheduling production that remains the basis for modern scheduling techniques.

As cited by Massie (1979) scientific management theories by Fayol and Taylor did not sail smoothly in the minds of some management critics referred to as efficiency experts, who mainly concentrated on the mechanical aspects of production. They pointed that the scientific approach to management neglected the elements of the psychological sociological aspects of operation. They also observed that scientific management by concentrating on the details of the shop had neglected improvement at higher levels of the organisation, Massie (1979).

Criticism of the concept of performance management is somehow lenient in that much of it does not provide rigorous debates as to whether performance management is good or bad. It however, propagates cautionary ideas that performance management is for instance only bad when badly practiced. As indicated by Walters (1995) that performance management when badly practiced may have devastating results.

In Walters' (1995) opinion performance management appears to be a painful exercise in the public sector organisations. As briefly indicated in Mthobeli (2002), performance management system is being practiced for the purposes of legal obligation and adherence and it resulted in poor management of the practice leading to confusion to both the managers and individual employees.

Inadequate understanding of performance management system is also informed by a resounding statement by Walters (1995) that if you aren't measuring it, you are not managing it. In practice, the effects of performance management have often been less positive. In many public sector organisations, introduction of formal performance management has been treated with a high level of suspicion and cynicism.

Walters observed that performance management is a threatening concept in its own right and the problem with performance measurements is that if we can't measure things better, we will not be able to manage them better. In the public and private sector alike some aspects of performance measurement, its link with individual appraisal and its potential links with remuneration remain highly controversial. Observations are that some employees feel threatened and uncomfortable about performance measurements. The rating process during performance evaluation process is such an example. Employees feel this may work against them and undermine their work especially if they were under-rated and to some employees it may be a token of a job well done and raises expectations about incentives.

Managers find themselves in a predicament as they may be victimised by employees if they are under-rated. In Walters, (1995, p.54) Gammie cautions that as long as performance measurements are used as a weapon to hold power over people, we are unlikely to allow people to regard it as a tool for themselves.

Productivity in the public sector is and remains a complex matter, owing to the numerous qualitative aspects that are involved in the measurement process. In the public sector, unlike in the private sector, there is little agreement about which measure of performance if any the government is succeeding or failing on it. With this hit and miss attitude to public sector performance

management, few or sometimes even incorrect performance measures are set up, with generally unsatisfactorily end results.

In an endeavour to capture different opinions on the performance management, Glendinning (2002, p.162) examined both detractors and proponents of the concept based on research done. He reflected on the following opinions by some researchers:

Performance management is one of the widely researched management practices and yet it continues to be a major source of frustration for managers. Another key form of performance management is performance appraisal system that is the butt of many jokes and the source of considerable dissatisfaction.

Performance appraisal is described merely as an event, a painful exercise that was a once off exercise whereby managers assess subordinates after a year, (Grote, 2000). Performance appraisal is described merely as an event, a painful exercise that is a once-off exercise whereby managers assess subordinates after a year, (Grote, 2000). Performance management is an annual review process, it is about rating of individual employees on their performance, where employers sit with employees to look into areas of performance, identify individual weaknesses and strengths and seek ways to improve employee performance where necessary in order to fulfil the objectives of the organisation.

Though some commentators argue that performance appraisal mainly concentrates on the individual employee performance, performance appraisal may as well be applied to organisations as a whole. The question must be asked on how does the outcome of individual employee appraisal impact in the organisation, who uses the results? The performance of an organisation

is the application of the sum total of individual learning among its members. This perspective on performance management demands that the organisation have a clear idea of where it wants to go and how it will get there.

Performance, though undeniably to be argued as a separate process, is inevitably dislocated as a sub-process of performance management. Appraisal process involves a number of elementary activities, such as coaching, mentoring and is used as one way of discipline with the intention of creating an enabling environment for employees to improve on their work performance.

In the appraisal process employees and employers share through mutual discussion by way of giving each other feed back on their work and they both learn from each other. There may, however, be an element of discomfort in the process from either party, (Glendinning, 2002). These expressions by Glendinning are a simple demonstration that performance management as a concept has its flaws and it was indicated that some researchers have valid reasons about the flaws of the system and argue for the elimination of the system.

In contrast, the proponents of performance management system equally argue that it significantly outweighs the negative aspects as argued by detractors. Some commentaries in support of the system are that companies with programmes that manage the performance of their people outperform companies without such programmes on a wide range of financial and productivity measures and any failure by organisations to adopt effective performance management system is costly, in terms of: lost opportunities, unfocused activities, loss of motivation and morale and surrender to mediocrity. These proponents also cautions that, to abandon or abuse the

performance appraisal process is a breach of business ethics, (Glendinning, 2002, p.162).

According to Lockett (1992, p.24) one of the main criticisms of performance management systems is that they have failed to measure the performance requirements of their organizations or at least, they have described those needs in such a way that they have left both parties in the appraisal process. A follow up can be made to this weakness in examining the possible penalties for non-performance or poor performance. The solution to this is to deploy corrective measures by way of capacity building to individual employees and provide coaching and counselling and other possible measures.

The penalty for not producing any output valued by society is extinction. In the private sector declining profits are a signal of unsatisfactory performance. If performance does not improve, the firm will exhaust its financial resources and go bankrupt, while in the public sector signals of poor performance are not clear and are slower to be perceived. A public agency which does not perform will be denied funding which is the equivalent of bankruptcy.

2.3. Local Government

2.3.1. Defining Local Government

Local government can be understood as one form of governance where institutional political administration is vested at the lower level of state political machinery. This layer of governance is a result of the political evolution of the state. The evolution of state power takes different forms including decentralisation of authority or power to the lower levels of what is normally referred to as the grass roots. Martinussen (1997, p.210) identified the concept of decentralization as the term that has been used to encompass a

variety of alternative institutional and financial arrangements for sharing power and allocation of resources.

Martinussen identified four major types of decentralization that are differentiated as; de-concentration, delegation, devolution and privatization and are defined as follows:

- De-concentration refers to the handing over of administrative or managerial responsibility to sub-national units within line ministries or other sector specific national agencies.
- Delegation is the form decentralization that takes when public enterprises and other semi-autonomous government agencies are assigned responsibility for implementing sector investments or for operating public utilities and services. Decentralisation is also a fundamental aspect of delegation to the extent that authority is not delegated, it is centralised.
- Devolution is based on the idea that political power and legitimacy naturally belong to the central state, and this leads to devolution that is defined as the transfer of authority and responsibility to regional or local governments with their own discretionary authority.
- Privatisation refers narrowly to government agencies divesting themselves of responsibility for project implementation or providing infrastructure and services.

Decentralization should be seen in the context of the intrinsic need for government, (Owens and Panella, 1991, p.6). They pointed to two main economic rationales for decentralization as variations in individual preferences for private versus social goods and for different types of social goods and the benefits of social goods are generally characterized by spatial limitations.

