CHALLENGES OF PERFORMANCE MANAGEMENT IN DIHLABENG LOCAL MUNICIPALITY

By

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ABSTRACT

This study explored the poor implementation of the Performance Management System (PMS) in Dihlabeng Local Municipality, with the objective of understanding the performance management concept of local government, and examining the challenges of poor service delivery faced by Dihlabeng Local Municipality. The findings of this study are important in that these will provide recommendations regarding the most appropriate processes to be considered in improving the poor implementation of PMS in Dihlabeng Local Municipality. The findings will also provide background information that traces back to the initial intention of introducing PMS for South African municipalities.

A mixed approach was used. Officials and Councillors of Dihlabeng Local Municipality were surveyed and interviewed on their views on the implementation of PMS in Dihlabeng Local Municipality. Theories of PMS were discussed, which enriched and broadened the study. Following the analysis and interpretation of the findings, it was clear that the lack of support from senior management in employees' initiatives was contributing to the poor implementation of PMS.

The establishment of a conducive working environment was deemed crucial in mobilizing all employees to work towards realizing the organizational objectives. Other strategies identified in the study can assist to improve the implementation of PMS in Dihlabeng Local Municipality, and the findings can be replicated in other municipalities that have similar challenges of poor implementation of PMS.

DECLARATION

I, Tjhetane Mofokeng, hereby declare that this report is my own unaided work.

I further declare that it has not been submitted to any other university for any other degree.

Signed **Date**

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ABBREVIATIONS

AG	Auditor-General
ANC	African National Congress
FMPPI	Framework for Managing Programme Performance Information
HR	Human Resources
IDP	Integrated Development Plan
KPI	Key Performance Indicators
M&E	Monitoring and Evaluation
MFMA	Municipal Finance Management Act
MMC	Member of the Mayoral Committee
MPAC	Municipal Public Accounts Committee
MSA	Municipal Structures Act
PMS	Performance Management System
SDBIP	Service Delivery and Budget Implementation Plan
SPM	Strategic Performance Management

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CHAPTER ONE

INTRODUCTION

1.1 MUNICIPAL PERFORMANCE MANAGEMENT SYSTEMS

The term performance management is defined as a continuous process of identifying, measuring and developing the performance of individuals against the strategic goals of the organisation (Anguinis, 2009). The elements of performance management include setting objectives; measuring performance; feedback on performance results; a reward system based on performance outcomes; and amendments to objectives and activities (Mabey, Salaman and Storey, 1999).

The term performance management system is commonly used to describe a range of managerial activities designed to monitor, measure and adjust aspects of individual and organisational performance through various types of management controls. Performance management integrates the management of organisational performance with the management of individual performance.

In this study, performance management is regarded as the execution of the task at hand to achieve or realise the set objectives. The core function of a municipality is to deliver services to communities and interact with various stakeholders, as contemplated in the objects of local government contained in Act 108, section 152 of the Constitution of the Republic of South Africa, 1996, which also provides foundation for performance management with the requirements for accountable government.

Performance management in municipalities is perceived in terms of its capacity for effective and efficient service delivery to enable a wide range of players in the community to deliver on the developmental goals and objectives of the organisation. This notion clearly defines the role of performance management in state institutions and local government is included.

Performance management is concerned with the management of performance throughout the organisation, and as a result, it is a multi-disciplinary activity (Borman and Motowidlo, 1993).

The definition underlines the critical role that performance management plays in organisations. This gives credence to the assumption that poor implementation of performance management (as well as other factors) leads to poor service delivery that results in community protests, as observed by Atkinson (2005).

Performance can therefore be regarded as a behavioural issue – the way in which the organisations, teams and individuals get work done. It is a means of getting better results from the organisational teams and individuals by understanding and measuring performance within an agreed framework of goals, standards and competence requirements.

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Performance management is also concerned with satisfying the needs and expectations of all the organisation's stakeholders and indeed the entire public, (Isaac, 2002). It adopts a future-oriented strategic focus and is applied to all employees in order to maximise their current performance and future potential. This approach, if implemented successfully, will always keep the organisation ahead of its peers, while poor implementation brings undesirable results (Van Scotter, Motowidlo and Cross, 2000).

1.2 ORGANISATIONAL PERFORMANCE MANAGEMENT: TWO DISTINCT FUNCTIONS

Intra-organisational performance management aims to ensure that there are appropriate internal controls to monitor the extent to which the organisation (and its sub-units/sections) is achieving what it is supposed to achieve. This requires the organisational management to periodically review and evaluate performance standards attained and performance trajectories, taking corrective action as appropriate where deviations from the desired standards are identified.

Extra-organisational performance management is meant to communicate performance for the purpose of governance and accountability to organisational stakeholders, including government funding bodies, audit agencies and the wider public.

1.3 SOUTH AFRICAN CONTEXT

Local government is the third tier of government in South Africa and the tier closest to the people at grassroots level. It is a structure that provides for delivery of services needed by the larger community and also serves to bring development and good governance to its citizens. It is thus a critical component of the reconstruction and development efforts of the country.

At service delivery level, many municipalities continue to face challenges and protests from their communities. In response, the government has instituted a number of public sector reforms and interventions, including policy and legislation such as the Municipal Finance Management Act (MFMA) of 2003, benchmarking exercises, monitoring and evaluation (M&E) systems, capacity-building initiatives, annual municipal audits, performance-based budgeting, performance appraisal schemes, and performance-based contracts. However, the impact of these interventions has not yet been fully evaluated.

Service delivery protests in different parts of the country expose the seriousness of the challenges municipalities face with regard to performance management. This is supported by Maila (2006), who argues that the impact of performance management systems prior to 1994 is largely the same as at present.

Even though the reasons for service delivery protests are often complex, the poor implementation of performance management contributes to the perceptions of poor service delivery and the current civil unrest. Studies conducted in South Africa have revealed that the poor implementation of performance management systems in local government resulted in inefficient service delivery (Matshidze, 2012).

While Chapter 6 of the Municipal Systems Act of 2000 encourages municipalities to develop and adopt performance management systems, many, such as Dihlabeng Local Municipality (DLM) in the Free State province, still experience poor implementation of performance management systems (Auditor-General's report).

Municipalities are regarded as key drivers of service delivery due to their proximity to people and communities, and for this reason they are expected to respond timeously and efficiently to the community's needs and demands. However, despite their pivotal role they continue to face challenges associated with poor performance management (Maila, 2006).

1.4 BACKGROUND TO DIHLABENG LOCAL MUNICIPALITY

Dihlabeng Local Municipality (DLM) was established in terms of Section 12 of the Local Government Structures Act No. 117 of 1998, after the first local government general elections of 5 December 2000, which heralded the final phase of local government reform as envisaged in 1994 at the onset of democracy. Dihlabeng Local Municipality consists of five Free State towns, with Bethlehem as its main centre, Clarens, Paul Roux, Rosendal, Fouriesburg and the surrounding farms. It forms part of the Thabo Mofutsanyana District Municipality in the eastern Free State Province.

The Executive Mayor is the political head of the institution and the Chairperson of the Mayoral Committee. The Speaker is the chairperson of Council and the Municipal Manager is the accounting officer and head of administration. There are also Section 56 managers accountable to the Municipal Manager and other managers who account to Section 56 managers. Section 56 Managers are senior managers appointed by the municipal council in terms of section 56 of the Municipal Systems Act, No. 32 of 2000 and Regulations, as amended in 2011, and are directly accountable to the Municipal Manager. In Dihlabeng Local Municipality they are also referred to as Directors as they head various directorates, e.g. (finance, local economic development, community services, corporate services) and have other managers accountable to them. The municipality has 40 councillors and about 1,050 employees.

The total population of the municipality is 157,000, with the following demographic composition: Black African persons – 85%; Coloured persons – 2.1%; Indian or Asian persons – 0,6%; and White persons – 12% (Statistics South Africa, 2011).

Dihlabeng Local Municipality is part of the establishment of local government in the new dispensation. It started off with many challenges, with instability at both the political and administrative levels. From 2001 to 2006 Dihlabeng Local Municipality had three different Mayors, three different Municipal Managers and two different Speakers. A number of senior managers left the municipality, particularly from the finance and technical departments.

During the same period, (2001-2006), the audit performance as reported by the Auditor-General presented concerns. A number of social disturbances that were experienced across the country between 2004 and 2006 also affected Dihlabeng Local Municipality, as communities in this municipality also complained about inadequate service delivery in relation to refuse removal, provision of water and sanitation, electricity, road conditions, houses, corruption, lack of supervision of employees leading to the abuse of overtime, decline in work ethic and discipline, and unresponsive municipal leadership, as well as incompetent and unqualified municipal officials and councillors.

There was instability at the municipality caused by political and administrative interface. In one term (2001-2006) the municipality had three different Mayors, three different Speakers and two different Municipal Managers. There was also a hostile environment that did not support employees to realise their fullest potential and no training was offered to employees to improve their capacity, and as a result competent and qualified employees left the municipality. The relations between management and trade unions were not good and local labour forum (LLF) did not convene as required. Employees with long service did not receive rewards or recognition for their long service and loyalty to the organisation.

The hostile environment did not allow for open communication, except when negative decisions were conveyed, such as disciplinary processes, suspensions and dismissals. Supervision of employees has been a serious problem, which has led to low staff morale, and some employees not taking their responsibilities serious. Some employees came to work drunk, others left early to drink, also a problem of habitual absenteeism and some employees colluded with supervisors to manipulate overtime.

In fulfilling its role as a performance driven municipality, a Performance Management System (PMS) was introduced in Dihlabeng Local Municipality to improve, amongst others, the performance of the institution in delivering effective and efficient services. Dihlabeng has developed a PMS which was adopted by Council on December 9, 2010, reviewed in 2012 to incorporate lower levels of employees, with the performance management framework adopted on January 2013. The PMS framework was developed with the intention of describing how the Municipality's cycle and process of performance planning, monitoring, measurement, review, reporting and improvement (Mabey, Salaman and Storey, 1999) would be conducted, organised and managed, including determining the roles of the different role-players.

In addition to developing the PMS and its framework, it should also be noted that Dihlabeng Local Municipality has fulfilled the legislative provision as set out in the Municipal Finance Management Act No.56 of 2003 (MFMA), that municipalities should adopt an annual Service Delivery and Budget Implementation Plan (SDBIP), with service delivery targets and performance indicators. While considering and approving the annual budget, the municipality must also set measurable performance targets for each revenue source and vote.

The SDBIP is therefore developed annually to implement the Integrated Development Plan (IDP). The role of the IDP is addressed in Chapter 5 of the Municipal Systems Act No. 32 of 2000 and Regulations as amended in 2011. It requires municipal planning to be developmentally oriented. It is the municipality's five-year strategic objective that is reviewed annually through a public participation process. Community needs are then prioritised and funds allocated for implementation. It strives to achieve the objects of local government as set out in section 152 of the Constitution.

At an administrative level the Municipality has appointed a Performance Management Manager who reports to the Municipal Manager who, in turn, reports to the Executive Mayor and finally to Council.

The White Paper on Local Government (1998) recognises integrated development planning, budgeting and performance management as well as public participation as powerful tools which can assist municipalities to develop an integrated perspective on development in their areas. Involving communities in developing municipal key performance indicators increases the accountability of the municipality.

1.5. PROBLEM STATEMENT

At the time of the first democratic elections in South Africa in 1994 it was estimated that 12 million South Africans did not have access to clean drinking water and 21 million people did not have adequate sanitation (ANC 1994:28). Certain portions of the population did not have access to a flush toilet and used pit latrines. Access to electricity was limited to certain resourced communities while running water was scarce in most Bantustans or homelands.

Research studies conducted in South Africa indicate that there continue to be serious challenges in relation to the implementation of performance management in municipalities despite the government's commitment and allocation of resources to municipalities (Matshidze, 2012). Some municipalities in South Africa are regarded as large Metropolitan municipalities. This does not, however, prevent them from experiencing challenges of poor performance management similar to the smaller municipalities. This contributes to the continued poor delivery of services (Maila, 2006).

Poor planning and implementation of performance management and the lack of effective controls and accountability systems impacts negatively on sound service delivery to communities, including the lack of provision of water and other services to inadequate funds for technical equipment for servicing basic infrastructure.

The poor management of many municipalities has been attributed to a combination of factors, from the improper political and administrative interface to weak institutional arrangements and poor supervision and accountability mechanisms. The implementation of sound administrative and financial management practices, as set out in the local government framework legislation, remains a challenge in many municipalities, including Dihlabeng Local Municipality.

While that has been the case for some time, there has been an increase in public protest with regard to the slow pace of service delivery, governance challenges, poor financial and administrative management, weak technical and planning capacity, and corruption and fraud, as well as insufficient capacity due to a lack of scarce skills, (Maila, 2006).

Integrated Development Plans (IDP) are developed and reviewed annually by South African municipalities including Dihlabeng Local Municipality, but the full implementation remains a challenge as there is a serious lack of accountability in municipal office bearers. In Dihlabeng Local Municipality, performance agreements are signed only by senior managers who report directly to the municipal manager, and are not cascaded down to lower levels to ensure accountability by every official of the municipality.

This practice has compromised the implementation of the IDP in Dihlabeng Local Municipality, which has resulted in poor implementation of the adopted performance management system, and a slow pace of service delivery over and above the challenging backlogs in addressing the imbalances of the past.

In an attempt to ensure that the local municipality of Dihlabeng fulfils its developmental role, the main research problem to be investigated in this study is the poor implementation of the existing performance management system and the challenges it encounters.

1.6. PURPOSE OF THE STUDY

The purpose of this study was to explore the challenges that lead to the poor implementation of a performance management system in Dihlabeng Local Municipality, and how that has impacted on service delivery.

1.7. RESEARCH QUESTIONS

The research questions to be addressed are the following:

- What are the challenges that lead to poor implementation of performance management system in Dihlabeng Local Municipality?
- What are the success indicators of an effective implementation of performance management system in Dihlabeng Local Municipality?
- What are the performance management strategies for consideration?

1.8. RESEARCH OBJECTIVES

This research was aimed at identifying the challenges that led to poor implementation of the performance management system in Dihlabeng local municipality, identify the success indicators of an effective implementation of performance management system in Dihlabeng local municipality and also develop performance management strategies for consideration by Dihlabeng local municipality.

1.9. SIGNIFICANCE OF THE STUDY

Dihlabeng Local Municipality is directly in touch with the community and it performs a variety of functions that affect the lives of its residents. The councillors and municipal administrators have substantial authority and power that needs to be exercised in line with democratic principles that include providing services as contained in their IDPs to ensure accountability through an effective performance management system. Section 152(1) (a) of the Constitution states that local government should provide a democratic and accountable government for local communities.

The findings of this study are important because of the need to provide background information that traces back to the initial intention of introducing a performance management system for South African municipalities, in particular the Dihlabeng local municipality. These findings can also be used for decision-making and serve as a case study for other municipalities in the Free State province that may face challenges of poor implementation of performance management system.

This has been done by looking into the elements of performance management cycle, i.e. performance planning, monitoring, measurement, review, reporting and improvement (Mabey, Salaman and Storey, 1999) at Dihlabeng Local Municipality and assessing whether they are correctly implemented and what are the challenges it faces for future corrective actions. The achievements that should be enhanced as a motivation to strive for further improvements are highlighted.

This study also identifies within the three spheres of government the challenges and problems that impede the effective implementation of the performance management system in order to determine intervention measures, as required by the Inter-governmental Relations Act. Additionally, it highlights legislative requirements that inform the effective implementation of PMS as guided by the South African Constitution, and provides a detailed account on how processes should be implemented to ensure municipal success in the implementation of performance management systems.

The study further assesses whether Dihlabeng Local Municipality has taken enough responsibility in ensuring that it effects monitoring systems that are intended as strategic management tools to enable it to monitor its own performance in the implementation of the IDP, improve the efficiency, effectiveness and quality in delivery of services, and be held accountable for its performance.

Finally, this study may be used as a reference for those who are interested in conducting further research on PMS in Dihlabeng Local Municipality or in the Free State municipalities as a whole.

The definition of performance management system, the South African context within which it is implemented, and the background to Dihlabeng local municipality has been addressed. The problem statement, purpose of the study, research questions and objectives as well as the significance of the study have been dealt with in this chapter. Chapter 2 will focus on literature review, while chapter 3 will deal with research methodology. The findings will be presented in chapter 4, chapter 5 will focus on interpretation and analysis of the findings, and the conclusions and recommendations will be found in chapter 6.

CHAPTER TWO

LITERATURE REVIEW

2.1. INTRODUCTION

This section will review the existing academic work on performance management system by various scholars. Neuman (2006) argues that conducting literature review builds on the idea that knowledge accumulates and one can learn from and build on what others have done. This therefore puts the current study in context and shows how it links with previous studies. Of particular interest attention will be given to how strategic performance management system is used to influence business outcomes (Blenkinsop and Burns, 1992). The strategic focus of performance management system, as argued by (Sprinkle, 2003), deals with strategy, communication and motivation. Strategic performance management system is meant to be interactive (Neely, 1998; Kaplan and Norton, 2001), because its primary role is to facilitate the implementation of the business strategy and to question strategic assumptions. Through literature review the concepts on performance management are examined and the conceptual framework is constructed (Badenhorst, 2007).

Literature review can be a simple summary of sources, but it usually has an organisational pattern and combines both summary and synthesis. A summary is a recap of the important information of the source, whereas a synthesis is a re-organisation of that information, (Frels, 2010). It might give a new interpretation of old material, or combine new with old interpretation. It may trace the intellectual progression of the field, including major debates. Depending on the situation, the literature review may evaluate the sources and advise the reader on the most pertinent or relevant information.

2.2 SIGNIFICANCE OF LITERATURE REVIEW

Literature review provides context and expands on reasons for the research questions. It strengthens the study by citing what has been previously written on the topic, (Wallen and Fraenkel, 2001). It provides a solid background for a research investigation, with previous findings which the researcher must be familiar with, as comprehensive knowledge of the literature is essential to the researcher, (Onwuegbuzie, Leech et al, 2011). It provides a guide to a particular topic, and gives an overview or acts as a stepping stone in addressing a particular research topic, and shows how the present study is related to the literature, (McMillan and Schumacher, 2001). It also provides useful reports that keep researchers or professionals updated with what is current in the field. The breadth and depth of the literature review emphasises the credibility of the writer in his or her field.

A gap has been identified in the understanding and implementation of the municipal performance management cycle in Dihlabeng local municipality, i.e. performance planning, monitoring, measurement, review, reporting and improvement (Mabey, Salaman and Storey, 1999). In the planning phase, individual goals are aligned to the broader organisational objectives, which should be communicated to all employees so that every employee knows what is expected of him\her. This study will indicate that the poor implementation of performance management system has everything to do with not complying with all elements of performance management cycle.

Performance management cycle will be discussed in details and check whether the understanding and implementation of all its elements in Dihlabeng local municipality was done properly, and what are the challenges if there are any.

2.3. CONCEPTUAL OVERVIEW

The idea of appraising performance has existed for many years and has revolved largely around an annual review of objectives between manager and subordinate. Such appraisal has been restricted often to management or supervisory groups, has been retroactively focused on historic performance, and has not typically sought to adopt a strategic approach. The concept of performance management, however, is a more recent development which adopts a future-oriented strategic focus and is applied to all employees in a workforce in order to maximise their current performance and future potential. Once a strategy has been agreed upon, focus is now on implementation and dealing with assumptions. The strategy has to be clearly communicated to employees, and feedback be received from them on their understanding and buy-in of the strategy.

This increased focus on performance at all levels in an organisation arises from the pressures of globalisation and the associated requirements to create competitive advantage in order to survive in an international market place (Verweire and Van den Berghe, 2004:1). Human capital, value-creating skills, competencies, talents and abilities of an organisation's workforce (Elias and Scarbrough, 2004), is argued to be an essential component in creating such competitive advantage (Mayo, 2001). Performance management is argued to have a key role in developing such human capital, (Tahvanainen, 2000). Incentives in this regard serves as a motivation to employees who show outstanding performance.

Human resources management in this regard, involves the productive use of people in achieving the organisation's strategic objectives and the satisfaction of individual employee needs (Stone, 2005:4). Without an organisation's best use of its most important asset, that is, people, it may not be easy to achieve some of the strategic objectives (Du Plessis et al 2006:6). Performance must be evaluated, positive and productive behaviour must also be rewarded, and improvement and learning be encouraged.

Organisational changes arising from competitive pressures, including flatter structures, leaner staffing levels and multi-skilled cross-functional teams operating with considerable autonomy (Walsh et al, 2002), have had a great impact on performance management, not least because they have made the use of conventional top-down appraisal systems more difficult and led to, for example, the increase use of multi-source feedback (Fletcher, 2001).

2.4. THE CONCEPT OF PERFORMANCE MANAGEMENT

This has developed over the past few decades, with researchers making progress in clarifying and extending the performance concept (Campbell, 1990), as a strategic, integrated process which incorporates goal-setting, performance appraisal and development into a united and coherent framework with the specific aim of aligning individual performance goals with the organisation's wider objectives (Dessler, 2005; Williams, 2002).

The performance concepts and performance requirements are undergoing changes as well (Ilgen and Pulakos, 1999). Consequently it is concerned with how people work, how they are managed and developed to improve their performance, and ultimately how to maximise their contribution to the organisation, by using them productively (Stone, 2005:4).

It is underpinned by the notion that sustained organisational success will be achieved through a strategic and integrated approach to improving the performance and developing the capabilities of individuals and wider teams (Armstrong and Baron, 2005). Although competitive pressure has been the driving force in the increased interest in performance management, organisations have also used these processes to support or drive culture change and to shift the emphasis to individual performance and self-development (Fletcher and Perry, 2001).

There are a number of principles underlying the performance concept, namely:

1. It is a strategic process, in that it is aligned to the organisation's wider objectives and long-term direction.
2. It is integrative in nature, not only aligning organisational objectives with individual objectives but also linking together different aspects of human resource management such as human resource development, employee reward and organisational development, into a coherent approach to people management and development.
3. It is concerned with performance enhancement in order to achieve both individual and organisational effectiveness. Performance enhancement is underpinned by two further principles: the idea that employee effort should be goal-directed and that performance improvement must be supported by the development of the employee's capability.
4. A further feature relates to communication and understanding as well as the fact that performance management is based on an agreement between a manager and an individual, a shared understanding of and continuing dialogue about an individual's goals and the standards expected and the competencies needed, together with an appreciation of the organisation's wider mission, values and objectives.
5. Lastly, this is linked to a financial point about the process, which is that performance management, unlike performance appraisal, is owned and driven by line management rather than by the HR function.

2.5. PERFORMANCE MANAGEMENT PROCESS

A process is a series of steps that turns inputs into outputs (Kearns, 2006:183), and the effective implementation of performance management process should achieve the same. Although there is no universal model of performance management, a review of literature and practice suggests there are a number of elements which might be typically found in a PMS. These elements are often depicted as a performance management cycle (IDS, 2003). In general, performance management models place objective-setting and formal appraisal systems at the centre of the cycle, and the literature suggests that these two areas might be particularly affected by cultural context and other factors (Milliman et al, 1998; Fletcher and Perry, 2001; Lindholm et al, 1999).

- Performance planning - means setting performance expectations and goals for groups and individuals to channel their efforts towards achieving organisational objectives. It includes the measure that will be used to determine whether expectations and goals are being met. Involving employees in the planning process helps them to understand the goals of the organisation, what needs to be done, why it needs to be done, and how well it should be done. The performance planning process, where individual objectives are linked to organisational goals, is the typical starting point of the cycle and goal-setting usually occurs in line with an annual standard review cycle (Suutari and Tahvanainen, 2002). Objectives are sometimes expressed as Key Results Areas or Accountabilities (KRA) and are underpinned by performance measures. In local government terms, they are referred to as Key Performance Areas (KPAs).
- Monitoring – means consistently measuring performance and providing ongoing feedback to employees and workgroups on their progress towards reaching their goals. Ongoing monitoring provides the opportunity to check how employees are doing and to identify and resolve any problem early.
- Developing – means increasing the capacity of employees to perform through training, giving assignments that introduce new skills or higher level of responsibility, improving work processes

or other methods. Development efforts can encourage and strengthen good performance and help employees keep up with changes in the workplace.

- Review/rating – means evaluating employee or group performance against the elements and standards in an employee's performance plan, summarising that performance, and assigning a rating of record. Notwithstanding the need for ongoing informal review, formal assessment is a key component of any PMS and performance appraisal is one of the most common vehicles for reviewing performance against objectives (Redman, 2001)
- Reporting and improvement – acknowledging the employees' contribution and providing incentives for outstanding performance as well as taking corrective measure to improve weaknesses in performance. The early detection of weaknesses and taking immediate corrective measures brings all employees up to standard and makes performance uniform.

The performance management process has three purposes, which are for strategic implementation, a vehicle for culture change and also to provide input to other HR systems such as development and remuneration (Bennett and Minty, 1999:59-60). An environment conducive to the successful implementation of performance management process should consider the following: communicate a vision of organisational strategic objectives to employees; establish departmental and individual performance within wider objectives; conduct a formal review of progress towards targets and lastly evaluate the whole process to improve effectiveness (Sloman,1997:167).

This study will indicate that not all the elements of performance cycle were properly followed in Dihlabeng local municipality, and that no conducive environment was created to ensure the successful implementation of a performance management system. Williams (2002) argues that there is limited evaluation of performance management, but many organisations are dissatisfied with their schemes as a means for developing and motivating people, (Fletcher, 1997). Indeed, there is no conclusive evidence that performance management works, (Winstanley and Stuart-Smith, 1996).

This is further complicated by international dimensions (Milliman, 2002) and echoed by other studies (Pullin and Haidar, 2003; Winstanley and Stuart-Smith, 1996). In the South African context, municipalities are organised and coordinated under the South African Local Government Association (SALGA), which is part of the structure of organised municipalities, United Cities and Local Governments Africa (UCLGA), which also affiliate to the international body of organised municipalities, United Cities and Local Governments (UCLG).

2.6. THEORETICAL FRAMEWORK

There are many motivational theories that can be utilised in the improvement of performance management. However, managers are more likely to utilise the more traditional theories, which may have patently weak connections to the distinctiveness of an organisation. Among the modern motivations worthy of consideration are control theory, social cognitive theory, self-determination theory and organisation theory.

Control theory, which is also referred to as feedback control, is described in self-regulation terms as an ongoing comparative process aimed at reducing the discrepancy standards for behaviour and the observed effects of actual behaviour (Carver and Scheier, 1981, 1998). Most performance management does not emphasise feedback (Coen and Jenkins, 2000). Having performers take charge of their own feedback loops helps them obtain the timely feedback they need to make negative discrepancy adjustments indicated by this theory. Control theory provides explanations in support of performance management. However, this theory is not relevant to this study, as it does not advise how that feedback should be dealt with in order to move the organisation forward, and how not to repeat those mistakes.

In the social cognitive theory motivation is influenced by interaction of three elements: itself, what the performer thinks and what the performer does (Bandura, 1986). Strong performance requires positive self-belief of efficacy in addition to appropriate skills and abilities. Social cognitive theory provides explanations in support of performance; however this study is not going to rely on this theory. This theory only diagnoses the problem and give explanations or reasons for failures or weaknesses, but does not provide strategic solutions on how to overcome those challenges. What the performer thinks and does is not informed by the strategic objective of the organisation, and there is no proper coordination between what the organisation wants to achieve and individual goals.

Self-determination theory – the central focus of social psychology - has long been about the effects of social environments on people's attitudes, value, motivations, and behaviours, and there can be little doubt that environmental forces have an enormous impact on these outcomes. Many social psychology theories have tended, either implicitly or explicitly, to view learning – that is, acquiring the attitudes, values, motivations and behaviours – primarily in terms of social environments teaching individuals what to think, value, need, and do. This view has been called "the standard social science of a relatively plastic human nature, molded by its social context (Tooby and Cosmides, 1992). In development psychology, this perspective is almost clearly conveyed in social learning theory, where modelling and reinforcement are the principal mechanisms of learning and growth. In social psychology, social cognition, and cultural relativism, such models are frequently employed to explain situationally influenced cognitions and behaviours.

The social psychology of standards has also focused on the influence of social environments on attitudes, values, motivations and behaviours, both developmentally and in current situations. However, it has taken a quite different approach to this issue. For these natural, active processes of intrinsic motivation and integration to operate effectively towards healthy development and psychological well-being, both biological and psychological factors must be taken into account (Ryan, 1995).

According to the self-determination theory, based on decades of empirical work, there are at least three universal psychological needs, specifically needs for competence, autonomy and relatedness that are essential for optimal development and functioning. Unlike some evolutionary perspectives, we understand these needs as underlying the adaptive organisation of behaviour and being supported by many individual adaptations, rather than themselves being functionally specific or modular add-ons (Deci and Ryan, 2000). This study will also not rely on this theory, as it focuses only on specific aspect of adapting the behaviour of the organisation and individuals, rather than focusing on the entire issues that affect the organisation. This theory does also not focus on what the organisation wants to achieve, and how it rewards or motivate its employees in order to enhance their performance.

2.7. CONCEPTUAL FRAMEWORK

The organisation theory, as propounded by Murphy, Trailer and Hill (1996), argue that much of the research on performance has come from organisation theory and strategic management. The view taken by Venkatraman and Ramanujam (1986) was that business performance, which reflects the perspective of strategic management, is a subset of the overall concept of organisational effectiveness. Strategic success lies in focusing attention at all levels on key business imperatives that can be achieved through effective performance management (Bennett and Minty, 1999:58). Murphy et al. (1996) argue that in organisational theory three fundamental theoretical approaches to measuring organisational effectiveness have evolved, one being the goal-based approach which suggests that an organisation be evaluated against the goals it sets for itself (Etzioni 1964). However, organisations have varied and sometimes contradictory goals, making cross-firm comparisons difficult.

Reinforcement for the notion that organisations aspects within organisations vary is that scholars often restricted their study sample to define industries in order to control the disparities between various industries with respect to performance and the firm's profitability (Beard and Dess, 1981; Miller and Tolousse, 1986). The systems approach partially compensates for the weakness of the goal-based approach by considering the simultaneous achievement of multiple, generic performance aspects (Georgopolous and Tannenboum, 1957; Yutchman and Seashore, 1967; Steers, 1975). Both the goal and systems approaches fail to adequately account for differences between stakeholder groups' perspective on performance. The multiple-constituency approach factors in these differences in perspectives and examines the extent to which the agenda of various stakeholder groups are satisfied (Thompson, 1967; Pennings and Goodman, 1977; Pfeffer and Salancik, 1978; Connolly and Deutsch, 1980).

Venkatraman and Ramanujam (1986) discusses organisational performance measurement in terms of three hierarchical constructs: organisational effectiveness, operational performance and financial performance. They argue that these three organisational theoretic perspectives reflect the writings on organisational effectiveness construct. This study supports the organisational theory as relevant to this study, as it takes a holistic view of the organisation and its operations. Focus is given to all internal components of the organisation, i.e. management, employees, organisational goals, strategy to achieve those goals, allocation of resources, as well as the external environment, i.e. stakeholders,

customers, competitors, legal issues etc. To sustain success, the organisation also deals with its weaknesses and enhance its strength.
Motivational factors yield positive satisfaction, and are inherent to work in that they motivate the employees towards achieving a superior performance. These are:

- Recognition – employees should be praised and recognised for their accomplishments by their managers.
- Sense of achievement – employees must have a sense of achievement.
- Growth and promotional opportunities – there must be growth and upward mobility to motivate employees to perform well.
- Responsibility – employees must hold themselves responsible for their work.
- Meaningfulness of the work – the work itself should be meaningful, interesting and challenging for the employees to perform and be motivated.

2.8. ANALYTICAL APPROACH TO PERFORMANCE MANAGEMENT

There are few comprehensive definitions of performance management. There is also no universal model of performance management. For those authors who agree on a performance management cycle, two elements of that cycle are central and these are objective-setting and formal appraisal (Milliman et al, 1998; Fletcher and Perry, 2001; Lindholm et al). The South African Government (2000) describes performance management as managing the performance of an organisation or individual.

While this is not a precise definition grounded in literature, it demonstrates the breadth of performance management and hence the difficulty in defining its scope, activities and practice. It demonstrates that performance management is concerned with the management of performance throughout the organisation and as a result is a multidisciplinary activity. As explained by Osborne and Gaebler (1992), 'What gets measured gets done. If you don't measure results, you can't tell success from failure. If you can't see success, you can't reward it. If you can't reward success, you are probably rewarding failure. If you can't see success, you can't learn from it, if you can't recognise failure, you can't correct, if you can demonstrate results, you can win public support.'

In the context of PMS in Dihlabeng Local Municipality, this approach can be applied without modifications because of literacy and education levels among the senior managers of the institution and the existence of PMS in the institution. Lack of knowledge and approach are some of the factors that contribute to the Municipality's (particularly Dihlabeng Local Municipality) lack of understanding of the PMS and the processes surrounding it (Auditor-General Report, 2012-2013).

2.9. PERFORMANCE MANAGEMENT IN CONTEXT

Performance management has been seen over time as a strategic approach to management which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organisation and its employees (Hill et al, 2007) in terms of indicators to determine efficiency, effectiveness and impact, thereby ensuring improved delivery and value for money.

Performance can also be defined as, 'the accomplishment, execution, carrying out, and working out of anything ordered or undertaken' (Isaac, 2002). This essentially refers to output, outcomes or accomplishment, but also states that performance is about doing the work as well as about the results achieved. Anguinis (2009) defines performance management as a continuous process of identifying, measuring and developing the

performance of individuals and aligning performance with the strategic goals of the organisation.
The elements of the performance management system cycle include setting objectives; measuring performance; feedback of performance results; reward system based on performance outcomes; and amendments to objectives and activities (Mabey, Salaman and Storey, 1999).

Performance management in municipalities is perceived in terms of its capacity for effective and efficient service delivery to enable a wide range of actors in the society to deliver on the developmental goals and objectives of the institution. This notion clearly defines the role of performance management in state institutions and local government is correctly accommodated therein.