2.3.2. South African Local Government

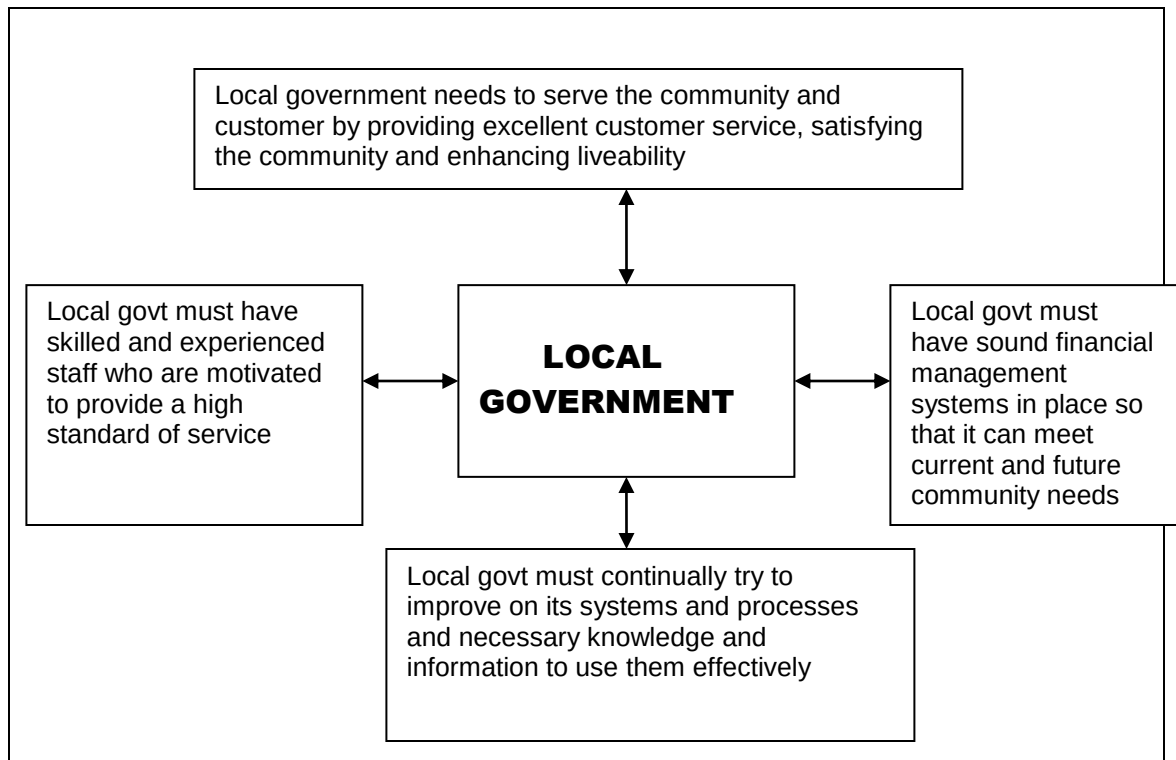
There is a need for local authorities in South Africa to have their roots in history. Firstly; city states existed before the development of modern states with large geographical areas and numerous urban areas and the local authorities were to some extent the forerunners of democratic institutions on the central level of government. Secondly; the existence of local authorities is justified by expediency and utility. Thirdly; it could be advanced that a local authority headed by representatives of the local population should be best able to satisfy the personal needs and expectations of the citizens. Fourthly; it is self-evident that local authorities headed by councils consisting of elected members could provide opportunities for local leaders to gain experience of political administrative processes.

2.3.3. Local Government and Performance Management in South Africa

In actualizing the mandate of a developmental local government, chapter 6 of the Municipal Systems Act (2000) sets a framework for local government performance management. The Act indicates that a municipality must establish a performance management system that is commensurate with its resources, promote a culture of performance management among its political structures, political office bearers, and councillors and administer its affairs in an economical, effective and efficient and accountable manner.

SALGA's diagram illustrates the key administrative requirements of local government in table 5 below:

Table 5: SALGA's Key Administrative Requirements



Source: SALGA, 2003, HR National Conference

Other than the Municipal Systems Act, the South African government enacted other legislation to harness the idea of democratic and developmental government, including the White Paper on the Transformation of Public Service (1995) and the White Paper on Local Government (1998). It is on the basis of the above brief background with references to mentioned legislations that it is important for the study to review legislation that defines and describe performance management from state perspective.

2.4. Conclusion

The concept of performance management is used and has been used variably in different sectors, particularly in the public sector. The private sector is said to have used performance management years ago and they still continue practising this form of performance measure. Public sector departments are argued to have only been recently exposed to new forms of performance management following the trend in the private sector.

The well-known traditional form of performance management called performance appraisal has been practiced for many years, particularly in the education sector. This practice to a certain extent make it easy for most teachers who are absorbed in municipalities, some of them senior managers, to cope with current changes and new forms of operational management.

This appraisal form of performance management has limitations such as being identified with annual programmes of appraisal and target setting. It also focused on the management of individual performance with very little account of the relationship between the individual and the organization and they have not attempted to bring together the many disciplines within the management of people into coherent and co-ordinated programmes.

The essence of this section of the study attempted to define both the concept of performance management in drawing on ideas in both international and national literature. This section also articulated the concept of local government as one form of state power with political administrative machinery by briefly tracking its history as well as explaining the current legislative policies and laws that preceded the current state of local and democratic administration.

Having gone through a range of issues as uncovered in the literature reviewed of critical concern is whether the literature reviewed provided answers to the research question as posed in this research. One of the critical aspects since- the study is about institutional systems for performance management at GSDM - is the understanding and review on some constraints and other challenges in the municipality that may directly or indirectly influence the success or failure in implementing existing performance management systems.

The other important aspect to be cautious about is the level of capacity to put in place systems for management as well as implementation, especially those that link the mission and vision to the objectives of the municipality. This part of the research is essential to ascertain what could be constraints on the part of the municipality.

This chapter paves the way for the next chapter to articulate the approach used to collect data in order to justify the essence of this study. The next chapter is about methodology where it reveals the tools used to collect data, their usefulness to the nature of this study and methods of use.

Based on the literature review, the best practice approach for performance management to be used in this study is the one that concerns about the organisation as a whole. Organisation as a whole involves quite a number of factors such as its operational machinery, being individual employees and resources such as finance and other utilities to effect production in providing service. Lockett's (1992) approach of total quality management is, in the view of the writer, the best approach in defining performance management because it embraces the totality of the organisation including a focus on individual employees.

CHAPTER 3

RESEARCH METHODOLOGY

3.1. Introduction

Each research exercise requires various tools and approaches to acquire information and data needed to accomplish the research process. A distinction is made between methods and methodology. Method is simply defined as research techniques or a tool to gather data, whereas methodology means the philosophy of the research process. This includes assumptions and values as well as the standard or criteria the researcher uses for interpreting data.

As indicated in the purpose statement this study seeks to identify and assess the institutional arrangements in place for performance management at GSDM. The assessment process is therefore mainly considerate of the current systems and structures in place in the municipality for purposes of facilitating development and implementation of performance management.

3.2. Research Approach

The approach used in this study is qualitative in nature and therefore makes this qualitative study with the sole objective of establishing in-depth analysis on the available data on performance management systems. The term qualitative research encompasses several approaches to research that are, in some respects, quite different from one another, yet they all have two things in common that occur in natural settings and that is, the real world and they involve studying phenomena in all their complexity.

Qualitative research studies typically serve one or more on descriptions of the situation or settings, interpretation of particular phenomena, verification of certain theories or assumptions and evaluation of particular situations. The understanding of qualitative research lies with the idea that meaning is socially constructed by individuals in interaction with their world. The world or reality is not the fixed, single agreed upon or measurable phenomenon that is assumed to be positivist. In qualitative research there are multiple constructions and interpretations of reality that are in flux and that change over time.

The above theoretical perspective is rooted in deep analysis of qualitative research concepts and can apply various techniques and tools in ensuring collection of quality data. This includes design of interview questionnaires and conducting interviews as well as perusing documentations on the subject under study. As indicated in the problem statement, performance management is an important tool for municipalities to help produce good results, especially for service delivery. Both the problem statement and research questions justify the qualitative nature of this research.

3.3. Collection of Data

Data was collected to qualify the essence of this study, with various tools being applied from various sources, such as interviews with municipal officials. The information sourced from interviews and through observations forms the primary data. One of the critical important sources is collection of secondary data from local municipalities at GSDM by way of accessing published policy documents and a collection of secondary information accessible at local libraries.