Performance management is concerned with the management of performance throughout the organisation and, as a result, is a multi-disciplinary activity. This definition further demonstrates the critical role performance management plays in organisations. This gives credence to the assumption that poor implementation of performance management and other factors leads to poor service delivery that results in community protests, as observed by Atkinson (2005). The debates about the nature of strategy and its formulation, warns (Mintzberg, 1994) should not fail to recognise the context in which PMS operates.

Performance can therefore be regarded as a behavioural issue – the way in which organisations, teams and individuals get work done. It is a means of getting better results from the organisational teams and individuals by understanding and measuring performance within an agreed framework of goals, standards and competence requirements.

Performance management is also concerned with satisfying the needs and expectations of all the organisation's stakeholders and indeed the entire public (Isaac, 2002). It adopts a future-oriented strategic focus and is applied to all employees in order to maximise their current performance and future potential. This approach, if implemented successfully, will always keep the organisation ahead of its peers or competitors.

The management discipline which most often associates itself with performance management is mainly Human Resources (HR) and is concerned with the best management of the performance of people. It involves the productive use of people in achieving the organisation's strategic objectives and the satisfaction of individual employee needs (Stone, 2005:4) However, even in the HR field, best practices emphasise the contribution of people, the organisation's most important asset, to the achievement of organisational goals (Du Plessis et al 2006:6).

The area in which the multi-disciplinary nature of performance management has been most extensively and effectively researched is that of performance measurement. Themes from the field of strategy, accounting and operations management have converged to form a field that is developing a momentum of its own. For instance, the well-known approach to performance measurement, the Balanced Scorecard, is now widely used as a strategy development and execution tool, but was developed in an operational environment by Kaplan, a professor of Accounting (Kaplan and Norton, 2001).

Subsequent to their review of performance management literature, Neely, Gregory and Platts (1995) defined performance management in its strictest sense as the process of quantifying the efficiency and effectiveness of action. They went further to identify the activities required to measure performance by defining a performance measurement system as consisting of three inter-related elements, namely individual measures that quantify the efficiency and effectiveness of actions; a set of measures that combine to assess the performance of an organisation as whole; and a supporting infrastructure that enables data to be required, collated, sorted, analysed, interpreted and disseminated. Ultimately this indicates that performance management is multi-dimensional and it requires a number of measures for assessment.

Existing literature identifies a variety of reasons for managing performance falling into categories which include Strategy Formulation (determining what the objectives of the organisation are and how the organisation plans to achieve them); Strategy Implementation (examining whether an intended strategy is being put into practise as planned); Challenging Assumptions (focusing not only on the implementation of an intended strategy but also on making sure that its content is still valid; and Checking Position (looking at whether the expected performance results are being achieved). It is important to comply with the non-negotiable parameters by ensuring that the organisation is achieving the minimum standards needed if it is to survive, such as legal requirements or environmental parameters. This could be achieved by evaluating and rewarding behaviour in order to focus employees' attention on strategic priorities and to motivate them to take action and make decisions which are consistent with the organisational goals (South African Government, 1998).

Strategic Performance Management (SPM) is normally classified into three main categories (South African Government, 1996):

1. Strategic: comprising the roles of managing strategy implementation and challenging assumptions.
2. Communication: comprising the role of checking position, complying with non-negotiable parameters, communicating direction, providing feedback and benchmarking.
3. Motivational: comprising the role of evaluating and rewarding behaviour, and encouraging improvement and learning.

Of these, the one that differentiates the SPM system from a more traditional management control system such as an accounting system is the strategic focus (Sprinkle, 2003). Furthermore, when performance management is used for ensuring that the strategy is being implemented as well as questioning the validity of the strategy, it can be argued that this system is similar to what others refer to as a ‘strategic control system’ (Asch, 1992). Previous research on this subject suggests that how an SPM system is used influences business outcomes (Blenkinsop and Burns, 1992).

Simons (1990) argues that management control systems used interactively could guide organisational learning, influence the process of strategic control and therefore influence business results. Despite arguments from various scholars on performance management, this study appreciates that various social processes and power systems within which organisations operate together with the broader organisational and country cultural context are important mediating factors in the operation and success of any system (Clark, 1998), PMS included.

A performance management system is meant to be interactive (Neely, 1998; Kaplan and Norton, 2001) because its primary roles are to facilitate the implementation of the business strategy and to question strategic assumptions. Given the multitude of measures, managers who try to use the balanced scorecard as an interactive system will be overloaded. As a result, they will not be able to use the system interactively. However, this argument may be countered by the findings of Lipe (2000) and Salterio (2002). Both researchers have independently found that the use of the scorecard framework helps managers’ judgement, helps improve their focus on what is important, and does not create space for information overload.

Nilsson and Kald’s (2002) survey of Nordic firms found that SPM systems are both diagnostic and interactive. This study notes that other factors like capacity, resources, motivated employees and a conducive environment also play a part in effective and successful implementation of performance management system.

2.10. OBJECTIVES OF PERFORMANCE MANAGEMENT

The overall objectives of performance management as contained in the Public Service Regulations are supported by Armstrong (1998) who indicates that from both a private and public sector perspective the objectives can be defined as follows:

- To align organisational and individual goals;
- To foster organisation-wide commitment to a performance-oriented culture;
- To develop and manage the human resources needed to achieve organisational results;
- To identify and address performance inefficiencies;
- To create a culture of accountability and a focus on customer service; and
- To link rewards to performance.

Performance management is intended to be a process that assists organisations in establishing a climate conducive to motivating employees to develop and achieve high standards of performance. Contrary to widely held views, it is not an annual event but rather an ongoing day-to-day participative process that is intended to:

- Ensure a common understanding of performance expectations;
- Constantly improve employee competencies and raise employees' enthusiasm to meet performance expectations;
- Develop employees; and

- Recognise and reward employees who constantly perform at a superior level, assist and/or sanction those who do not perform according to expectation.

2.11. CHALLENGES OF POOR IMPLEMENTATION OF PMS IN DIHLABENG LOCAL MUNICIPALITY

The social processes and power systems within which organisations operate together with the broader organisational and country cultural context are important mediating factors in the operation and success of any system (Clark, 1998), PMS included.

The development of PMS in Dihlabeng Local Municipality has been characterised by several challenges throughout its entire implementation. There is no well-resourced team, (financially, human resource and technically) that focuses on performance management system. There is only one Manager who is responsible for performance management, he has no support staff and has little resources.

The understanding and implementation of all elements of performance management cycle is key, but this was lacking in Dihlabeng local municipality. The structures and processes of engaging employees and other stakeholders, resources and a conducive environment (Sloman, 1997:167), are not in place in Dihlabeng local municipality. There is a direct link between effective implementation of performance management and service delivery, and the opposite of this was demonstrated by service delivery protests during the period 2004-2009. There are also reasons why employees have performance problems, such as lack of competence, fear of failure, poor management and job insecurity (McKenna and Master, 2002).

The challenges as identified by the Auditor General (A-G) in his audit findings of 2012–2013 concerning Free State municipalities, particularly Dihlabeng Local Municipality, were as follows:

1. The MSA section 41(c) requires that the integrated development plan should form the basis for the annual report, thereby requiring consistency of objectives, indicators and targets between planning and reporting documents.
2. The National Treasury FMPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. This was due to the fact that the review of the performance indicators and targets was not appropriately scheduled and performed to ensure that predetermined indicators and targets are specific, measurable, achievable, relevant and time-bound in terms of section 41(1b) of the MSA and the FMPPI.
3. The National Treasury FMPPI requires that performance targets be measurable.
4. The National Treasury FMPPI requires that indicators/measures should have clear unambiguous data definitions so that data are collected consistently and are easy to understand and use.
5. The National Treasury FMPPI requires that it must be possible to validate the processes and systems that produce the indicator.

With reference to the above findings by the Auditor General on Dihlabeng Local Municipality's PMS, which this study supports, which did not meet the requirements, it was clear that the current PMS framework, PMS policy, IDP and SDBIP presented challenges in realising the objectives for which they were developed.

Lack of resources (human, technical and financial) contributed to challenges of poor implementation of performance management. The location of this responsibility with a manager who has Directors above him presents challenges of seniority when reports are requested or instructions are issued to superiors. This has a negative impact on service delivery in the municipality.

Dihlabeng Local Municipality is required to serve the community in an efficient and effective manner. This will definitely materialise if its performance management system takes root by establishing clear responsibility and accountability. The PMS process needs to be part of a holistic approach to manage performance, and developing and implementing new effective and reliable PMS may not be an easy task.

The development of KPIs should fulfil the following requirements:

1. KPIs should be able to measure one dimension of performance at a given time.
2. KPIs should be easy to calculate and should be at a reasonable cost, given the financial and administrative capacity of the municipality.
3. Minimise combining too much information in one indicator to ensure clearer meaning.
4. KPIs must measure only those dimensions that the municipality intends to measure.
5. KPIs must measure only those dimensions that enable the municipality to measure progress on its objectives.
6. They should measure performance in areas falling within their powers and functions.
7. They should measure performance of the year in question.
8. KPIs must measure quality, quantity, efficiency, effectiveness and impact.
9. KPIs should state what is to be measured without ambiguity.

Central to the PMS is the development of the measurement system with key performance indicators (KPI’s) as instruments to assess performance. The

KPI’s help to translate complex municipal challenges into quantifiable and measurable outputs, which was not the case in Dihlabeng local municipality.

2.13. LEGISLATIVE AND REGULATORY FRAMEWORK UNDERPINNING PMS AT LOCAL GOVERNMENT LEVEL

The legislative environment that governs performance management is anchored in the following pieces of legislation and regulations:

- The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) – section 152 deals with the objects of local government and provides the foundation for performance management with the requirements for an “accountable government”. Section 195(1) links the democratic values and principles with the concept of the promotion of efficient, economic and effective use of resources, accountable public administration and transparency by providing information, being responsive to the needs of the community, and facilitating the culture of public service and accountability amongst staff.
- The White Paper on Local Government (1998) – this provided the foundation for the adoption of the Municipal Systems Act of 2000 (Act 32 of 2000) and served as a major PMS policy instrument.
- Municipal Structures Act, 1998 (No.117 of 1998) – identifies the needs of the community.
- The Local Government: Municipal Systems Act (MSA), 2000 (No.32 of 2000) – the major PMS policy instrument is the White Paper on Local Government (1998) supported by Batho Pele Principles, which policies were given legal status through the adoption of the Municipal Systems Act (MSA), 2000 (No. 32 of 2000). The Act in question requires the municipality to:
    - Develop a performance management system;
    - Set targets, monitor and review the performance of the municipality based on indicators linked to their Integrated Development Plan (IDP).

- Municipal Finance Management Act (MFMA), 2003 (No. 56 of 2003) – contains various elements related to municipal performance management. It requires municipalities to annually adopt a service delivery and budget implementation plan (SDBIP) with the service delivery targets and performance indicators.
- The Local Government: Municipal Planning and Performance Management Regulations, (No. 796, 24 August 2001) hereafter referred to as the PM Regulations – the Municipal Planning and Performance Management Regulations set out in detail requirements for municipal performance management systems.

    a) The framework that describes and represents the municipality's cycle and processes for the performance management system and other criteria and stipulations, and the adoption of the PMS;
    b) The setting and review of key performance indicators (KPIs).
    c) The general KPIs.
    d) The setting of performance targets and the monitoring, measurement and review of performance.
    e) Internal auditing of performance measurements.
- The Labour Relations Act (LRA) (No. 66 of 1995) regulates relation between employer and employee, roles and responsibilities, powers and functions and dispute resolution mechanisms.
- Regulations for Municipal Managers and managers directly accountable to the Municipal Managers, 14 August 2006 – the Minister published Regulations for Municipal Managers and Managers directly reporting to MM's (section 57 employees) describing the process of how performance of municipal managers will be assessed, and how it will be uniformly directed and monitored.
- Batho Pele (1998) – the White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service that should be encapsulated in a municipal performance management system.

Importantly, the Batho Pele White Paper noted that the development of a service-oriented culture requires the active participation of a wider community. Municipalities need constant feedback from service users if they are to improve their operations. Local partners should be mobilised to assist in building a service culture.

- King Report on Corporate Governance for South Africa 2002 – the King 3 report has been developed as an initiative of the Institute of Directors in Southern Africa. It represents a revision and update to the initial King 1 Report first published in 1994, in an attempt to maintain standards of governance applicable in South Africa current with the intentions of the South African business community and the public sector's desire to serve as a contribution to the country's ongoing development.
- The King 3 Report of 2002 emphasises the importance of striking a balance between performances (such as decision-making and actions designed to ensure the creation and protection of value) and conformance (such as the demonstrable adherence to due process in coming to such decisions and taking such actions).

Chapter 6 of the Municipal Systems Act (2000) deals with the establishment of performance management systems. The Act stipulates that a municipality must:

- Establish a performance management system that is commensurate with its resources, best suited to its conditions, in line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan.
- Promote a culture of performance management amongst its political structures, political office bearers and councillors, and in its administration.
- Administer its affairs in an economical, effective and accountable manner. As a result, developmental local government not only focuses

on delivery of services but also addresses poverty, unemployment, inequality and other social ills (South African Government, 2000).

Chapter 5 of the Municipal Systems Act and Chapter 7, section 153, of the Constitution of the Republic of South Africa of 1996 encourages municipalities to structure and manage their administration and budgeting and planning processes to give priority to the needs of the community and to promote social and economic development of the community. (South African Government, 2003).

Chapter 7 of the Constitution of the Republic of South Africa of 1996 states that one of the objectives of local government is to ‘ensure the provision of services to communities in a sustainable manner’. To give impetus to and complement this chapter in the Constitution is the existence of Chapter 6 section 40 of the Municipal Systems Act of 2000, which clearly encourages monitoring and review of performance management in municipalities.

The 2001 Municipal Planning and Performance Management Regulations stipulate that the PMS Framework should serve as a policy document that will set out the requirements to be fulfilled by the Dihlabeng Local Municipality’s PMS, the principles that informed its development and subsequent implementation, the preferred performance model of the Municipality, the process by which the system will work, the delegation of responsibilities for different roles in the process, and a plan for the implementation of the system.

This study acknowledges that there is sufficient legislative and regulatory framework for effective implementation of performance management, and other factors mentioned earlier, i.e. understanding performance management cycle, capacity, resources and conducive environment, amongst others, should also be considered when dealing with challenges of poor implementation of performance management in Dihlabeng local municipality.

2.14. BEST PRACTICES

The City of Johannesburg (CoJ) is the economic hub of South Africa and one of the two largest cities on the African continent. With more than 10 million people, and more still migrating because of schools, academic institutions, health centres, job opportunities because of industrialisation and a number of other economic activities, CoJ was able to succeed and sustain development because of successful implementation of their performance management, amongst other things. The refurbishment of roads and stadia prior to the soccer World Cup 2010 drew on the best of the capacity and resources that the CoJ could mobilise then, and there is a direct link with the successful implementation of its performance management. With the O.R. Tambo international airport and road networks in Ekurhuleni as well as the increase in industries, the Metro positioned itself to be counted amongst the success stories. With CoJ and Tshwane Metro close by, Ekurhuleni is championing the issue of regional cities, which may see the three metros (CoJ, Tshwane and Ekurhuleni) forming one regional city to pursue economic development, (South African Government, 2000).

Mangaung Metro is undertaking a number of development initiatives that could change the face of the municipality. The commitment from senior managers and all employees to collaborate in realising the objectives of the metro above individual interests is highly positive. One of its more successful stories is the effective implementation of its performance management system, (South African Government, 2000).

Thabo Mofutsanyana District Municipality has become the first municipality in the Free State to obtain an unqualified audit opinion with no matters (clean audit opinion 2014/2015, although accountants advise against using this term). Stability in the organisation, and recruiting suitably qualified, competent and skilful employees, especially at senior management level, has brought about the desired results, (South African Government, 2000).

Nala Local Municipality has been in a disclaimer mode for a long time, and at times has not submitted financial statements for audit purposes. With the correct and competent leadership, coupled with the support from Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs (COGTA), Nala is the first municipality to move from a disclaimer to unqualified audit opinion, (Auditor-General Report, Free State Municipalities, 2014/2015).

In conclusion, scholars and past research confirm that the performance management system is a necessary tool that helps to co-ordinate the institution's strategic planning as well as the human, financial and technical resources towards achieving the set objectives. Key performance indicators that are specific and unambiguous assist to monitor the progressive implementation of the strategic objectives and ensure that everybody plays his or her role, funds are spent as agreed and time-frames are respected.

This process allows for intervention and corrective measures to be implemented where and when it is necessary to ensure that the set objectives are on course. There is a regulatory and legislative framework that informs the implementation of performance management, not for the purpose of malicious compliance but for effective and efficient purposes that will yield desired results. The focus on the next chapter will be on research methodology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. RESEARCH STRATEGY

This chapter of the study will focus on the research philosophy and method. The methodology will explore in Dihlabeng Local Municipality, what the challenges are that lead to poor implementation and how that impacts on service delivery. There are three kinds of strategic approaches: qualitative, quantitative and mixed method. This study used the mixed method approach which has elements of both qualitative and quantitative research methods. This study will benefit from this approach in that one is going to complement the other. The data that may not be fully collected through questionnaires will be collected and fully clarified through interviews.