Books, journals, internet and academic articles are also used as part of secondary data. It is very important to mention that data collected was intended to ensure production of a good quality report and therefore data itself should be of good quality. This however implies that not everything gathered was utilised in this report, but carefully analysed information was selected to ensure a quality product in the outcome of this report.

Qualitative data with its emphasis on people's experiences are fundamentally well-suited for locating the meaning people place on events, processes and structures of their lives, their perceptions, assumptions, prejudgments, presuppositions and for connecting these meanings to the social world around them.

For the purpose of this study contacts were made with parties earmarked for interviews through telephone and written notice. Of utmost importance was design and development of the interview questionnaire that serves as a guide for the researcher when doing research and direct the interview process (see Annexure B).

3.4. Interviews

To facilitate the research process, the researcher designed and developed a set of questions for interview purposes. Questionnaires gathered information directly by asking people questions and using the collected data for analysis.

The interview tool was employed in the process of data collection and one of its advantages is that it permits advice to be sought during test-runs. Of critical importance was that the study considered that questionnaires are used appropriately. This method saves both time and often the limited financial resources available for collecting the information.

Careful attention was paid to avoid possibilities of biases on collected information. This was averted by not sending questionnaires to respondents either via conventional email or fax, but rather arranging for face-to-face interviews, to be able to probe in much detail beyond the prescribed questions. Interviews were employed in the process of data collection with structured questions asked of intended interviewees.

The use of the interview method was motivated by motivated by a number of factors such as the opportunity to meet the subjects of research. Interviews also provide both detailed information set out to collect as per developed questionnaire and open some space to explore contextual information on the subject under study.

With the appropriate and relevant target interviewees, interviews are significant to gather some of the most valuable information based on deep insight and expertise of the person. This means that one may interview somebody with 10 years or more of experience working in the organisation and with a deeper understanding of the organisation and the subject under study.

The study also recognized that some limitations with interviews is that is time-consuming and tedious when sifting through information and interpreting what is recorded in line with what was said. This potential limitation poses an obvious risk which the study took into account-not to have influence in the process of data collection.

Observation on interview limitations relates to the limitation of the interviewer's personality, which can have possible effects on the obtained information or the willingness of subjects in providing information. It is this kind of observation that helps the interviewer to remain objective and

professional, in spite of being personally acquainted with some of the officials at GSDM.

The questionnaire as explained was employed for the purpose of giving direction and this was useful during face-to-face interviews to targeted respondents. It is in this process where structured and open ended questions were raised to key informants. Key informants are people who are experts in their area of work and can provide the most relevant information needed and possibly supply with additional information through electronic data as well as reference to other sources in their control, including their subordinates.

Targeted informants for interviews were mainly from three key institutions where the concept of performance management is mainly applied and monitored. These institutions include SALGA, Limpopo Department of Local Government and Housing and GSDM. The other target audience for interviews, though limited, were members of the community including representatives of local civil society and community based organisations.

3.5. Reviewed Literature

The other method used to acquire data was a review of the selected literature (see chapter 2). It is through this method that the concept of performance management was explored and arguments on whether it is essential to have performance management to measure performance, in the public sector were raised. Various documents including journals and academic literature were perused for purposes of capturing theoretical perspectives on performance management. The method is appropriate in that it provided aspects relevant for reference.

The other important documentation perused are government policies and key legislation relevant to the study, including the White Paper on Local Government (1998), Municipal Systems Act (2000), the national constitution (1996), White Paper on the Transformation of the Public Service (1995), to mention a few. Review of this set of legislative policies was important for two reasons; a) to find out about prescribed means articulated in the legislative framework for compliance by municipalities, b) to have a better understanding of the legislative framework with defined guidelines for municipal activities and programmes as well as parameters in terms of work.

The legislative review aspect is classified under the literature review because municipalities have their own developed official policy documents such as the IDP, Policy Framework on Human Resources Management and Development, Strategy and Policy Development and Performance Management Systems policy.

The reliability of some of these documents cannot be qualified. One of the critical questions could be to what extent are these documents practically used to action their content or are perhaps just paper work developed for legislative adherence purposes? However for reference purpose they are useful, though the difficulty may still be in translation them into action, especially when looking at the pace of service delivery at the district where this study is undertaken.

The choice of this method of literature review was to look at the documentary analysis of the policy documents that justify the objectives of the municipality on service delivery. The other reason is to look at the extent of conformity with the national legislative policies indicated above and provoke discussions to promote understanding of interpretation of the documents.

It can be concluded that these documents cannot be considered completely reliable, but are useful documents on which to base some arguments for the purpose of this study.

3.6. Data Analysis

Data is a set of discrete, objective facts about events and can in an organizational context usefully be described as structured records of transactions. For the purpose of this study, data collected was analysed to give impetus and concretise facts in support to the subject under study.

Fruits of data analysis are realised in the appropriate interpretation of data that concretely provide meaning and substance to this research report. The analysis of data in this regard was done at different times, starting with immediate verification of answers to questions raised in the interviews.

The other level of analysis was on interpretation of recorded information from informants. There were however, some instances where the written information was difficult to remember or was not written properly. Being considerate of this limitation, the researcher decided to take contact numbers as well as email addresses of the informants to make follow ups on questions of clarity.

Analysed data was also based on the policy and other documentation developed by the municipality and other relevant institutions such as SALGA. These include Performance Management Strategic Framework, Integrated Development Plan and Human Resources Development Policy.

3.7. Limitations of the Study

The outcomes of this research are intended to address some critical challenges for implementing performance management system in the

municipalities within GSDM. Though the selected topic of performance management is common to all municipalities in the country, the main limitation is that the outcomes of this study cannot be applied to all municipalities due to a number of reasons, for example, that municipalities differ in structures and each has its own dynamics and their environment differs politically, economically and socially.

The other area of limitation is that the selected methods as determined by the summary structure of the research methodology would not divulge into other things not planned according to the methods. The researcher is from the district where the study took place and knows the area, organizations and most of the people interviewed. This may have resulted in unintended bias but all available means were employed to avoid this pitfall.

3.8. Conclusion

This chapter sets the scene for the next chapter that deals with research findings and analysis. This chapter mainly highlighted by way of definition the method and tools used in acquiring and accessing the necessary information for purposes of creating more substance to this report.

The chapter that follows explores in much detail the core issues in line with the objectives of this research as defined by the research questions and purpose statement. Of critical importance in the next chapter is to contextualised analysed data based on the research problem, with the objective of responding to the problem statement.

CHAPTER FOUR

RESEARCH FINDINGS AND ANALYSIS

4.1. Introduction

The purpose of this chapter is to present collected data, analyse and integrate it with theoretically informed understanding of the subject under study. The findings of this study are informed by the research problem identified in the proposal stage of the study as well as questions asked to targeted officials. It should, however, be noted that the study went beyond the prescribed questions by allowing some general opinions based on the understanding of the subject.

This section of the report is highly informed by the qualitative nature of this study as explained in the previous chapter. Findings of this research are also based on the defined methodology that qualitative data has emphasis on people's experiences that are fundamentally suitable for meaning of places, events, processes and structures that give substance to realities that connected to social life.

It is on this premise that collected data for this research was derived from reliable sources in various forms such as discussed in chapter three and this form of data was helpful to the researcher. Guided by both the research questions and developed questionnaire for interviews, this chapter seeks to elaborate on the collected data and how it was used and interfaced with theoretical perspectives articulated in the chapter in the literature review.

Of importance in this section of the report was to relate collected data to issues in the literature review. Performance management is assumed to be

the most appropriate and efficient tool to measure performance and the greater part of the literature supports this assumption as did all the people interviewed, especially SALGA, DPLG and GSDM officials. Officials from these three institutions share a common view that performance management is a good and necessary tool to use in measuring performance in the public sector.

A striking balance between individual employees and the organisation appears to be critical and these two elements are inseparable from each other. In the literature review the issue of employees surfaced many times where emphasis was made of empowering and capacitating individual employees for the success of the organisation in achieving its business goals. As indicated by Lockett (1992) the essence of performance management is to develop its individuals with competence to work towards achieving the objective of the organisation.

However placing emphasise on individual employees in the organisation in most literature, should it be highly considered, would defeat the purpose of this research process. The limitations on individual perspectives were informed by the purpose statement in chapter one, which is about identifying and assess institutional arrangements for performance management at GSDM. The study focuses on issues of structural systems from the organisational perspective, though not overlooking the essence of the human resource perspective.

4.2. Presentation of Data

Data to be presented in this section of the report is based on the three main questions articulated in chapter one. These questions serve to guide and

direct questions designed for interviews in the questionnaire (see Annexure B) and are described as follows:

(a) The first set of questions from the main questions were developed for officials at GSDM and cover aspects of the concept of performance management, institutional arrangements, employee work related issues and issues of service delivery.

(b) A second set of questions was designed for SALGA officials with the main focus on how SALGA understands its role on municipalities and how they perceive of performance management as well as sharing a view on feasibility for implementing PMS to municipalities.

(c) The third set of questions was developed for DPLG in Limpopo and these questions seeks to share the department's understanding of how municipalities practice PMS and what role they play.

The presentation of data for this report is informed by an integration of the main questions and the interview questionnaires and this informs the structure and the format for presenting the data.

4.2.1. What are the structures in place in the municipality that are aimed at facilitating the development and implementation of performance management?

As indicated in chapter one, the government legislated various policies within the ambit of the national constitution that guide and direct development and implementation of various policy programmes and projects including performance management systems.

Chapter 6 of the Municipal Systems Act outlines that a municipality must establish a performance management system that is best suited to its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in its integrated development plan. A municipality must promote a culture of performance management among its political structures, political office bearers and councillors and its administration and must administer its affairs in an economical, effective, efficient and accountable manner.

Performance management manager at GSDM indicated during the interview that GSDM has structural systems in place for performance management systems. The manager indicated that the municipality is still working on the review of policy content of the current performance management policy. "As you see this is still a draft and no-one has been working on the finalisation of this. It is part of my responsibility to ensure it is finalised".

Section 155 (7) of the constitution states that national and provincial government are given legislative power to ensure effective performance of their functions by municipalities in respect of those functions listed in schedules 4 & 5 of the national constitution (act 108). This is also reflected in the White Paper on Local Government (1998) that defines performance management as critical to ensure that plans are being implemented, that they are having the desired development impact and that, resources are being used efficiently.

Conceptual issues

In response to the structural issue posed in this question, it is important to reflect on references to the legislation as the supporting information in the interviews conducted. As already explained in 4.2 (a) of this chapter, to get an

appropriate theoretical understanding of the subject under study one of the interview questions was about how officials at the municipality and other identified stakeholders perceive the concept of performance management including, SALGA, department of local government and housing and local NGOs.

Most of the municipal officials together with SALGA and DPLG officials interviewed have a basic understanding of performance management concept and some senior managers at GSDM strategic corporate services and human resources departments are practically involved in PMS activities.

SALGA officials in Limpopo indicated that performance management system is a good thing to apply in municipalities, especially since municipalities are dealing with service delivery. In Limpopo performance management system was introduced to municipalities through workshops in all local municipalities and district municipalities.

The official at the provincial department of local government and housing indicated that “the department of local government and housing does not really manage and monitor municipalities on performance”. The official however, shared the same understanding with SALGA’s official that the performance management system is a good tool for performance measurement as it is aimed at inculcating the culture of service delivery and productivity. “Performance management also helps to identify good and bad performance”.

Institutional issues

Performance management policy at GSDM was drafted and work-shopped by a consulting agency, Simeka Management Consulting (SMC), in 2003 and

the policy was adopted and approved by the GSDM council as the core part of the performance management system policy. GSDM performance management policy identified the key issues as, consultation, principles, objectives, performance measures, the balanced scorecard, process of managing performance, stakeholder roles, development of individual performance instruments or agreements and managing the outcomes of performance.

GSDM's performance management system can briefly be described as a system with a framework that represents how municipality's cycle and processes of performance planning, monitoring and improvement will be conducted (GSDM, 2003).

The objective of institutionalising performance management systems at GSDM beyond the fulfilling of legislative requirements is to serve as a primary mechanism to monitor, review and improve the implementation of the municipality's IDP (Simeka, 2003). Performance management is seen as a tool to improve the performance of municipalities through a culture of best practice and encouraging shared learning among municipalities, promoting accountability and guiding the development of municipal capacity building programmes (Simeka, 2003).

GSDM policy framework on performance management system identified a set of principles underpinning the municipality's PMS. One of the principles is that PMS must be owned by the municipality and supported by other spheres of government. The point is that PMS should be driven directly by municipal directorate and be taken to both internal and external parties.

A Balanced Scorecard: A model for GSDM

According to SALGA official in Limpopo, most municipalities adopted the balanced scorecard as one of the models and are in a process of learning to implement it. The balanced scorecard is defined as a tool for leaders to use in communicating to employees and external stakeholders the outcomes and performance drivers by which the organisation will achieve its mission and strategic objectives, (Niven, 2002). GSDM adopted the balanced scorecard model as a systematic approach to assess internal results while probing external environment.

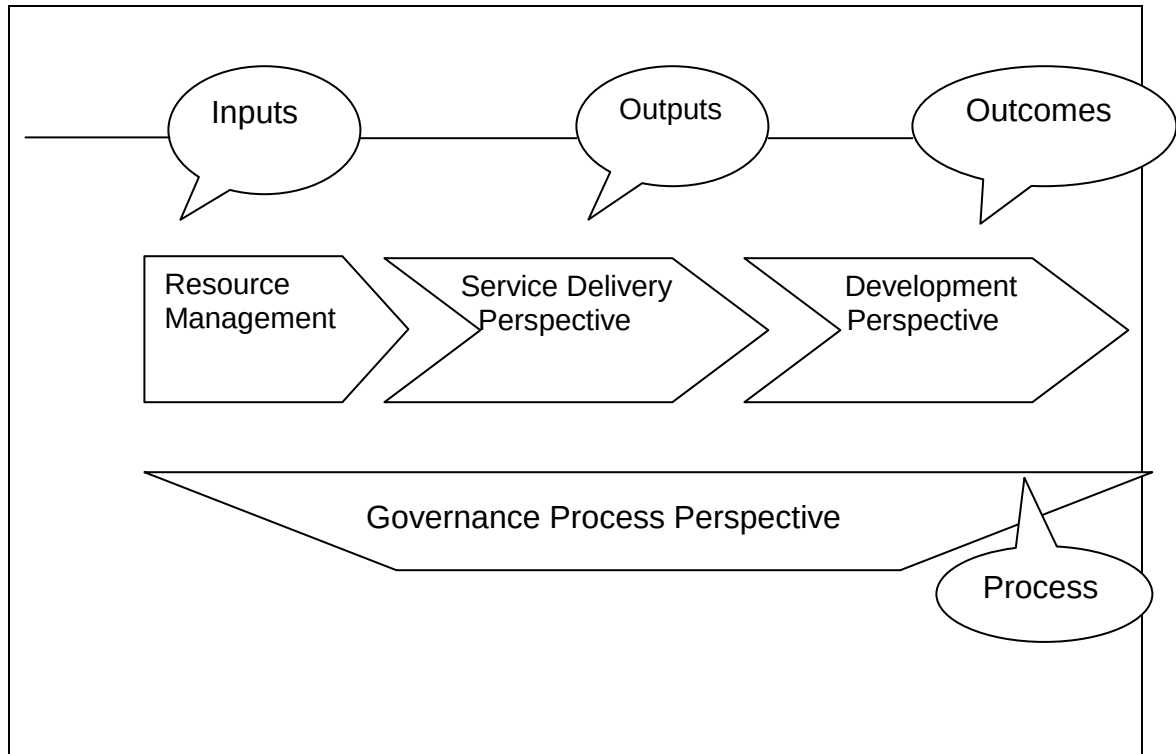
A few organisations in the public sector and non-governmental organisations are using the balanced scorecard. These institutions differ on ways they use it and their intended objectives; the only thing common in most of these institutions is financial planning and implementation of activities against the budget. As a category C municipality GSDM used its executive and legislative authority by developing its balanced scorecard, with the objective of strengthening the municipality's capacity to develop and cascade business plans and performance measures to all levels in the municipality (Simeka, 2003).