3.2. QUANTITATIVE RESEARCH

This is a systematic empirical investigation of observable phenomena through statistical, mathematical or computational techniques, or explaining a phenomenon by collecting numerical data. The purpose is to quantify data and generalize results from a sample to the population of interest. It is also intended to measure the incidence of various views and opinions in a chosen sample. It entails a deductive approach to the relationship between theory and research in which the emphasis is placed on the testing of theories.

This research strategy is structured and static. It places emphasis on the point of view of the researcher, allowing the researcher to be removed from the investigation and theory and concepts which are tested in the research (Powell and Connaway, 2004:3). Quantitative research has noticeable features or characteristics such as single reality that can be defined by careful measurement and is usually concise and describes or examines relationship and determines causality among variables, where such is possible, (Brink and Woods 1998:305; Burns and Grove 1997:27-30 and 1999:192). A hypothesis is deduced and is tested using the following main steps or process in this research strategy:

- Theory – refers to an explanation of observed regularities or an idea or set of ideas intended to explain something, or a set of principles on which an activity is based. In the context of social research, reference is made to inductive or deductive theories or approaches. The purpose of theory is to generate hypotheses that can be tested and that will thereby allow explanations of laws to be assessed.
- Hypothesis – is a declarative statement about the relationship between two or more variables. It is an informed speculation or an educated guess which is set up to be tested about the possible relationship between two or more variables based on theory. This is usually found in correlation with quantitative research and it states a difference or relation.
- Research design – there are five types of research design in social research, which are experimental design, cross-sectional or survey design, longitudinal design, case study design and comparative design.
- Devise measures of concepts – concepts are the way in which people make sense of the social setting or world and are key ingredients of theories. Concepts serve several purposes in the conduct of social research and are important in how people organise and signal their research interests to the intended audience. They help to think about and be more disciplined about what it is that people aim to conduct research on and simultaneously assist with the organisation of research findings.
- Select research sites and subjects or participants – a unit of analysis must be bounded and subjects or participants must be relevant and

representative enough of the population that is being investigated. The participants may refer to the people who are being investigated or interviewed in relation to the investigation.

- Administer the research instrument or collect data – data refers to the valuable information that is relevant to the research. There is primary, secondary and tertiary data. Primary data refers to researcher-generated documents or an event which the researcher witnessed, such as personal letters, diaries, visual or aural recordings. Secondary data refers to documents or information written or generated after an event that the author has not personally witnessed, such as analysis, reflections, media reports, organisational records or minutes. Tertiary data refers to sources used to locate other references, such as indexes, abstracts, bibliographies, electronic databases and internet search engines.
- Process the data – a bulk of data is reduced into small, specific, focused and usable information. A series of actions or an established procedure is used to break down this information into a relevant, meaningful and manageable as well as fit-for-purpose resource.
- Analyse the data – a detailed examination of how this processed data link up with the research is then undertaken. This is where the researcher's voice is heard on how the processed data has enhanced the research, how relevant it is, where the gaps are and what the researcher recommends.
- Write up the findings – having asked the research question, and having collected and analysed data that will assist in responding to the research question, the researcher then writes up what the examination has revealed.

3.3. QUALITATIVE RESEARCH

This is a research strategy that usually emphasises words or text rather than quantification in the collection and analysis of data. It is characterised by its aims which relate to understanding some aspects of social life, and its methods which generally generate words rather than numbers as data for analysis. It describes, either explicitly or implicitly, the purpose of the research, the role of the researcher, the stages of research, and the method of data analysis.

Its purpose or objective is to gain an understanding of underlying reasons and motivation, provide insight into the setting of a problem and generate ideas. The researcher is the main instrument of data collection and is very close to the investigation (Merriam, 2009). This research strategy is unstructured and is a process. The theory and concepts emerge from the data. Interpretive paradigm allows the researcher to capture rich insight into this complex word (Saunders, Lewis and Thornhill, 2009).

The interpretive paradigm is described as a systematic analysis of socially meaningful action through the direct observation of people in their natural settings in order to arrive at a meaningful understanding and interpretation of how people create and maintain their social worlds (Neuman, 2011). It predominantly emphasises an inductive approach to the relationship between theory and research, in which the emphasis is placed on the generation of theories. It has rejected the practices and norms of the natural scientific model and of positivism in particular in performance for an emphasis on the ways in which individuals interpret their own social world or setting. It also embodies a view of social reality as a constantly shifting emergent property of an individual's creation.

3.3.1 The qualitative research strategy process

The following are the steps that constitute the qualitative research strategy process:

- The researcher has to have research questions – the research questions help to keep the researcher focused on what is being investigated, and the investigation aims to respond to the research questions.
- Select a relevant site and subjects – this refers to a specific, identifiable or bounded area or place of investigation, in this case a municipality. Subjects are the participants who are being investigated or who are going to be interviewed in relation to what is being investigated.
- Collect relevant data – gather necessary information that will help the researcher to make sense of the investigation. This can be primary, secondary or tertiary data.
- Interpret the data – a detailed examination is then made into processed data and the voice of the researcher is heard. The researcher points out the relevance of data in the investigation.
- Do conceptual and theoretical work – the researcher must then support the investigation with relevant theoretical framework and concepts.
- Write up the findings or conclusion – having responded to the research questions, the researcher writes up the findings as revealed by the investigation.

3.3.2 Four qualitative research approaches

The four qualitative research approaches are:

Ethnography – this puts emphasis on studying the entire culture, i.e. ethnicity and geography, which relates to culture in a particular area or culture of a defined group or business.
Phenomenology – emphasizes a focus on people's subjective experiences and interpretation of the world, or understanding how the world appears to others.
Field Research – the researcher goes into the field to observe the phenomenon in its natural state and take extensive notes.

Grounded Theory – is the theory that is derived from the data, systematically gathered and analysed through the research process. This study will focus on phenomenology as it emphasized focus on people's subjective experiences and interpretation of the world, or understanding how the world appears to others. The Councillors and Officials of Dihlabeng local municipality were interviewed on their views about their understanding on the implementation of performance management in Dihlabeng local municipality.

3.4 SIMILARITIES BETWEEN QUALITATIVE AND QUANTITATIVE RESEARCH METHODS

There are important similarities between qualitative and quantitative research methods, as explained by Hardy and Bryman (2004). These include the following:

- Both are concerned with data reduction. Large amounts of data are collected, which represent a problem for researchers, because they then have to distil the data. By reducing the amount of data, they can then begin to make sense of the data. In quantitative research, the process of data reduction takes the form of statistical analysis, and in qualitative research concepts are developed out of data.
- Both are concerned with answering the research question (specific in quantitative and open-ended in qualitative). They are both fundamentally concerned with answering questions about the nature of social reality.
- Both are concerned with relating data analysis to the research question. The researchers' findings take on significance in large part when they are related to literature.
- Both are concerned with variation. They both reveal and present the variations that they uncover.
- Both treat frequency as a springboard for analysis.

- Both seek to ensure that deliberate distortion does not occur. Facts must be reported as they are.
- Both argue for importance of transparency.
- Both must eliminate error in their reports.
- Both research methods must be appropriate to the research question.

3.4.1. Fundamental differences between quantitative and qualitative research strategies

Quantitative research is a research strategy that emphasizes quantification in the collection and analysis of data and entails a deductive approach to the relationship between theory and research, in which the accent is placed on the testing of theories. It has incorporated the practices and norms of the natural scientific model and of positivism in particular. It also embodies a view of social reality as an external, objective reality.

By contrast, qualitative research emphasises words or text rather than quantification in the collection and analysis of data. It predominantly emphasizes inductive approach to the relationship between theory and research, in which the emphasis is placed on the generation of theories. It has rejected the practices and norms of the scientific model and of positivism in particular in preference to for an emphasis on the ways in which individuals interpret their own social settings or world. It also embodies a view of social reality as a constantly shifting emergent property of individual creation.

3.5 MIXED METHOD AND TRIANGULATION

The mixed method research strategy has elements of both qualitative and quantitative research strategies. Triangulation is observing a phenomenon from different viewpoints or angles (Neuman, 2013). There are different types of triangulation:

- Data triangulation – using various sources of data to verify a phenomenon;
- Investigator triangulation – using more than one researcher to investigate a phenomenon;
- Theory triangulation – using more than one theory to verify a phenomenon.
- Methodological triangulation – using more than one method or strategic approach to verify a phenomenon.

This study was conducted using a mixed methods approach. This approach has enabled the researcher to carry out an investigation into the experiences of a larger number of Dihlabeng officials and councillors with regard to performance management system and service delivery challenges and the response by the municipality in addressing them by using a quantitative approach with closed questions on a survey questionnaire. At the same time, a qualitative approach has been employed by also including open-ended questions in the survey questionnaire to obtain some in-depth answers about how people make sense of or interpret their experience, and how they construct their world, in this instance the official, in relation to the implementation of performance management system. This has assisted the researcher to have a deeper understanding and interpretation of challenges that influence the extent and impact of the PMS and how this impacts on service delivery.

Relevant literature on performance management in South Africa and across the world has been consulted to determine whether the envisaged research has not been undertaken previously. Government policy documents, the Constitution and other relevant legislation relating to local government and performance management were consulted.

3.6. RESEARCH DESIGN

This study was carried out in Dihlabeng Local Municipality. The research process entailed a single round of administering survey questionnaires to senior managers and councillors of Dihlabeng Local Municipality, as well as community members. This was appropriate for the study as it enabled the researcher to interact with senior members of Dihlabeng Local Municipality and also enabled the researcher to examine the perception of officials and councillors on the challenges of poor implementation of performance management in Dihlabeng Local Municipality.

3.7 DATA COLLECTION

This study relied on secondary data (data collected by someone who did not observe the occurrence) from council minutes and other reports from council committees and oversight structures. Council committees and oversight structures are platforms where items are initiated and processed before they are referred to council for further engagement and decisions. Primary data (data collected for a specific purpose) were derived from questionnaires given to officials and councillors on their interpretation and perspectives on the reports and experience. The official and councillors are relevant in this survey as they are both the employers and employees of Dihlabeng Local Municipality respectively. Ghauri et al (2010) observes that, '…we can't learn about opinions and behaviour without asking directly from people involved'. This would appear to be a logical approach because people who are directly involved have practical experience and direct knowledge.

A survey questionnaire was constructed by the researcher to investigate the views of the people of Dihlabeng Local Municipality about performance appraisal. The questions were designed to cover three themes, namely the process, feedback and supervision, and attitudes towards incentives, with respect to performance appraisal. There were 19 questions which were quantitative in nature, and were essentially closed questions covering these themes. In addition, there were two qualitative questions which were open-ended, requiring descriptive input. One asked a question on what the challenges in implementing the Performance Management system in the Public Service have been, while the other looked at what could be done to improve the Public Service Performance Management System in Dihlabeng Local Municipality.

Permission to carry out the research was obtained from the relevant authorities, the Speaker in the case of Councillors and the Municipal Manager in the case of Officials. Participants were approached while on duty and asked to complete the survey questionnaire. They were reassured that all information was confidential and reminded that they should not write any identifying details on the survey questionnaire sheet.

3.8 SAMPLING

The respondents were selected through a non-random purposive sampling. According to Neuman (2011), purposive or judgemental sampling refers to a non-random sample in which the researcher uses a wide range of methods to locate all possible cases that fit particular criteria. Purposive sampling was ideal in selecting respondents for the research to ensure a reasonable balance. The sample comprised of senior managers, councillors and residents of Dihlabeng Local Municipality.

The sample for the focus of the questionnaire included, but was not limited to, the manager of performance management who was responsible for the implementation of the performance management system in the municipality and was located in the office of the municipal manager, and the IDP manager who was responsible for the implementation of IDP and also located in the office of the municipal manager. The IDP encompasses the strategic objectives of the municipality and the performance of the municipality is judged on the realisation of these strategic objectives.

Members of the Mayoral Committee (MMCs) responsible for Performance Management and IDP were also interviewed, councillors and political heads of the department who accounted to the Executive Mayor, as well as the MMC Finance whose department was responsible for managing the finances and allocating them to various projects and operational programmes and who is also accountable to the Executive Mayor. Unit managers and managers accountable to the municipal manager and the accounting officer himself were included, as were unit managers. They are administratively responsible for managing various units of the municipality and are accountable to the municipal manager, while the municipal manager is the accounting officer and head of the administration. Others who participated were the chairpersons of the Audit Committee and Municipal Public Accounts Committee (MPAC), as these play an oversight role over the executive, while the community development workers and ordinary community members would also help with how the community viewed service delivery.

3.9 PARTICIPANTS

Forty-four employees of the Dihlabeng Local Municipality participated in this research. There were 30 males and 14 females. The mean age of the participants was 44 years. There were 2 people from the Senior Management, 6 Managers in Middle Management, 8 Councillors, 5 Community Development Workers, 5 community members, 8 supervisors and 10 general workers. All participants got and returned filled questionnaires and all of them were interviewed.

3.10 DATA PRESENTATION

Copy of questionnaire is attached as annexure ‘A”, and actual responses can be checked in tables under analysis of findings. 19 questions were asked in a questionnaire covering three themes, namely the process of performance management; feedback and supervision as well as attitudes towards incentives with regard to performance appraisal.

3.11 DATA ANALYSIS

Data from the surveys were captured on an Excel spreadsheet. Quantitative numeric data come from a systematic empirical investigation of observable phenomena. The analysis occurs through statistical, mathematical or computational techniques, or explaining a phenomenon by collecting numerical data. The purpose is to quantify data and generalize results from a sample to the population of interest. Quantitative data are also a way to measure the incidence of various views and opinions in a chosen sample. The quantitative analysis for this research was descriptive and involved frequency counts which were computed on the spreadsheet. This enabled the researcher to collate the data and use tables and graphs for presentation.

For the qualitative analysis, ‘the process of bringing order, structure and meaning to the mass of collected data’ (Ghauri and Gronhaug, 2010) was employed. In this understanding, data are the carrier of information which needs to be interpreted to make sense that addresses the research question. Saunders et al (2003) argues that there is no standardised approach to analysis of qualitative data because one can either undertake data collection and analysis simultaneously or do analysis after collection.

This means that each analyst will use their own style of intellectual craftsmanship. Isaac (2002) observes that a variation in data analysis of qualitative research is because of the difference in research focii, purpose and data collection strategies employed. In this study, data were analysed manually using thematic content analysis approach. Themes were developed from coded data and refined further into categories that were specific enough to be non-repetitive and broad enough to encapsulate a set of ideas contained in numerous text segments. This reduced the data into more manageable sets of significant themes that succinctly summarized the text. Thematic analysis seeks to identify the themes salient in a text at different levels (Attride-Stirling, 2001).

3.12. RELIABILITY AND VALIDITY

Researchers rely on assessments of reliability and validity to evaluate the quality of their measurement methods. Ensuring the reliability and validity of the measure used for the data collection phase of the research helps to ensure the overall quality of the research process and the final product. Reliability estimates the consistency of the measurement. It is the degree to which an instrument measures a construct the same way each time it is used under the same conditions with the same respondents (Key 1997). Validity, on the other hand, involves the degree to which the researcher is measuring what should be measured (Gravetter and Forzano, 2006). If data is collected that is either not reliable or not valid, the results will be meaningless. Where human participants are involved, the research is always subject to human influence and error. It is important to be aware of threats to the validity of the research and to make every effort to minimise these (Trochim, 2006a).

There are three types of validity: content validity; criterion validity and construct validity, as explained below:

1. Content validity – in assessing content validity, the content of the items in the measurement tool are compared with the relevant content domain for the construct that is being measured (Trochim, 2006a). Content validity can be assessed by employing experts in the field to examine the measure (Key,1997; Rymarchyk, n.d.) or by conducting a literature review of the construct (Landridge and Hagger-Johnson, 2009).
2. Criterion validity – in assessing criterion validity, the performance of the measure is compared against a predetermined set of criteria. Most

often, this is done by making predictions of how the researcher's conceptualisation of the construct (in the form of the measurement instrument) will perform, based on the theory related to the construct (Trochim, 2006a). There are two types of criterion validity, namely predictive validity and concurrent validity. Predictive validity refers to the measure's ability to predict something it should theoretically be able to predict (Trochim, 2006a). Concurrent validity refers to the measure's ability to identify accurately the current behaviour or status of an individual (Foxcroft and Roodt, 2009).

3. Construct validity – refers to the extent to which the operationalisation of the construct taps into the actual theoretical construct the researcher is trying to measure. There are two forms of construct validity, namely convergent and discriminant (Trochim, 2006a). To establish convergent validity, it is necessary to show that measures that should be related are in reality related (Trochim, 2006a). To establish discriminant validity, it must be shown that measures that should not be related are in reality not related. If there is discriminant validity, the relationship between measures from different constructs should be very low (Trochim, 2006a).

Before the research is conducted, the researcher must investigate the extent to which the measuring instrument measures reliability, and pay adequate attention to how to decrease the threats to reliability before proceeding. There are four classes of reliability estimates: inter-rater reliability; test-retest reliability; parallel forms reliability; and internal consistency.