The GSDM balanced scorecard model is also an attempt to communicate the essence of developed performance management by systematically assessing internal and external environmental factors. With internal factors, GSDM is aimed at assessing, reviewing and evaluating its own business plans, objectives and policy guidelines in order to cope or compete against other institutional forces.

The internal review and evaluation process helps in terms of ensuring strengthened institutional capacity for delivery of expected outputs with

necessary inputs and to ensure appropriate management of outcomes that may perhaps result in desirable or undesirable circumstances. The GSDM's balanced scorecard contains four perspectives.

Table 6: Four scorecard perspectives



Source: DPLG Performance Management: A guide to municipalities (2003)

The Resource Management Perspective

This perspective is about how the municipality is performing with respect to the management of resources such as, finance, human, information and organisational infrastructure.

The Service Delivery Perspective

This perspective is about how the municipality is performing with respect to the delivery of services and products. This relates to the output of the municipality as a whole.

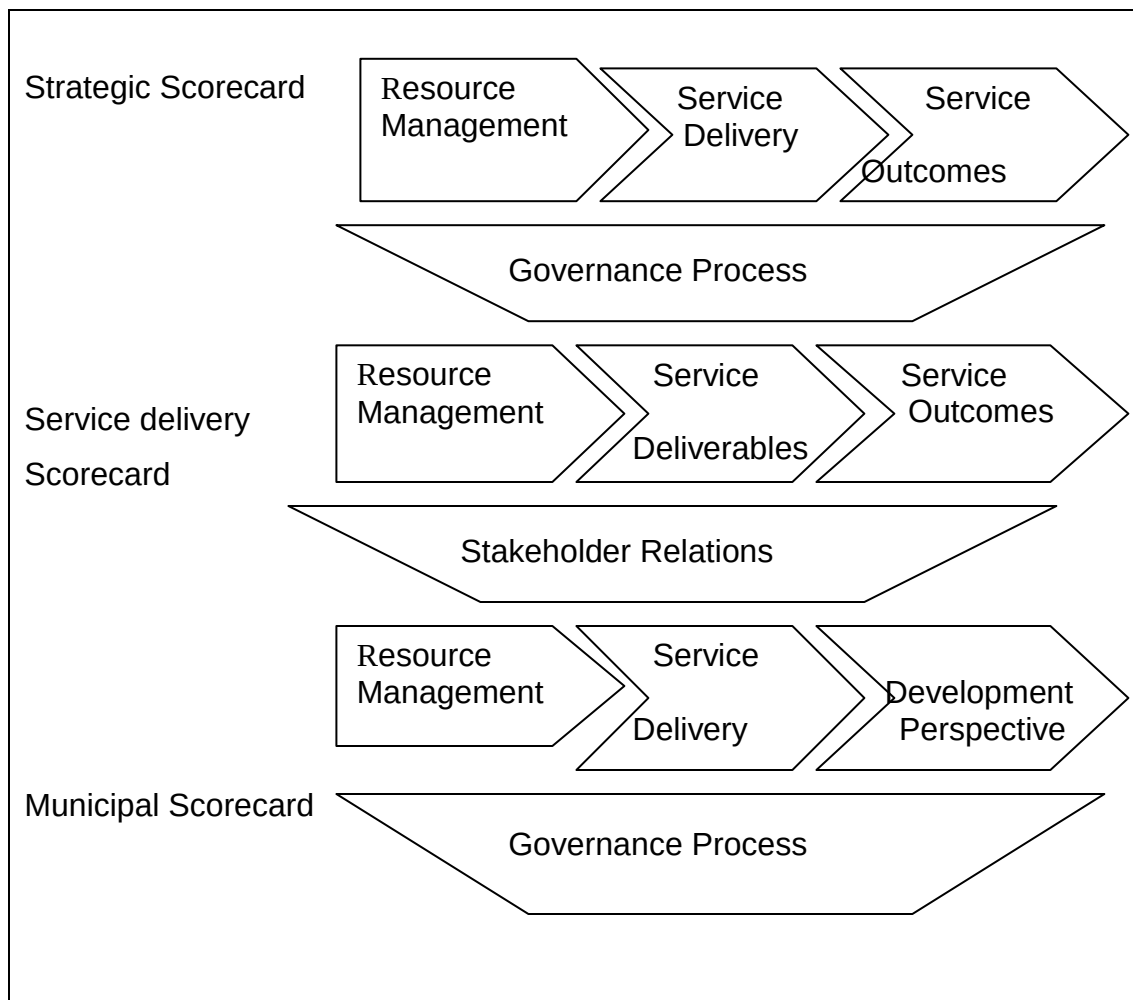
The Development Impact Perspective

In this perspective the municipality needs to assess whether the desired development impact in the municipal area is being achieved. The perspective constitutes the development priorities for the municipal area and indicators that tell whether development outcomes are being achieved.

The Governance Resources Perspective

This is a perspective about how the municipality performs on engagement and relations with stakeholders in the process of governance and includes issues such as public participation, citizen satisfaction and access to information. The municipality framework further proposed three levels of scorecards that will on the basis of identified perspectives focus on strategy, service delivery and the municipality as a whole and these levels of the balance scorecard are illustrated in table 7 below:

Table 7: Three levels of scorecard



Source: Draft PM Framework for the Palmer Development Group for DPLG (2003)

A performance management manager at GSDM indicated that the strategic scorecard provides an overall picture of performance for the municipality reflecting performance on its strategic priorities. The service scorecard will then capture the performance of each defined service as well as providing a comprehensive picture of performance of that service. This scorecard will comprise objectives, indicators, targets derived from the service plan and

service strategies. The other part of the municipal scorecard reflects on strategic priorities of each municipality falling within the GSDM.

The municipal scorecard attempts to encourage local municipalities to develop their own performance measurements systems. However, the framework takes into consideration that local municipalities buy into one performance management system and there should be clarity on the powers and functions of the district and local municipalities.

It can be concluded that GSDM resembles the essence of TQM as articulated by Lockett (1992) because GSDM attempts to create a disciplined measure for effective implementation of business strategies and attempt to direct the whole organisation towards superior performance.

Employee work-related issues

GSDM performance management is enforced through performance contracts limited to section 57 employees (senior managers) and the IDP framework, human resources policy as well as a national performance management framework guidelines.

GSDM acknowledged in its 2005-2008 IDP policy that performance management system will focus on key management issues for 2005-2006 and these issues are prescribed as described below:

- Development and signing of performance agreements by section 57 employees.
- Cascading of performance agreements to all staff by developing performance work plans.
- Electronic System for performance management.
- Adhering to In-year reporting requirements.

- Involvement of communities in the performance management system (customer care desk, community satisfaction surveys, alignment of mayoral roads to quarterly reviews to report on progress.

These are key issues explained by Lockett (1992) and Curtis (1999) that performance management is a process that has to be managed effectively, especially at the level of employees. Performance contracts and provision of employee work-plans as well as reporting systems are some of the critical elements on managing performance at individual employee level and these steps are informed by organisational objectives, goal and mission.

In Lockett's view (1992) the essence of performance management is in the development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization which supports and encourages that achievement.

Competence form part of the boundary for capacity to perform and it is part of effective performance that serves the objective of ensuring that people are motivated to perform to the extent of their of their abilities as well as stretching those boundaries with effective programme for personnel development.

Senior officials at GSDM, including the municipal manager, signed performance contracts with clear guidelines for performance benchmarks and this - according to the human resources manager at GSDM - performance management system has to be cascaded to all municipal officials. The municipality is in the process of consulting various departments on employee performance contracts, with half of the departments reached so far.

According to an official at the provincial department of local government and housing, performance management sounds like a tool other than measuring performance but rather something that is interpreted by some employees as a cash reward exercise which most employees view as an entitlement. "Performance management is viewed as a promotional tool by employees who are probationary period".

SALGA officials in Limpopo raised a completely different view on how PMS should be perceived on a reward basis. She indicated that though employee performance is rewarded. "It is not really the intended objective of having performance management system for cash reward purpose". The official also pointed that not all employees get cash rewards in all municipalities and this is because of budgets constraint. The SALGA official agreed that there are serious discrepancies on the performance pay issue The SALGA official cited a case in Belabela local municipality where one official was paid a performance bonus although he did not sign a performance contract and his performance was never assessed.

A human resource department official at GSDM indicated that all departments at the municipality compile quarterly performance review reports that are discussed and analysed by departmental managers and these managers identify areas that need improvement. These analysed reports are further discussed at another level for refinement to inform the next quarterly review.

Service delivery issues

Like other municipalities in South Africa GSDM has a mandate to provide services to communities within their local boundaries and this can be achieved by introducing and implementing PMS that is clearly understood and well- conceptualised by affected parties in the municipality.

Senior officials at GSDM agree that PMS is a helpful tool that can direct and motivate workers in achieving the goal of the municipality to provide effective service delivery. GSDM officials also agree that PMS is essential to enhance service delivery at the municipality and PMS is used as a tool to account to the community on issues of budget as well as progress made on identified programmes.

The municipality's performance management system is linked to IDP through development of Key Performance Indicators (KPIs). KPIs are qualitative or quantitative measures that show whether there is progress towards achieving objectives.

4.2.2. What are the challenges facing the municipality in implementing performance management system?

Part of understanding performance management as articulated by Mthobeli (2002) is that performance management system should not be developed for legislative compliance, but should be understood with the aim of clarifying the organisation's needs for business performance. Understanding and implementing the concept of performance management is not enough unless the concept is well communicated to both inside and outside parties including community members.

Communication is believed to be the most important tool in the development sector, whereby decisions are taken based on thorough consultations with relevant parties using the existing communication channels. Municipalities by virtue of being a community and public enterprise and political institution are bound to engage communities, business and other affected parties within their local boundaries on decisions to be taken.

Conceptual issues

This study found that communication and consultation processes on performance management issues are some of the constraints that hamper progress on conceptualising and implementing performance management system at GSDM.

According to Simeka's (2003) draft proposal various stakeholders were given an opportunity to engage the municipal officials on the legislative requirements, description of performance management system including a framework that describes and represents how the municipality 's cycle and processes of performance planning, monitoring, measurement, review and reporting will happen.

Simeka (2003) indicated that performance management must be organised and managed, while determining the roles of different role-players and models that can be used in the process of analysing the information provided by the monitoring system in order to assess performance.

In communicating the performance management system policy concept, GSDM developed a stakeholder roster that covers the involvement of citizens and communities, councillors, executive committee, executive management, sectoral managers, employees and organised labour.

Communication processes are about facilitating the understanding of the subject being communicated with the objective of garnering support for any idea. The study found that there is a gap at the municipality in the level of understanding this concept, particularly for junior staff where PMS is somehow perceived to be an imposition and something that junior employees still have to learn about.

This communication gap is exacerbated by the poor communication of this concept by senior managers, whereby inappropriate methods and approaches were used. One official indicated that they were given performance contracts forms to complete and this created an impression that these would be used for promotion and bonus payment. In support of this thinking, the SALGA's official's view is that there is a delay in cascading the conceptual understanding of performance management system in some municipalities due to poor monitoring on the part of senior managers. The idea of poor monitoring is also - according to an official at the local department of housing and local government - highly visible in the department where policies on performance management are not adequately monitored and the staff not effectively supervised.

Two chief executives from local NGOs; CSDI and PDC and councillors interviewed share a common opinion on consultation processes. As indicated in chapter three, a direct question was raised on whether civil society organisations participated in the set-up processes of performance management and how they perceived this.

The answer was that they knew anything and never heard about performance management system in one of the meetings. "We are not being consulted at all". This sentiment can be attested by one the municipal official who works in Greater Tubatse Local municipality who said that IDPs and *imbizos* are the key forums where the community is engaged on matters of community needs including progress on municipal performance. For these senior officials the IDP process channelled through ward committee consultations are critical for performance management purposes.

These chief executive officers of the local PDC and CSDI indicated non-participation and felt neglected by local municipalities on issues of

performance review. While the two organisations admit their involvement on IDP and *imbizos*, their involvement is limited and they maintain that it is not enough as they are mainly called like any other body during *imbizos*. These two officials representing some of the local NGOs feel that the municipality does not recognise them as critical stakeholders and this prevents them from making meaningful contributions in shaping the municipal development agenda on service delivery.

Municipalities continuously fail though they have the backing of the legislation, to practically consult with the communities in accordance with specific programmes. This is attributed to a number of factors; (a) lack of sufficient skill in the area that needs to be addressed or appropriate message to be communicated to communities: Lack of sufficient skill can be attested by low level of education as illustrated in table 3 of chapter one: (b) too much of politicking on issues of development and service delivery wherein local ward councillors fail to draw a distinction between political point scoring and correctly addressing development issues: and (c) poor planning and analysis of information.

A simple example to substantiate on the above constraints is the question on whether officials inform communities during *imbizos* about performance management system? “The answer is certainly “No”. An official in the Strategic Corporate Services at Tubatse Local Municipality argues that you can’t engage the community on performance management system issues, saying this is for the managers. He believes that the municipality’s high ranking officials should first deal with the issues as they may be part of some internal management controls. The only problem with his assertion is that there is no indication of involving junior officials.

Section 42 of the Municipal Systems Act (2000), indicates that, a municipality, through appropriate mechanisms, processes and procedures established in terms of chapter 4 of the systems act (2000) must involve the local community in the development, implementation and review of the municipal performance management system and in particular allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

Compliance with this section was widely admitted by some senior officials at GSDM to have happened through IDP processes where the community through initiatives such as ward committees are being consulted and set agenda for development and service delivery.

The IDP process as seen by many officials is not really about performance management systems, particularly the design. In most cases the *imbizos* and ward committee consultation meetings held were about community needs and wants for development and service delivery purpose. Performance measures demands go beyond the consultation process, as it involves amongst others key performance indicators based on service delivery targets. Perhaps what makes this improper is the fact that both the community and officials at municipalities do not have capacity to carry out the tasks, hence the lack of skills in the area of performance management.

Institutional issues

Though a GSDM policy document on performance management is in place, it was not clear whether the policy was the finalised version at the time of the interviews. This uncertainty was informed by the newly appointed performance management manager at GSDM who indicated that the policy is yet to be finalised.

What made this more unclear and confusing is that some officials admitted it was a final document, but yet still needed to be refined. On the other hand, the GSDM IDP 2005-2008 indicated that the council approved the document in April 2003. This constraint had a negative effect on some local municipalities who could not develop their local performance management systems as they solely rely on the municipal district office.