Inter-rater reliability is used to examine how similar two or more different observers rate a particular phenomenon. Test-retest reliability is used to assess the consistency of data collected with a given measure from one point in time to another. Parallel forms reliability is used to assess how consistently the same group of people respond to two different measures that are designed to measure the same construct. Internal consistency measures the extent to which the individual items within a measuring instrument are measuring the same construct consistently.

3.13 LIMITATIONS OF THE STUDY

The researcher is the political head of the institution, which may have made it difficult for participants to be honest and objective in giving out accurate and relevant information to the study. They may have told the researcher what they thought he wanted to know, or they may have been suspicious of his intentions.

It was difficult for the researcher to collect data from all directorates and units due to time constraints. The researcher had limited time to conduct the research and this therefore meant that the researcher did not have sufficient time to go back to respondents to seek clarity on areas which may have been found to be unclear or contradictory when analysing the data.

3.14 ETHICAL ISSUES

The findings of this research ensured that no individual participant was identified or identifiable. A further area for consideration related to the possibility of harm to the researcher or participants. In this case neither the participant nor the researcher were exposed to any harm as the participant's role was clarified as being voluntary, and that participation could be withdrawn at any time during the process (Merriam, 2009). There was no invasion of privacy of the participants as the researcher sought the consent of the participants before completing the survey questionnaire. The researcher also asked for permission from the Speaker and Municipal manager (for councillors and municipal officials' participation in the research) to carry out the research (Merriam, 2009).

The questionnaires were retained in a safe place until the research study was completed. The researcher will destroy all of the questionnaires at an appropriate time which will further ensure anonymity of respondents. The results have been locked in a safe place and access to them will only be granted on legitimate request. The participants were informed that they would be provided with the findings on request.

The findings of this study can be used for decision-making and serve as a case study for other municipalities in the Free State Province that may face challenges in relation to the effective and efficient implementation of the performance management system. The next chapter will deal with findings.

CHAPTER FOUR

PRESENTATION OF THE FINDINGS

4.1 INTRODUCTION

Whereas there are a few comprehensive definitions of performance management, there is also no universal model of performance management, as this study has noted in the literature review. There is limited evaluation of performance management, as argued by Williams (2002), but many organisations are dissatisfied with their schemes as a means for developing and motivating people, (Fletcher, 1997). Indeed there is no conclusive evidence that performance management works (Winstanley and Stuart-Smith, 1996)

4.2. THEMATIC PRESENTATION

In the previous section it was explained that the survey questionnaire covered three themes, namely the process, feedback and supervision, and attitudes towards incentives with regard to performance appraisal. The thematic issues raised relate to how strategic performance management system is used to influence business outcomes (Blenkinsop and Burns, 1992). These themes will now be presented, along with the 19 questions covering these themes.

4.2.1 Process

Establish performance standards: the managers must determine what outputs, accomplishments and skills will be evaluated. These standards should have evolved out of job analysis and job description. These performance standards should also be clear and objective to be understood and measured. Standards should not be expressed in an articulated or vague manner such as ‘a good job’ or ‘a full day’s work’ as these vague phrases convey nothing.

Communicate performance expectation to employees: Once performance standards are established, these need to be communicated to the respective employees so that they come to know what is expected of them. Past experience indicates that not communicating standards to the employees compounds the appraisal problem. It must be noted that mere transference of information (relating to performance standards) from the manager to the employees is not communication. It becomes communication only when the transference of information has taken place and has been received and understood by the employees. The feedback from the employees on the performance standards communicated to them must be obtained. If required, the standards may be modified or revised in the light of the feedback obtained from the employees.it is important to note that communication is a two-way process.

Measure actual performance: In this stage, the actual performance of the employee is measured on the basis of information available from various sources such as personal observation, statistical reports, oral reports and written reports. The evaluator’s feelings should not influence the performance measurement of the employee. Measurement must be objective, based on facts and findings. This is because what we measure is more critical and important to the evaluation process than how we measure.

Compare actual performance with standards: In this stage, the actual performance is compared with the pre-determined standards. Such a comparison may reveal the deviation between standard performance and actual performance and will enable the evaluator to proceed to the fifth step in the process, i.e. the discussion of the appraisal with the employees concerned.

Discuss the appraisal with the employee: In this stage the results of the appraisal are communicated to and discussed with the employee. This is, in fact, one of the most challenging tasks the manager faces, to present an accurate appraisal to the employees and then make them accept the appraisal in a constructive manner. A discussion on appraisal enables employees to know their strengths and weaknesses. This, in turn, has an impact on their future performance. That impact may be positive or negative depending upon how the appraisal is presented and discussed with the employees.

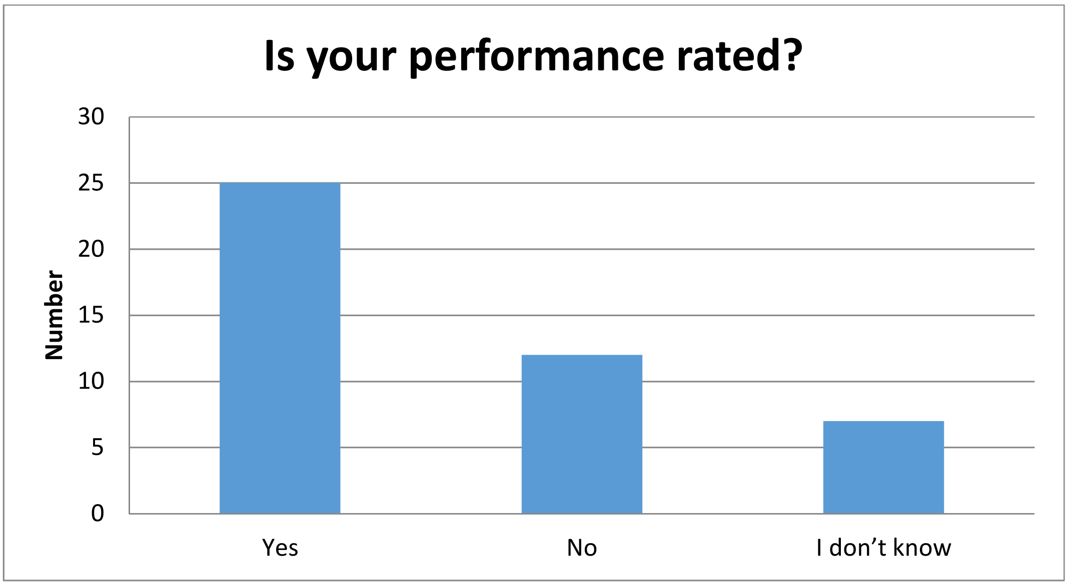
Initiate corrective action: In this final stage corrective action should be initiated when it is necessary. The areas needing improvement are identified and then the measures to correct or improve the performance are identified and initiated. The corrective action can be of two types, one is immediate and deals predominantly with symptoms, or putting out fires. The other is basic and delves into causes of deviations and seeks to adjust the difference permanently. This type of action involves time to analyse deviations. Hence, managers often opt for the immediate action or putting out fires. Training, coaching, counselling etc., are common examples of corrective actions that managers initiate to improve the employee performance.

There were six questions posed in relation to this theme. The results on whether performance is rated may be seen below in Table 1 and are represented graphically in Figure 1.

Table 1: Is your performance rated?

Yes	No	I don't know
25	12	7

Figure 1: Is your performance rated?



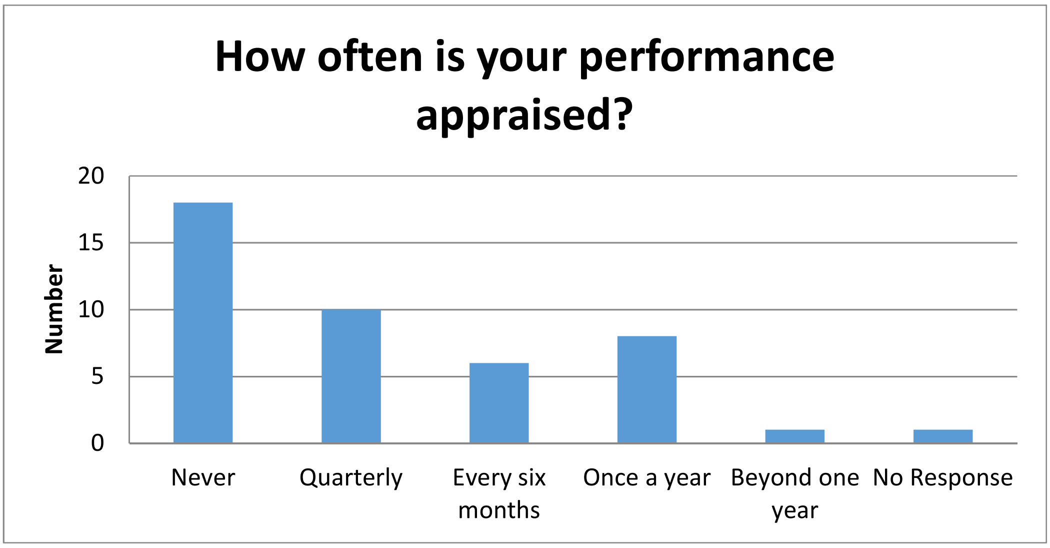
From these results it can be seen that 56,8% indicated that performance was rated (classification of performance based on standard or quality), while 27,3% said it was not, and 15,9% did not know. If 56,8% of participants agreed that their performance is rated, and 27,3% said no to the same question while 15,9% said they don't know, giving three different and contradictory answers to the same question, this calls for the performance rating to be reviewed. and the process is not communicated to and understood by the employees of the organisation.

The results on how often performance is rated may be seen below in Table 2 and are represented graphically in Figure 2.

Table 2: How often is your performance appraised?

Never	Quarterly	Every six months	Once a year	Beyond one year	No Response
18	10	6	8	1	1

Figure 2: How often is your performance appraised?



From these results it can be seen that most of the respondents, namely 40,9% said that their performance is never appraised (assessment of value or quality), while 22,7% said their performance is appraised quarterly, 13,6% said every six months, 18,2% said once a year, and 2,3% each said beyond a year or did not respond. On how often the performance is appraised, 40,9% said it is never appraised, 22,7% said quarterly, 13,6% said in six months while 18,2% said in a year; 2,3% did not know and 2,3% did not respond. A majority of participants said performance is never appraised, while a combined majority of participants gave different answers to the same question, making their responses doubtful. This means that there is no fixed time-frame or schedule on how often performance is appraised, and this suggests a need for review in order to develop one agreed schedule for all employees.

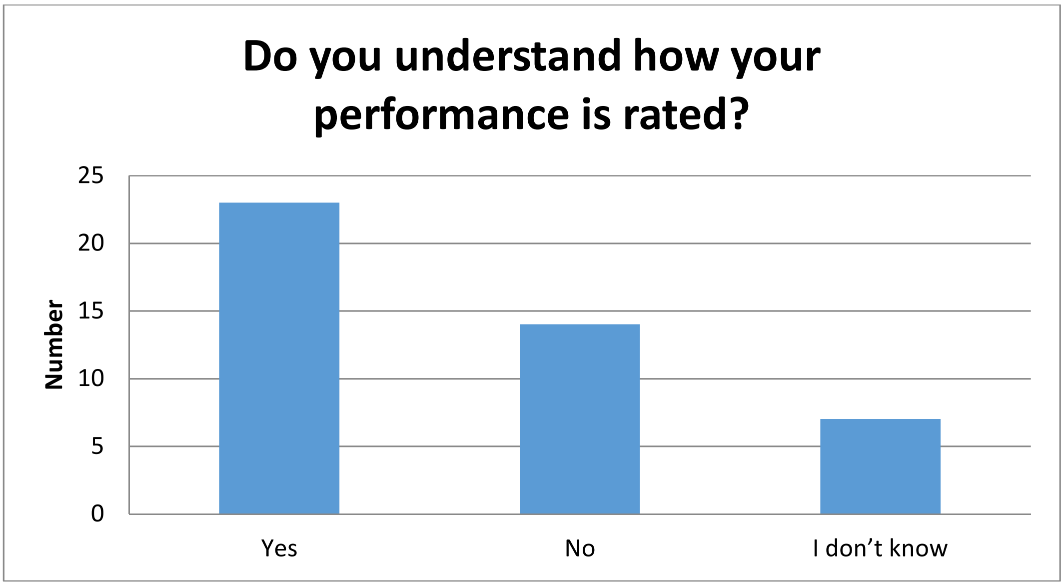
The results on the understanding of how performance is rated may be seen below in Table 3 and are represented graphically in Figure 3 below.

Table 3: Do you understand how your performance is rated?

Yes	No	I don't know
23	14	7

From these results it can be seen that 52,3% did understand how performance is rated, while 31,8% did not, and 15,9% did not know.

Figure 3: Do you understand how your performance is rated?



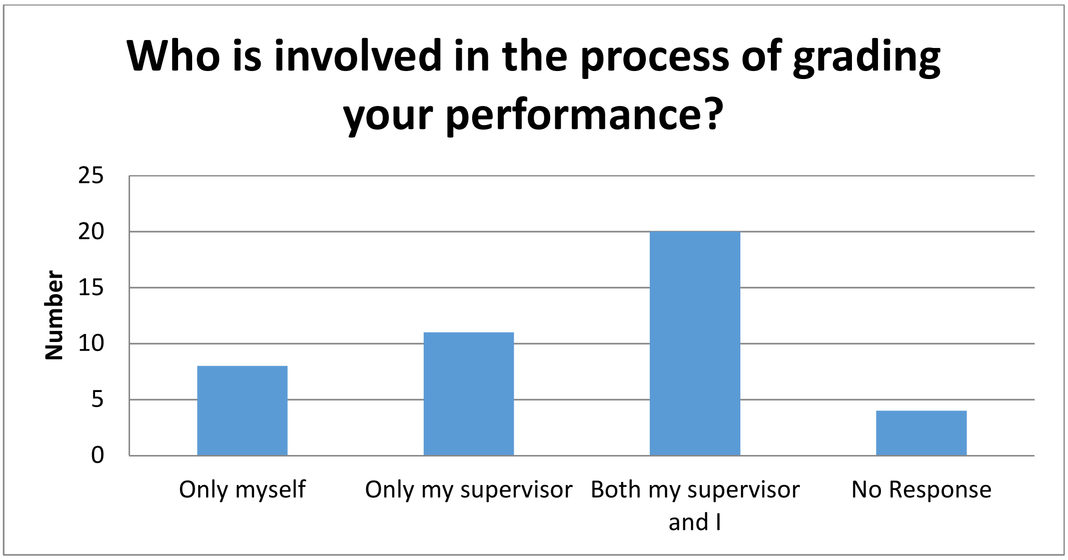
52,3% of the respondents said they did understand how performance is rated, 31,8% said no, while 15,9 did not know. A single majority said they understood the process, but if one adds the number of those who said no together with those who do not know, the combined majority of participants did not understand how performance is rated in the organisation.

The results on who was involved in the process of grading performance may be seen below in Table 4 and are represented graphically in Figure 4.

Table 4: Who is involved in the process of grading your performance?

Only myself	Only my supervisor	Both my supervisor and I	No Response
8	11	20	4

Figure 4: Who is involved in the process of grading your performance?



On who is involved in the grading of performance process, 45,5% said they are involved together with their supervisors, 25,0% said only supervisors are involved while 18,2% do it themselves. 4,1% gave no response . This means there is no single process of grading performance. Sometimes employees do it themselves, while in some cases supervisors do it and in other cases supervisors and subordinates do it together. This means that the grading process is open to abuse, since where participants are on their own they will be biased towards themselves, and some employees may be victimised by their supervisors. A single organisational process that involves both supervisors and employees must be implemented. The view of participants on this matter can't be trusted because 45% said they're involved with their supervisor while a combined total of 47,3 gave various responses ranging from supervisors only, doing it by themselves without supervisors while others did not respond at all. The process of grading performance should be a coordinated one by management with the involvement of employees whose performance is been graded, and since almost half of the respondents did not understand the process of performance rating, they can't say with certainty what they're involved in.