Employee work related issues

The GSDM performance management system makes a provision for employees to sign performance contracts, especially section 57 employees who are mostly senior managers to the level of the municipal manager. Other employees at middle management and ordinary staff are required in terms of the policy to develop work plans for their daily and monthly activities with expected outputs and outcomes of their work.

According to the GSDM October 2006 quarterly performance review report, GSDM established a reference group representing all departments in the municipality to work on performance agreements for assistant managers. The report noted that completion of developing performance agreements on time and immediate implementation remain a challenge.

An employee at GSDM indicated that he always complete a work plan, but he is not clear whether his work plans are linked to municipal performance management system and how that affect his work. The quality of the reports by officials is also a challenge as they do not adequately address issues that emanated from the previous quarterly meetings.

The human resource official at GSDM indicated that all departments at the municipality compile quarterly performance review reports that are discussed

and analysed by departmental managers and identify areas that need improvement.

Service delivery issues

Communicating issues of service delivery is seen by most community members and civil society activists including some officials at the municipality as weak. Some officials indicated that they work without guided policy documents on performance management that are in line with service delivery. This is a clear indication that regardless of policy documents on performance management that are in place, these documents are not known or shared in the municipality. These documents seemed to be centralised and are accessible to only a few employees.

The other impediment identified by the SALGA official in Limpopo is a lack of capacity to implement performance management system effectively and facilitate service delivery. The SALGA official however indicated that systems are in place to ensure capacity building to municipal employees. “As SALGA we have capacity building programmes in place to assist municipalities”. The same person also pointed out that in most municipalities it is difficult to ascertain the linkage between performance measurement and service delivery when looking at IDP, as many plans are insufficiently developed.

4.2.3. What are the appropriate mechanisms in place to overcome these challenges?

This question probes on issues that were a potential risk to hinder the success of conceptualising and implementing performance management system. One of the objectives in raising this question was to identify some key lessons learnt in the conceptualisation and implementation processes.

Based on the identified challenges in the preceding question, the assumption is that there should be some plans in place to address these challenges which could include poor conceptualisation, implementation as well as inadequate consultation on performance management both in the short and long term basis. As articulated in the two preceding main questions, challenges are found in all areas of focus ranging from conceptualisation to service delivery issues.

Conceptualisation issues

In clarifying the confusion about understanding and sharing understanding on performance management concept, GSDM is in a process of reviewing its policy on performance management to accommodate broader views of those who were left out. The key objective of the review process is to ensure that the policy is in line with the strategic objectives of the municipality.

The other reason for review is to ensure full capacity of employees to effectively perform in the best interests of service delivery. The review will be subject to alignment of the IDP plan. GSDM also put on the table a programme that in consultation with SALGA, trainings and aftercare support will be provided to municipal officials.

Based on the interviews with senior managers at GSDM, the study found that GSDM is in a process of cascading its PMS to the level of junior employees with the intention of ensuring that they are made aware of the culture of performance and fully participate on issues of performance management. GSDM is also committed to widely consulting with as many community stakeholders including traditional authorities as possible, in an established stakeholder forum where the voices of these stakeholders will be heard on issues of municipal performance.

Institutional issues

The appointment of a performance management manager at GSDM was seen as a panacea for constraints around coordination, control and management of performance management process. Located in the strategic corporate unit the performance management manager at GSDM is expected to engage the human resource unit and the office of the municipal manager on matters of personnel performance.

The other remedy is that all departments at GSDM have to develop departmental work plans, produce monthly, quarterly and annual reports that must reach the office of the municipal manager and the district council. These plans must be developed in line with the strategic objectives of the entire municipality.

Employee work related issues

In dealing with poor performance, GSDM introduced the culture of performance management by encouraging all employees to develop work plans and produce reports. Section 57 employees had to sign performance contracts that are highly monitored by the council. The signing of performance contracts according to GSDM performance management manager has to be cascaded to the level of junior employees and middle managers.

Progress on performance is monitored through reports and coaching in cases of bad performance. This approach is helpful in of addressing the weakness that some officials do not see a reason why they complete performance contract forms and write work plans because they are not monitored. A

dedicated team representing all the departments is in place to effectively monitor progress on employee performance.

In dealing with the quality of reports, trainings and workshops are to be designed and facilitated to help officials to write reports and develop appropriate work plans that are linked to the key objectives of the municipality. The outcomes of these interventions will include helping employees to produce accurate reports and complete their work on time.

Service delivery issues

In addressing the capacity constraint of implementing performance management in line with set principles and objectives of the municipality for purposes of service delivery, GSDM in co-operation with SALGA is committed to organising capacity interventions through training, mentoring and workshops to municipal employees. The other remedy for poor service delivery as a result of poor performance management by employees is in accordance with GSDM October 2006 quarterly review report, a consistent application of monitoring systems against key performance areas (KPAs) in order to qualify progress made on programmes and projects.

As indicated by the SALGA official, it is difficult in most municipalities to establish the linkages between performance management system and the IDP. To deal with this problem GSDM linked its performance management system with integrated development plans through development of key performance indicators (KPI's). KPI's are qualitative or quantitative measures that show whether there is progress towards achieving objectives.

4.3. Conclusion

In the process of collecting this data a lot was observed regarding the possible influence on a need to carry this kind of study furthermore to the next level. Part of learning includes questions for interviews that probed beyond prescription, something that allows freedom to generate casual discussions helpful for additional information on the study. This was informed by the fact that sometimes in the process of interviews the interviewee felt free to interact and raise other issues that affect his/her performance at.

Data collected both in the interviews and from documentation such as policies, supplement each other in a way that one has to interface them with one another. Documentations such as GSDM policy, SALGA, and others from DPLG support the theoretical perspective of individual employees at GSDM and the academic perspective on the subject under study.

Performance measurements are not mainly tools for legislative compliance, but stems from the perspective of having organisations learn and grow or expand in capacity and become competitive. Municipalities are faced with a challenge of competing against their counterparts in the private sector to an extent that some alternatives are sought through legislation enacted to foster private-public partnerships.

Though it may be argued that competition might not be necessary given the differential nature of the two institutions (public and private) and their objectives, nature calls for competency as they both serve a common client, being the society. Competition for clients and service provision harness performance, the better you do your job the better the quality of your product.

GSDM is not immune to these social and economic challenges of inadequate conceptualisation and implementation of policies and programmes on issues pertaining to performance management and service delivery. Most municipalities are faced with similar challenges and this may need further inquiry.

Through national legislations in South Africa, municipalities had to refine their work on service delivery to citizens, building and strengthening their organisations by adopting measures that will help sustain the process of service delivery. Adaptation to the culture of performance enhances transparency, as it involves citizen participation on matters involving their lives, and their social and economic needs.

Though the intention of this study was not to probe whether interviewees agree or disagree with performance management, all those interviewed did not raise a concern or rather interests in engaging with the shortcomings of PMS while the professional engagement with officials is academic by its nature, commonsense tells that all the officials interviewed are compelled to understand the concept and the system as a matter of legislative principle, but may not engage its merits and demerits.

As witnessed in the section about criticism on the concept of performance management, nothing could be detected on whether performance is a good or bad thing, except for appreciation that it is a good thing. This is a subjective syndrome that people have to succumb to legislative principles, without further inquiry on the theory and rigorously engage in debates about the subject of performance management or any other issue.

This chapter articulated various issues about how Greater Sekhukhune District Municipality perceived and conceived of performance management

system. For the municipalities in the district much has to be learnt and experienced about this tool of performance measure. Based on the three main questions that guided the format of the interview questionnaire, this chapter captured the essence that performance management needs to be properly conceptualised, planned and implemented to address service delivery in the municipalities.