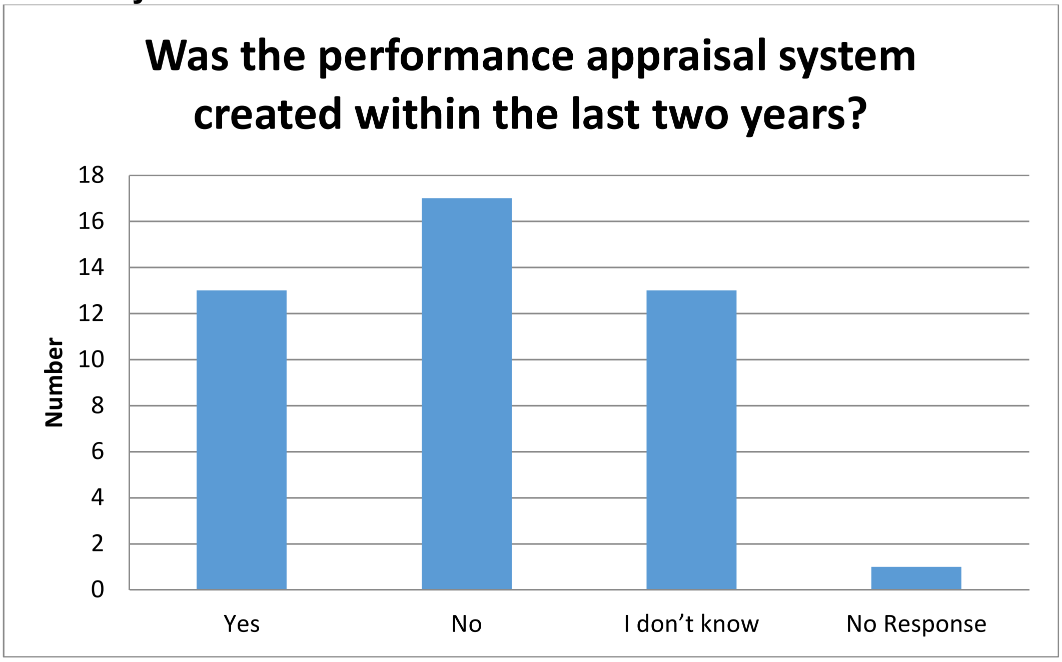
From these results it can be seen that 18,2% said only themselves and 25,0% said only their supervisors were involved in the process of grading performance, while 45,5% said both themselves and their supervisors were involved in the process of grading performance, and 9,1% gave no response.

The results on the question as to whether the performance appraisal system was created within the last two years may be seen below in Table 5 and are represented graphically in Figure 5.

Table 5: Was the performance appraisal system created within the last two years?

Yes	No	I don't know	No Response
13	17	13	1

Figure 5: Was the performance appraisal system created within the last two years?



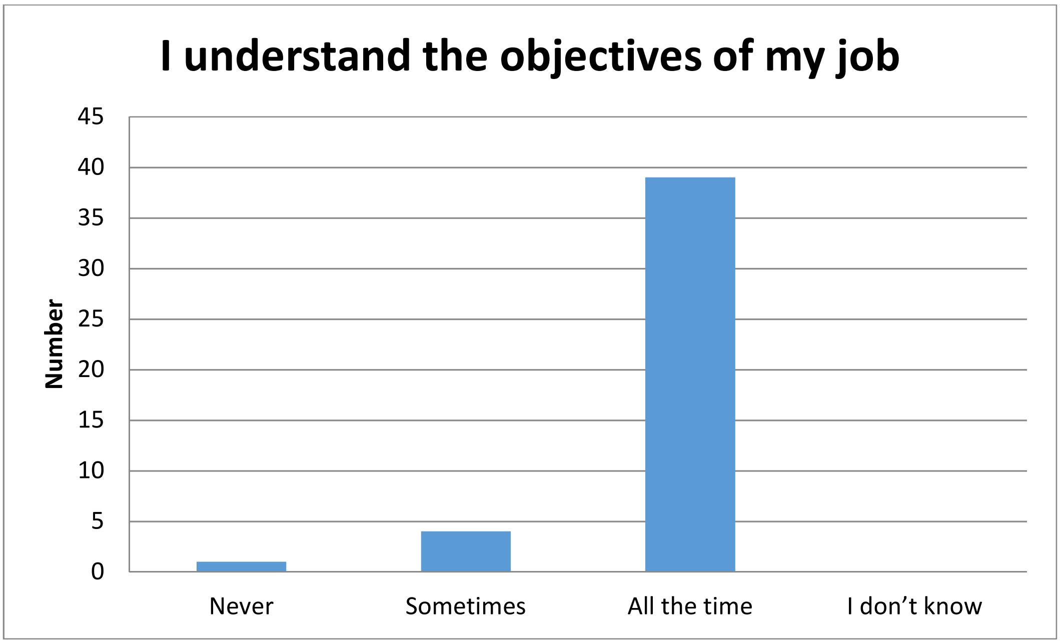
From these results, it can be seen that 29,5% said yes, the performance appraisal system was created within the last two years, while 38,6% said no, and 29,5% did not know. There was 2,3% that did not respond. This view can’t also be trusted because a combined majority of 70,4% either disagreed, did not know or didn’t respond, suggesting that respondents don’t understand the process they were asked about. This response contradicts the earlier questions about how often performance was appraised, and various responses from participants further confirm the inconsistent understanding and implementation of performance appraisal system.

The results on whether participants understood the objectives of their jobs may be seen in Table 6 below and are represented graphically in Figure 6 below.

Table 6: I understand the objectives of my job

Never	Sometimes	All the time	I don't know
1	4	39	0

Figure 6: I understand the objectives of my job



From these results it can be seen that 2,3% never understood the purpose of the job, while 9,1% sometimes did, but the majority of 88,6% understood the purpose of the job all the time. On whether participants understood the objectives of their job, the overwhelming majority of 88,6% said yes, 9,1% said sometimes and one did not respond. Team work is not emphasised and organisational goals or objectives are confused with individual ambitions.

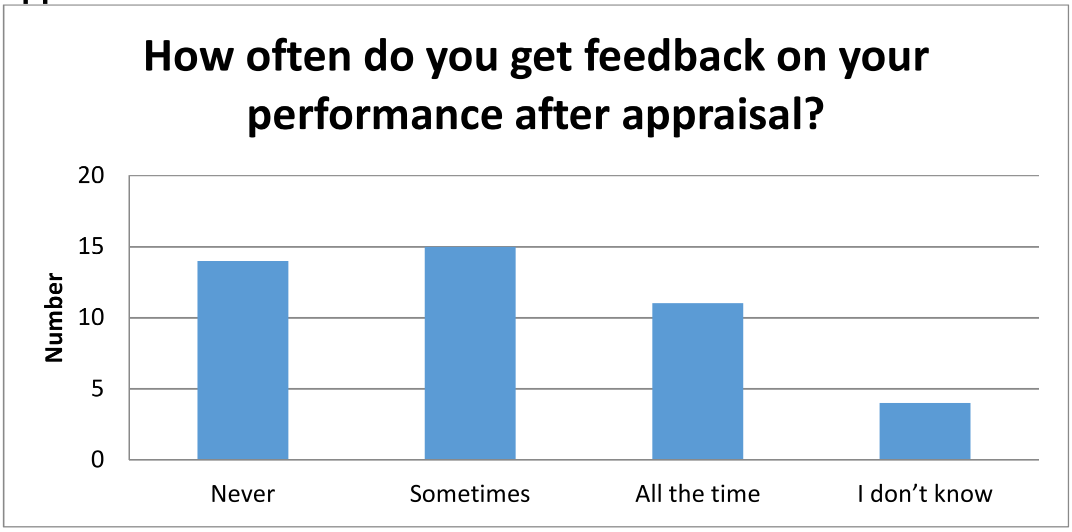
4.2.2 Feedback and Supervision

There were nine questions on this theme. The results on how often participants obtained feedback on their performance after appraisal may be seen below in Table 7 and are represented graphically in Figure 7.

Table 7: How often do you get feedback on your performance after appraisal?

Never	Sometimes	All the time	I don't know
14	15	11	4

Figure 7: How often do you get feedback on your performance after appraisal?



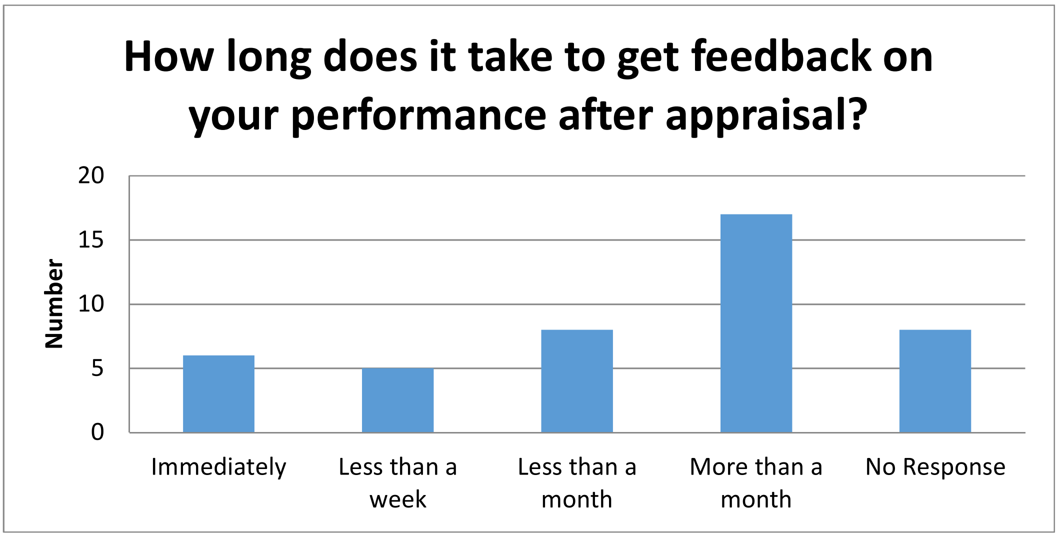
From these results it can be seen that 31,8% never got feedback on their performance after appraisal, while 34,1% sometimes did, with 25,0% always receiving feedback on their performance. Four respondents 9,1% did not know. On how often employees get feedback on their performance after appraisal, 31,8% said they never got it, 34,1% said they sometimes got it, while 25,0% said all the time and 9,1% did not know. If the combined majority that said never and sometimes could have been part of those that said all the time, the situation could have been different in Dihlabeng

The results on how long it took for participants to get feedback on their performance after appraisal may be seen below in Table 8 below and are represented graphically in Figure 8.

Table 8: How long does it take to get feedback on your performance after appraisal?

Immed-iately	Less than a week	Less than a month	More than a month	No response
6	5	8	17	8

Figure 8: How long does it take to get feedback on your performance after appraisal?



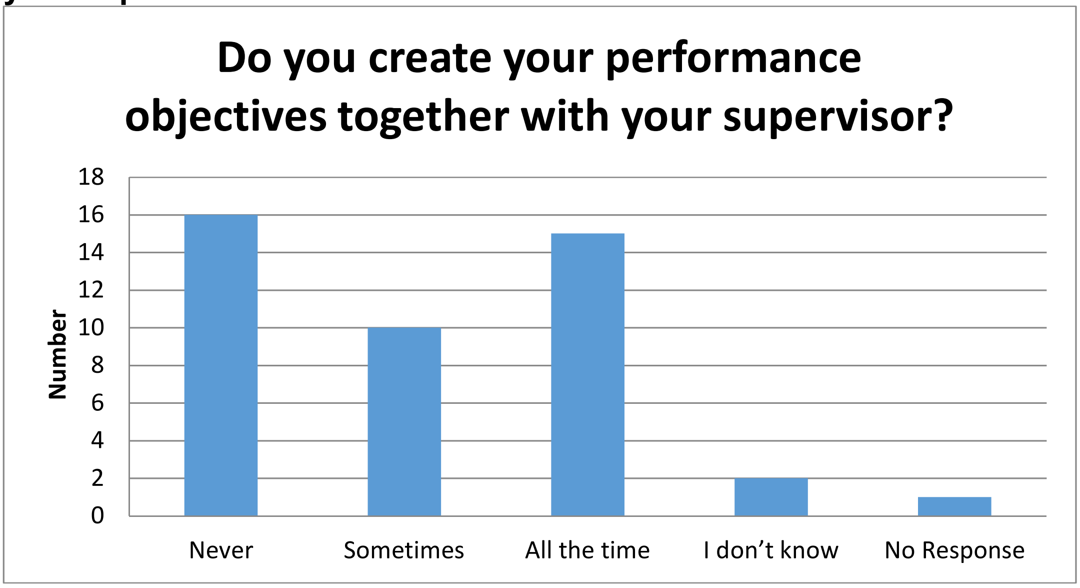
From these results it can be seen that 13,6% obtained feedback on their performance immediately, while 11,4% got feedback in less than a week, and 18,2% in less than a month. The majority, 38,5% waited more than a month, while 18,2% gave no response. On how long it took to get feedback on their performance after appraisal, 13,6% said immediately, while 11,4% said more than a week, 18,2% more than a month. 38,5% respondents had to wait for more than a month before they got feedback and 18,2% did not respond. It would be preferable for everybody to obtain feedback on their performance immediately after appraisal. From the 38,5% that wait for more than a month plus 18,2% that did not respond (56,7%), 40,9% that said they were never appraised is subtracted and 15,8 is left. That 40,9% is excluded because they don't have the experience of being appraised.

The results on whether performance objectives were created together with the supervisor may be seen below in Table 9 and are represented graphically in Figure 9.

Table 9: Do you create your performance objectives together with your supervisor?

Never	Sometimes	All the time	I don't know	No Response
16	10	15	2	1

Figure 9: Do you create your performance objectives together with your supervisor?



From these results it can be seen that 36,4% said that performance objectives were never created together with the supervisor, while 22,7% said they sometimes were, 34,1% said this happened all the time, while 4,5% did not know. 2,3% did not respond.

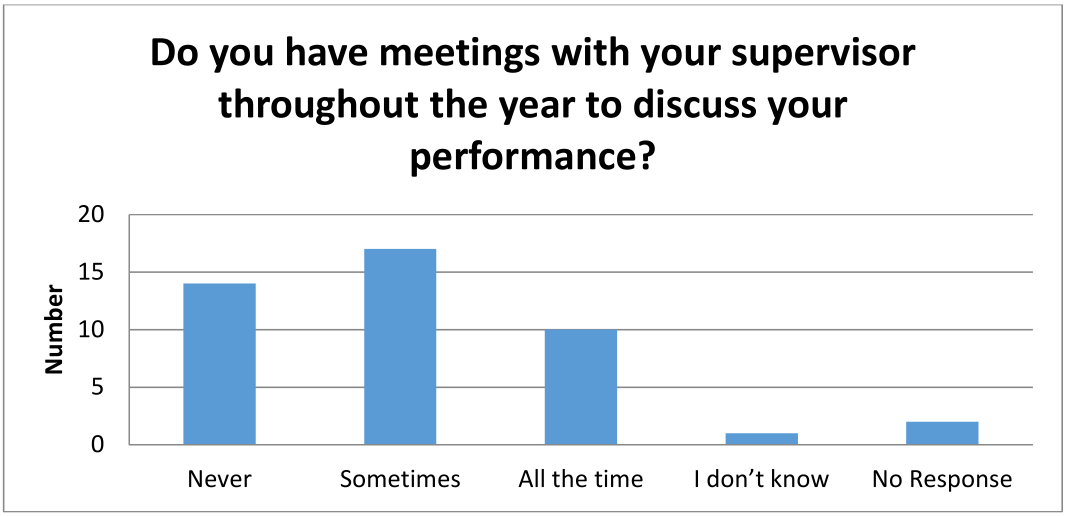
On whether participants created their performance objectives together with their supervisors, 34,4% said never, 22,7% said sometimes, 34,1% said all the time, 4,5% said they don't know and 2,3% did not respond. 40,9% that said they're never appraised is again subtracted from the 43,1% which is a combined percentage of those who did not respond, who did not know as well as those who said did not create joint objectives at all with their supervisor. Again, if the combined majority of those who said never and sometimes could have been part of those who said all the time, the situation could have been different in Dihlabeng.

The results on whether participants had regular meetings with the supervisor throughout the year to discuss performance may be seen in Table 10 and are represented graphically in Figure 10.

Table 10: Do you have meetings with your supervisor throughout the year to discuss your performance?

Never	Sometimes	All the time	I don't know	No response
14	17	10	1	2

Figure 10: Do you have meetings with your supervisor throughout the year to discuss your performance?



From these results it can be seen that 31,8% said that they had never had meetings with the supervisor throughout the year to discuss performance, while 38,6% said they sometimes did. Furthermore, 22,7% said this happened all the time and while 2,3% did not know, 4,5% did not respond. On meetings throughout the year to discuss performance with their supervisors, 31,8% said never, 38,5% said sometimes, and 22,7% said all the time. 2,3% did not know while 4,5% did not respond. Those who said never and sometimes could have made a lot of difference if they could be added to those that said all the time, and have a combined majority having meetings with their supervisors to discuss performance.

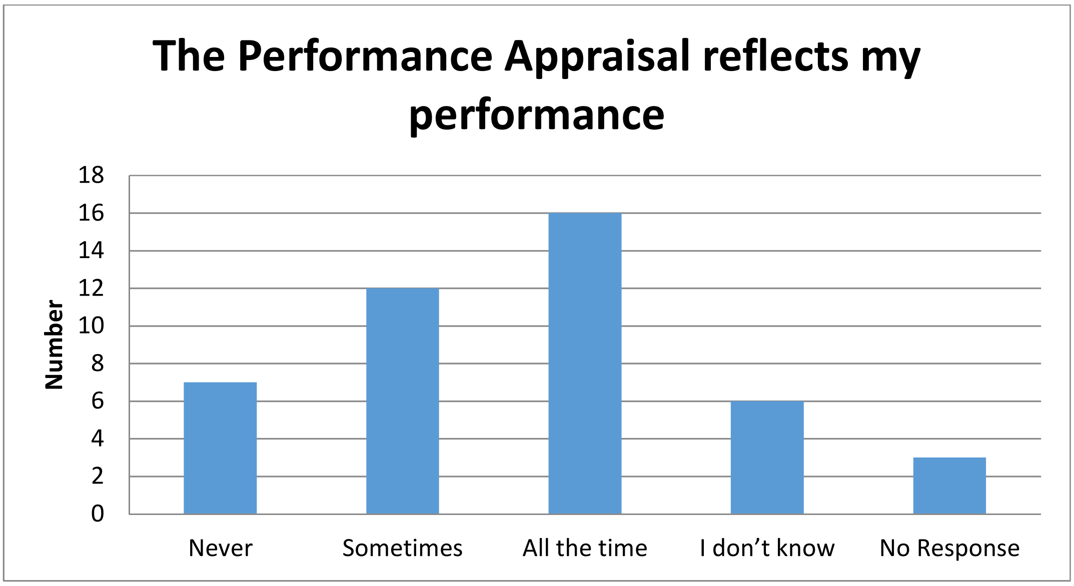
The results on whether the performance appraisal was seen to reflect performance may be seen in Table 11 and are represented graphically in Figure 11 below.

Table 11: The Performance Appraisal reflects my performance

Never	Sometimes	All the time	I don't know	No response
7	12	16	6	3

From these results it can be seen that 15,9% felt that the performance appraisal never reflected performance, while 27,3% said it sometimes did. There were 36,4% who said the performance appraisal reflected performance all the time, while 13,6% did not know and 6,8% did not respond. On whether performance appraisal reflected their performance, 15,9% said never, 27,3% said sometimes, 36,4% said all the time, 13,6% didn't know and 6,8% people did not respond. 40,9% that was never appraised is subtracted from 63,6% that combine never, did not respond, don't know and sometimes as those respondents don't have the experience of being appraised. Performance appraisal must reflect the performance of all employees in order to realise the objectives of the organisation.

Figure 11: The Performance Appraisal reflects my performance

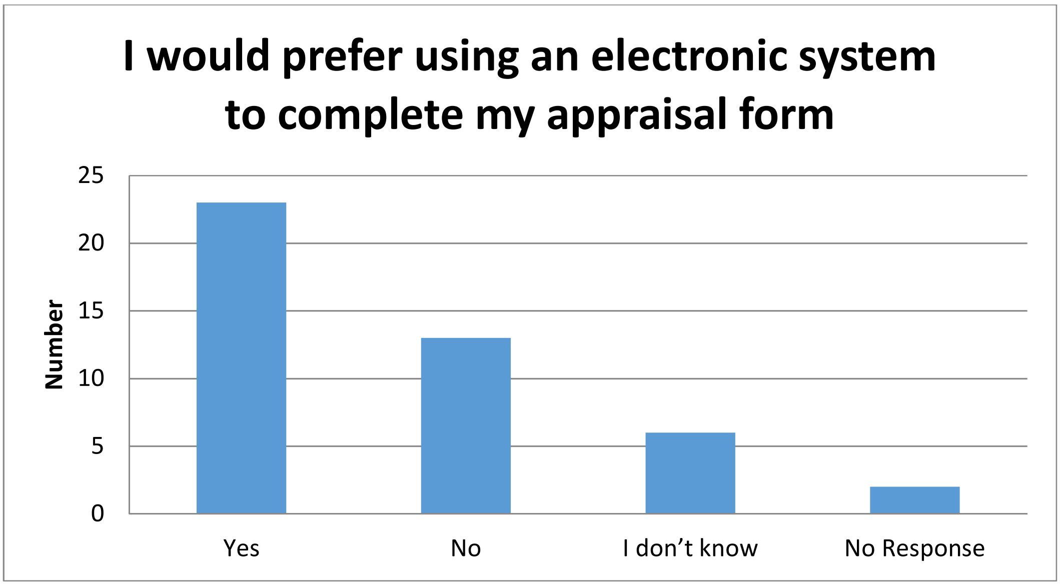


The results on whether the participants would prefer using an electronic system to complete the appraisal form may be seen below in Table 12 and are represented graphically in Figure 12.

Table 12: I would prefer using an electronic system to complete my appraisal form

Yes	No	I don't know	No response
23	13	6	2

Figure 12: I would prefer using an electronic system to complete my appraisal form



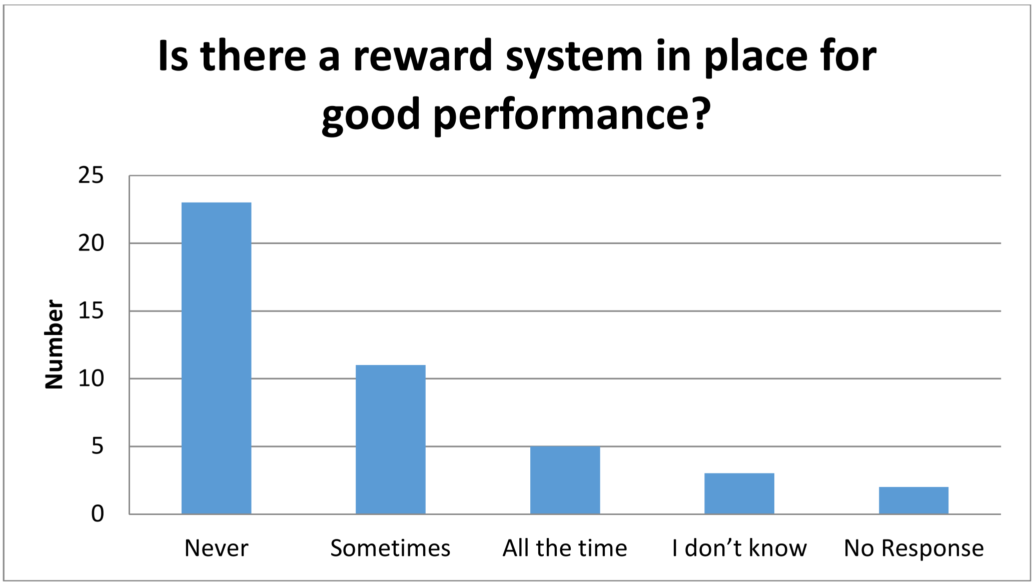
From these results it can be seen that 52,3% would prefer using an electronic system to complete the appraisal form, while 29,5% would not. 13,6% did not know and 4,5% did not respond. On preference of the electronic system to complete appraisal forms, 52,3% said yes, 29,5% said no, 13,6% didn’t know and 2,3% did not respond. One system for the organisation would be preferable and an electronic system is not easily manipulated, and can promote fairness and transparency. 40,9% of those who were never appraised will be subtracted from 45,4% which combines those who did not respond, those who did not know and those who did not prefer an electronic system at all.

The results on whether there was a reward system in place for good performance may be seen below in Table 13 and are represented graphically in Figure 13.

Table 13: Is there a reward system in place for good performance?

Never	Sometimes	All the time	I don't know	No response
23	11	5	3	2

Figure 13: Is there a reward system in place for good performance?



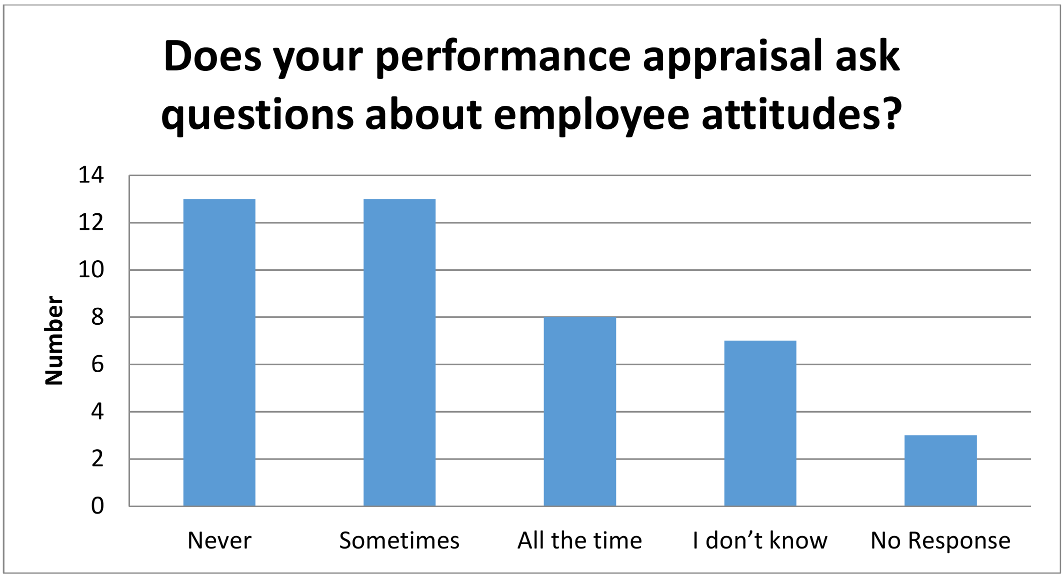
On the availability of the reward system for good performance, 52,3% said yes, 29,5% said never, 13,6% didn't know and 4,5% did not respond. 40,9% of respondents who were never appraised is subtracted from 47,6% that combines those who said there is no reward system, they did not know and those who did not respond as they've no experience of being appraised. The majority of participants confirmed this, and it has to be agreed with employees on what form it should take, such as salary increase, promotion, staff recognition, or improved work environment.

The results on whether the performance appraisal asks questions about employee attitudes may be seen below in Table 14 and are represented graphically in Figure 14.

Table 14: Does your performance appraisal ask questions about employee attitudes?

Never	Sometimes	All the time	I don't know	No response
13	13	8	7	3

Figure 14: Does your performance appraisal ask questions about employee attitudes?



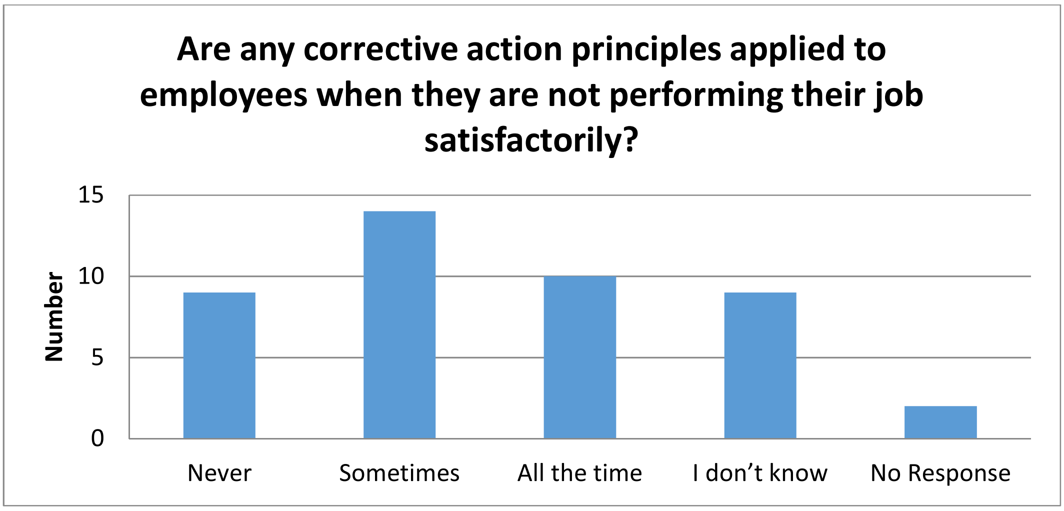
From these results it can be seen that 29,5% said that the performance appraisal did ask questions about employee attitudes, while 29,5% said it sometimes did. 18,2% said this happened all the time, while 15,9% did not know and 6,8% did not respond. 40,9% of respondents who said they were never appraised is subtracted from 52,2% of those who did not know, those who did not respond as well as those who said no to the question as they don't have the experience of being appraised. The attitude of employees should be monitored, as it can influence their productivity if it was always negative. A positive attitude should be fostered among employees.

The results on whether any corrective action principles are applied to employees when they are not performing their job satisfactorily may be seen below in Table 15 and are represented graphically in Figure 15

Table 15: Are any corrective action principles applied to employees when they are not performing their job satisfactorily?

Never	Sometimes	All the time	I don't know	No response
9	14	10	9	2

Figure 15: Are any corrective action principles applied to employees when they are not performing their job satisfactorily?



From these results it can be seen that 20,5% said that corrective action principles are never applied to employees when they are not performing their job satisfactorily, while 31,8% said they sometimes were, 22,7% said this happened all the time, 20,5% did not know and 4,5% did not respond. A learning organisation must always be willing to adapt to any changing environment and learn from its mistakes. Corrective measures should not be punitive but rather are intended to improve performance.

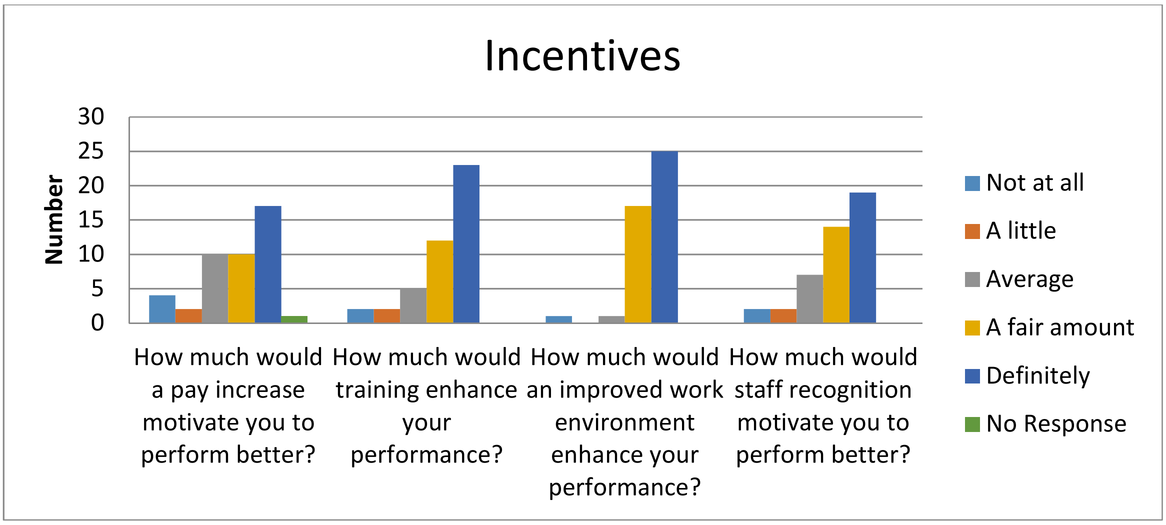
4.2.3. Incentives

As all the factors concerning incentives (pay increase, training, improved work environment, and staff recognition) were scaled in an identical fashion. These are presented in Table 16, and are represented graphically in Figure 16 overleaf.

Table 16: Incentives

	Not at all	A little	Aver-age	A fair am-ount	Defin-itely	No Resp-onse
How much would a pay increase motivate you to perform better?	4	2	10	10	17	1
How much would training enhance your performance?	2	2	5	12	23	-
How much would an improved work environment enhance your performance?	1	0	1	17	25	-
How much would staff recognition motivate you to perform better?	2	2	7	14	19	-

Figure 16: Incentives



4.3. SUMMARY OF FINDINGS

There were 56,8% of participants who said they preferred an improved work environment, 52,3% chose training, 43,2% said staff recognition while 38,6% said they would prefer a pay increase. The majority of participants preferred to work in an environment where their potential could be recognised and enhanced. Training and staff recognition was seen as empowering employees and acknowledging the efforts that they put into meeting their responsibilities to ensure that organisational objectives were realised. Pay increase as a motivator came in fourth, meaning there are valuable incentives other than money that can motivate employees to do their best in adding value to the organisation.

From these figures it can be seen that all incentives were seen by the majority as definitely improving performance and certainly by many respondents as improving performance a fair amount. The item with the most spread responses was a pay increase, indicating that money is perhaps not the key performance motivator. The highest definite incentive was an improved work environment, indicated by 56,8% of the participants, while 38,6% said this would motivate them a fair amount. This was followed by training as a definite incentive for 52,3% respondents while 27,3% rated it as fair incentive. Furthermore, 43,2% cited staff recognition as a definite and 31,8% as a fair amount, while 38,6% cited a pay increase as a definite for improving performance and 22,7% as a fair amount.

The middle-of-the-road averages located pay increase at 22,7% and training at 11,4%, while only 2,3% chose an improved work environment and 15,9% said staff recognition. In contrast, when these incentives were seen as not motivating at all or only a little, the results showed 9,1% and 4,5% respectively for a pay increase, and 4,5% for training, 2,3% for improved work environment, and 4,5% for staff recognition.

Taken together, the quantitative results have shown that in the process of performance appraisal, there were varying opinions as to whether it happened, and different ideas about the frequency. There were also differences in the understanding of the process. The section on feedback and supervision also yielded a variety of responses. These covered the full range of possibilities from very little or no feedback and varying quality and amount of supervisor contact. The final theme on attitudes towards incentives showed that an improved working environment was the best incentive while increased pay was deemed the least important.

The number of respondents who said ‘I don’t know’ or who did not respond at all to certain questions, though small, is a worrying factor to an institution of Dihlabeng calibre, in that management must communicate important decisions and expectations to all employees. This also demonstrates the inconsistency in understanding and implementing the performance management system.