CHAPTER 5

CONCLUSION AND RECOMENDATIONS

5.1. Conclusion

The concept of performance management was not adequately conceptualised due to insufficient and skewed ways of communicating the concept in the municipality. As indicated in the findings and analysis chapter of this report, only a fraction of senior officials together with consultants were involved in the conceptualisation and design of PMS at GSDM. Some of the officials at the middle management level as well as general labourers indicated that they do not know of performance management system and they are not even aware that such systems exist in the municipality.

As highlighted in the problem statement of this report, performance management with whatever measure is assumed to be a useful tool to drive successful service delivery by municipalities and therefore is believed to be the preferred model in measuring success. The study found that GSDM adopted the balanced score card as its preferred useful tool to measure performance. GSDM is using the balanced scorecard measure to communicate to both employees and external parties the outcomes and performance drivers by which the municipality will attain its objectives based on its mission.

However, as is the case with the entire performance management framework for GSDM, the interpretation of the model was not clear, especially on how it is monitored and who actually monitors it. The monitoring of GSDM policy on PMS is informed by lack of institutional supporting mechanisms to specifically deal with performance management as a systematic issue. Monitoring

challenges were repeated on many occasions during the interviews, with both SALGA and the department of local government and housing officials sharing the same concern about poor monitoring of performance management both at the municipalities and in the department.

The chapter on literature review established that the performance management concept should be defined by using a holistic approach. By holistic approach is meant taking consideration of critical aspects that are linked to the performance management concept. Some of the critical aspects may include employee performance, stakeholder management and programmes relations. This was tricky especially as it was not the objective of this study to focus on individual employees within the organisation, but rather the intention was to focus on the organisation. However the study acknowledges this limitation of individualistic employees and was careful not to over-emphasise individual employee issues.

The outcomes in the findings section of this report yielded positive results regarding acceptance of the necessity to conduct this kind of study as defined in the purpose statement of this study. The results based on the methods applied and the reviewed literature proved beyond reasonable doubt that the questions raised in the proposal stage of this study were more important and necessitated a need to search for answers and facilitate processes such as conducting interviews and perusal of relevant documentations.

Some of the challenges identified in the findings section of this report as a result of the interviews conducted and perused documents are highlighted in the recommendation section below. These recommendations report provide options and remedial actions to respond to the challenges identified in the study. The study took into account that given the complexity of the concept of performance management and difficulties in actualising it, municipalities like

GSDM may find it difficult to implement and this has a potential risk for service delivery.

5.2. Recommendations

The recommendations of this report are drawn from theoretical perspective on the subject of performance management concept and local government concept from service delivery perspective. Design and conceptualisation of performance management concept in Greater Sekhukhune District Municipality took into account a wide range of factors regarding the concept such as the complexity of defining performance management and implementation.

These recommendations are based on the key challenges identified by the study as emanating from the key questions raised in the study for data collection and based on methods applied in the study.

The key recommendation from this study made is that performance management system in Greater Sekhukhune District Municipality should be restructured to link the key strategic objectives of the municipality as defined in the IDP policy framework and should be monitored through appropriate monitoring systems.

ANNEXURE A (Letter to Greater Sekhukhune District Municipality)

Attention: The Municipal Manager
Mr T Nkadimeng
Greater Sekhukhune District Municipality

Fax: 013 262 4303 Date: 23 October 2006

RE: REQUEST TO INTERVIEW MUNICIPAL OFFICIALS ON PERFORMANCE MANAGEMENT

I'm a part time student at Wits University studying for a Masters Degree on Public & Development Management.

I'm currently at a completion stage concentrating on research report (a requirement for completion of the degree). In fulfilling this requirement, like any other student I chose Performance Management as my area of research study. I therefore chose Greater Sekhukhune District Municipality as the appropriate municipality for this study, because I come from the area and know some of the challenges facing municipalities as well as some social dynamics for service delivery and believe that like any other municipality GSDM faces some challenges in the implementation of PMS.

The key objective to this study is to assess and analyse the structural systems for performance management in GSDM and look at how PMS in the municipality impacts on service delivery. Based on the above brief synopsis, I would like to request the municipality permit me access to engage in a form of face to face interviews with its senior managers and middle managers attached to PMS in their respective directorates. According to my plan, I would like to interview at least 10 officials (5 senior managers and 5 middle managers). The following table is a proposed plan for interviews:

Date	Time	Interviewee	Location
30 Oct 2006	10h00-15h00	4 Senior Managers (GSDM)	GSDM office
31Oct 2006	10h00-16h00	5 middle managers and 1 senior manager	GSDM office
01 Nov 2006	10h00-16h00	5 community stakeholder organisations	Surrounding area

02 Nov 2006	10h00-12h00	3 SALGA officials	SALGA Limpopo
02 Nov 2006	14h00-16h00	3 Limpopo Dept of Local Govt & Housing	DLGH offices

The plan above is subject for discussion looking at the availability of the officials on the proposed time and dates and of course if approved by the municipal manager.

I'm contactable at 012 845 2085, 082 753 7274 and phalarhyne@yahoo.com or dinkwanyanep@idt.org.za

Thanks
DR Phala

Annexure B (questionnaire)

Institutions for PMS in Greater Sekhukhune District Municipality

QUESTIONS FOR GSDM MANAGERS/OFFICIALS

(a) CONCEPTUAL QUESTIONS

1. What is your understanding of the concept performance management?

2. How is performance management conceptualised at the municipality?

3. Do you think Performance Management Systems is important for municipalities? If Yes, why?

4. Do you participate in processes of conceptualising performance management systems at the municipality?

5. If participated in the conceptualising process, was the approach and methodologies used appropriate to facilitate understanding of PMS?

(b) INSTITUTIONAL QUESTIONS

1. What is the current set up for management for service delivery purposes at the municipality?

2. Do you think the current set ups adequately address performance related issues? If so how?

3. Other than performance related systems, what are the other systems in place?

4. What are municipal documentations/policies that documented the systems in place?

5. Do systems in place helps steer the municipality in the right directions to achieve its goal?

(c) EMPLOYEE WORK RELATED QUESTIONS

1. Is your work performance linked, by way of performance contract?

3. Is your daily work activities guided by organisational performance systems? In what way?

3. Are you assessed on your work performance? If Yes, how often and how does that happen?

4. Does the municipality created enabling environment for you to apply requirements of the current system as per your work specifications?

5. What do you think are the constraints or challenges at your disposal to fulfil your job demands as per performance guidelines?

(d) SERVICE DELIVERY QUESTIONS

1. How is the current systems of performance management systems contribute to service at the municipality?

2. How does the municipality use performance to harness service delivery?

3. How is performance systems linked to municipal IDP?

4. To what extend does the municipality apply current systems to employees based on key performance indicators for service delivery targets?

5. What are the constraints or limitations of the systems in place for service delivery

QUESTIONS FOR SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)

(a) Data Collection

1. How many municipalities are in Limpopo (demographics)?

2. What is the total number of employees in municipalities in Limpopo, respectively?

3. What is the gender composition in all the municipalities in the province?

4. How many municipalities have PMS in place?

(b) Design of performance management system

1. What is the framework, if any for PMS in the province?

2. How efficient is the implementation process in various municipalities?

3. What are the constraints faced by municipalities on performance management?

(c) PMS feasibility/appropriate

1. Is PMS a viable mechanism for performance measurement to all municipalities?

2. How effective this has been to municipalities?

QUESTIONS FOR LIMPOPO DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

1. How many municipalities do practice PMS in the province?

2. How effective is implementation of PMS in municipalities in the province?

3. What are tools in place to monitor municipalities performance at the dept's disposal?

4. What according to the dept are constraints facing the municipalities in implementing PMS?

5. What mechanisms are in place to address those constraints?

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