CHAPTER FIVE

INTERPRETATION AND ANALYSIS OF THE FINDINGS

5.1 INTRODUCTION

In fulfilling its role as a performance driven municipality, Performance Management System was introduced in Dihlabeng Local Municipality to improve, amongst others, the performance of the institution in delivering effective and efficient services. Dihlabeng Local Municipality developed a performance management system which was adopted by council in 2010, reviewed in 2012 to incorporate lower levels of employees and the performance management framework was also developed with the intention of describing how the municipality’s cycle and process of performance planning, monitoring, measurement review, reporting and improvement (Mabey, Salaman and Storey,1999), would be conducted, organised and managed, including determining the roles of the different role-players.

In line with issues raised in the problem statement which focused on poor service delivery and consequent community protests, the research question on poor implementation of the performance system in Dihlabeng Local Municipality, the organisation theory became relevant in informing the approach of understanding the performance management challenges in Dihlabeng Local Municipality and how they can be overcome. In organisational theory, argue (Murphy, Trailer and Hill, 1996), three fundamental theoretical approaches to measuring organisational effectiveness have evolved: the goal-based approach which suggests that an organisation be evaluated by goals that it sets for itself (Etzioni, 1964). In this case all different departments within Dihlabeng Local Municipality are working together to ensure service delivery to residents. If the challenges of performance management in Dihlabeng can be analysed accurately, those challenges can be resolved and improved on. The organisation theory in this study helped the researcher to gain a better understanding of Dihlabeng as an organisation and its capacities, and will provide improved capacity to implement improvements that are effective, without causing unintended consequences. According to organisational theory, the most important resource is the organisational support, especially management (Torrington et al, 2005). This implies that management should be supportive of initiatives that address challenges of performance management at Dihlabeng Local Municipality. Strategic success lies in focusing attention at all levels on key business imperatives that can be achieved through effective performance management (Bennett and Minty, 1999:58)

Forty-four (44) participants with different responsibilities, Councillors and Officials from Dihlabeng Local Municipality, as well as community members, completed self-administered questionnaires and three themes were identified from their responses, namely the process of performance appraisal, feedback and supervision, as well as their attitude towards incentives.

5.2. PROCESS OF PERFORMANCE APPRAISAL

Notwithstanding the need for ongoing informal review, formal assessment is a key component of any PMS and performance appraisal (classification of performance based on standard or quality) is one of the most common vehicles for reviewing performance against objectives (Redman, 2001).

In this theme interesting and sometimes contradictory responses were noted. Out of six questions asked in this theme, the majority said that performance is rated in the first question, and the majority was again saying performance is never appraised, while another majority say they understand how performance is rated. The majority of respondents also said that they were involved together with their supervisors in the process of grading performance, while another majority said the performance appraisal system was not created within the last two years. Against this background, the majority of respondents said they understand the objectives of their job. The majority of respondents agreed that performance was rated and they understood how it was rated, while a further majority said performance is never appraised. These responses, from employees of the same institution, reflect contradictions and inconsistencies in understanding and implementing the performance appraisal system. Performance appraisal is an important tool that measures whether employees are executing their responsibilities accordingly and if there are limitations where and when intervention should be made. It is also a tool through which an employer can measure and appreciate the efforts of the employees, reward those who perform satisfactorily and sanction or help those whose performance is not satisfactory.

Certainly the six steps that are involved in the process of performance appraisal, i.e. establishing performance standards, communicating performance expectations to employees, measuring actual performance, comparing actual performance with standards, discussing appraisal with employees and initiating corrective action are not followed in Dihlabeng local municipality, looking at contradicting responses from participants.

5.3 FEEDBACK AND SUPERVISION

Effective two-way communication is important in an organisation, from management to low level employees and from the bottom up to management. Giving feedback to all employees builds trust and ensures that employees take ownership of decisions taken and implement them. Open communication ensures that employees share information and knowledge, and report shortfalls and weaknesses in order for management to intervene timeously. The hostile environment that existed in Dihlabeng did not allow for open communication, except when negative decisions were communicated, such as disciplinary processes, suspensions and dismissals. Supervision of employees has been a serious problem in

Dihlabeng, which has led to low staff morale and some employees not taking their responsibilities serious. Some employees have come to work drunk, or leave early to drink, there was a problem of habitual absenteeism and some employees colluded with their supervisors to manipulate overtime. Technology is likely to play an increasing role (Sulsky and Keown, 1998) particularly in the electronic monitoring of performance, in providing feedback on performance to individual (Kruger and Adler, 1993; Fletcher, 2001), and in supporting implementation. Call centres are a classic example of technology that provides monitoring data on employee performance (Stanton, 2000). Information is available faster, in greater quantity and in respect of jobs that have not typically been subject to formal performance management, raising a whole new set of concerns about the implementation and adaptation of PMS.

5.4. INCENTIVES

The conceptualisation of total reward, which comprise both financial and non-financial elements (Armstrong, 2002) plays an important part in motivating employees. Financial (extrinsic) reward includes merit or contingent pay, whereas non-financial (intrinsic) rewards include recognition, development, access to other assignments and the quality of working life. Organisations are cautioned, however, that in focusing on financial rewards there is a danger that non-financial reward is diminished (Williams, 2002). Indeed, (Armstrong and Baron, 2005), suggest such is the tension between these two aims that PMS should be developmentally focused, the allocation of merit pay or pay increase should be made through other mechanisms.

Of all the elements that will make employees happy and productive, a conducive work environment is important to help employees realise their potential. Contrary to the popular view that money is the most important motivating factor, participants saw the improved work environment as the best incentive (Sloman, 1997:167). This can only come from employees with strong work ethics, employees who respect their work and understand the success of the organisation as their success. This is true considering the instability that was experienced at both the political and administrative levels of the municipality, leading to competent and qualified officials leaving the municipality. A stable work environment contributes to those factors that make the organisation productive being more easily considered (Sloman, 1997:167). A learning organisation will always have a competitive edge over its competitors.

Employees regard training that will improve their capacity and competence as being good for them to contribute productively in the organisation (Teke, 2002). The relationship between management and unions also required attention as the local labour forum (LLF) did not convene as scheduled, and whenever they convene there are always tensions that do not address the real issues that must ensure harmony and an improved work environment. That training must be translated into improved performance by employees and the results will be demonstrated by the understanding of their responsibilities and in assisting the organisation to achieve its set objectives. Some employees also have long service that goes with valuable experience and organisational memory, and their commitment and loyalty to the organisation cannot be questioned (Du Plessis et al, 2006:6). The attitude and conduct of such employees is always exemplary, always punctual, doing their work as requested, avoiding absenteeism and not requiring close monitoring. Therefore, recognition of long service, loyalty, productivity and many other positive values that improve productivity at work should be recognised and appreciated.

Pay increase comes as the last point. This must come from employees who understand that they have to be paid a salary after having contributed positively for the organisation to realise its objective (Kreitner and Kinicki, 2001:258-9). When the organisation has not achieved its objectives, honest employees look for mistakes among themselves, but should not look for a scapegoat to blame for their failures. Some remarks from participants confirmed what scholars and past research has indicated about effective implementation of performance management. The opposite was happening in Dihlabeng, hence the consequences that were experienced. There was no commitment from management to support performance management, and (Torrington et al, 2005) argues for strong support from management, and the working environment was not conducive for employees to commit fully in assisting the organisation to realise its set objectives, as suggested by (Sloman, 1997:167). There were insufficient resources to train and capacitate employees to understand their roles and realise their fullest potential.

There was also no effective communication from management to employees about organisational objectives and no feedback from employees to management about their expectations. There was no planned organisational approach towards implementing performance management, employees' performance was not rated or appraised, and there was no common understanding of how, when and by whom performance should be appraised. There was no plan to continuously monitor and periodically measure and review performance of the organisation and its employees in terms of indicators to determine efficiency, effectiveness and impact, thereby improving service delivery and value for money.

Plats (1995) defines performance management in its strictest sense as being the process of quantifying the efficiency and effectiveness of action.
Three inter-related elements were also identified for measuring performance, namely individual measures that quantify the efficiency and effectiveness of actions, a set of measures that combine to assess the performance of an organisation as a whole, and supporting infrastructure that enables data to be required, collated, and sorted out, analysed, interpreted and disseminated.

Strategic Performance Management (SPM) is normally classified into three main categories (South African Government, 1996):

a) Strategic: comprises the roles of managing strategy implementation and challenging assumptions.
b) Communication: comprises the role of checking position, complying with non-negotiable parameters, communicating direction, providing feedback and benchmarking.
c) Motivational: comprises the role of evaluating and rewarding behaviour and encouraging improvement and learning. The comments from participants further negate the objectives of performance management as contained in the Public Service Regulations and supported by Armstrong (1998). Based on the comments of the participants, there is no alignment of individual goals to organisational goals. There is no commitment to foster a performance-oriented culture and rewards are not linked to performance. There is no culture of accountability and focus on customer service and no system or process through which to identify weaknesses and inefficiencies.

Despite this background, there were some achievements that were registered by Dihlabeng Local Municipality. There was improvement in the audit outcome from a disclaimer mode to qualified audit opinion (2009-2010 financial year) and unqualified audit opinion (2011-2012; 2012-2013; 2013-2014 financial years). There was 100% spending on MIG funds and successful completion of projects in record time such as the water pipeline from Bethlehem to Paul Roux, stadia in Fouriesburg, Clarens and Paul Roux, a Community Hall in Bohlokong, and the paving of roads. The payment rate for services increased to 78%, there was improvedstability at the political and administrative levels, as well as a reduction in community protests in the period under review. The above-mentioned issues suggest that there is room for improvement in Dihlabeng Local Municipality.

5.5 RATIONALE

There are various reasons for undertaking this study, but most importantly the exploration of challenges that led to poor implementation of performance management system in Dihlabeng municipality were interesting and significant in responding to the research questions. This was necessary in order to enable the researcher to have a full understanding of underlying challenges that led to poor implementation of the performance management system in Dihlabeng and the potential negative consequences relating to service delivery.

A detailed investigation into those challenges was undertaken, the results analysed and interpreted, and from the findings the recommendations to address those challenges were made. The recommendations acknowledge room for improvement, with the management support to employees' initiatives as a very important resource. This has not been the case in Dihlabeng, and once that is done it can be expected that the situation will change for the better. Other important issues were raised in the questionnaire, and the response of the participants, backed up by literature review, was very clear and specific on what performance management is, and how it must be implemented effectively and efficiently in order to yield intended results.

There was no coherent and co-ordinated approach to the implementation of performance management system in Dihlabeng Local Municipality, and no guidance from management on initiatives by employees that were aimed at achieving the organisational goals. There was a silo mentality and a non-integrated approach in implementing a performance management system in Dihlabeng. Support from management to employee initiatives was lacking, and there was a lack of common understanding from all employees and management on how to bring about co-ordination and a shared focus on organisational goals.

The achievement of organisational goals through individual efforts has to be realised by making individual employees understand that organisational objectives supersede individual interest and everybody in the organisation must combine their efforts to best serve the organisation (Brown, 2007:19). Chapter 6 will then conclude this study.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1. INTRODUCTION

The purpose of the concluding remarks is to prove that an in-depth investigation has been undertaken to explore the challenges of poor implementation of performance management system in Dihlabeng Local Municipality, and identified some basic requirements that were not met as prescribed by scholars and researchers in this particular field. After adequately analysing and understanding what the challenges are, reference and reflection was made on relevant literature and past research on where there are gaps that do not address the current problem. The understanding of performance management cycle and the entire process was found lacking in DLM. If a problem can be adequately analysed and correctly understood, it can certainly be resolved. Below is a summary of all chapters covered in this study.

6.1.1 Introductory chapter

A wide range of literature was consulted to obtain an understanding and definition of performance management and best practice in municipal performance management implementation in South Africa. Whereas there are a few comprehensive definitions of performance management system there is no universal model of performance management, as this study has strongly noted, particularly in the reviewed literature. Williams (2002) argues that there was limited evaluation of performance management, but many organisations are dissatisfied with their schemes as a means for developing and motivating people (Fletcher, 1997). Indeed there is no conclusive evidence that performance management works (Winstanley and Stuart-

Smith, 1996). This is further complicated by international dimensions (Milliman, 2002), and this is supported by other studies (Pullin and Haidar, 2003; Winstanley and Stuart-Smith, 1996). The initial intention of introducing performance management system in local government was re-visited, in the light of many service delivery protests that took place.

Policy and legislative framework were put in place to regulate local government, as well as a number of interventions (Operation Siyenza Manje, Back to Basics), including mobilisation of resources (human, financial and technical) to support and strengthen local government in order to make it an effective tool in the hands of communities for quality services. A number of systems and processes were put in place to tighten the local government system and make it more efficient. Of all these initiatives, performance management system was also built in to ensure that organisations and individual employees understand the importance of executing their duties effectively, efficiently and on time in order to assist in the realisation of the organisational objectives.

The focus of the study was on the implementation of performance management system in Dihlabeng Local Municipality, and the background of the municipality was given in detail. The challenges of local government were captured in the problem statement, which suggested that poor service delivery led to demonstrations by unsatisfied communities. The study dug deeper in its purpose of exploring the challenges that led to the poor implementation of performance management system in Dihlabeng Local Municipality and how that impacts on service delivery. The study was also guided by the research questions that sought to establish whether there is performance management system in Dihlabeng and how effectively it was implemented.

The study sought to respond to the research questions posed by looking into reasons for poor performance management system implementation and how that affected service delivery. Following the interrogation of the environment and the understanding of the situation, strategic recommendations were then made to address the weaknesses that were identified in the following chapters.

6.1.2. Literature review

Literature on performance management and past research was consulted to inform this study. Neuman (2006) argues that conducting a literature review builds on the idea that knowledge accumulates and one can learn from and build on what others have done. Literature review placed this study in proper context and showed how it linked with previous studies, and also suggested how strategic performance management system is used to influence business outcomes (Blenkinsop and Burns, 1992). Strategic implementation, communicating direction and providing feedback, as well as evaluating and rewarding behaviour, and encouraging improvement and learning, were taken into consideration. Through literature review the concepts have been explained and the conceptual framework constructed (Badenhorst, 2007). Literature review provided context and expanded on reasons for the research questions. It strengthened the study by citing what other credible authors have said about the topic. It provided a solid background for the investigation, as comprehensive knowledge of literature in a particular field is essential to the researcher.

Theoretical and conceptual frameworks helped in grounding the research by providing valuable information for comparison. This study used the organisation theory to understand how organisations and Dihlabeng local municipality in particular implement performance management system. The theories used provided this study with much needed insight and anchored it to focus on issues relevant to performance management system. The organisation theory emphasised a holistic and strategic approach at all levels of the organisation. Proper coordination in formulating strategy, communicating direction and providing feedback as well as rewarding outstanding performance supported the use of this theory.

Performance management has been seen over time as a strategic approach to management which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, and periodically measure and review performance of the organisation and its employees in terms of indicators to determine efficiency, effectiveness and impact. While the regulatory and legislative framework underpinning performance management appears to be adequate, there are concerns in relation to the understanding and implementation of performance management systems.

The literature and previous research that was consulted provided information on best practice and performance management implementation in municipalities internationally, which poorly performing municipalities and organisations can learn from and improve their systems. Nala Local Municipality was an example of a badly managed municipality, where political tensions at municipal leadership level spilled over into the community, low staff morale and ill-discipline prevailed, there was disrespect for other spheres of government and Chapter 9 institutions, and a lack of competent, qualified and skilled senior managers, (Salga Free State Annual report 2007-2008). A change in the leadership of the municipality, recruitment of competent and qualified senior managers (Du Plessis et al, 2006), support and assistance management (Torrington et al, 2005) support from other spheres of government, co-operation with the office of the Auditor-General and submission of financial statements for audit purposes all contributed to the turnaround of Nala Local Municipality which is likely to become the first municipality in the Free State Province to move from a disclaimer to an unqualified audit opinion (Auditor-General Report Free State Municipalities 2014/2015 financial year).

Thabo Mofutsanyana District Municipality became the first municipality in the Free State Province to obtain an unqualified audit opinion with no matters of emphasis (clean audit), (Auditor-General Report Free State municipalities 2015\2016). Mangaung Metro has moved towards becoming a municipality noted for its achievements in urban renewal, where economic activities and projects are being undertaken on the basis of the collaboration and support of senior management, the visionary leadership provided by councillors, and the participation and involvement of the community in decision-making, (South African Government, 2000).

The successful implementation of regional cities will see the three Metro municipalities (City of Joburg, Tshwane and Ekurhuleni) in Gauteng Province entering into resource sharing arrangements that reflect the international shifts towards greater collaboration, (SALGA Annual Report, 2014\2015).

An extensive search through academic sources on performance management helped to place the study into proper context. Although much has been written, the study in particular focused on poor implementation in Dihlabeng Local Municipality. The study aimed to explore and understand why the implementation of the performance management system in Dihlabeng had experienced limitations or challenges.

Having understood what other scholars and researchers said about performance management, and on the basis of broad information on performance management in general, the researcher was able to interrogate issues in Dihlabeng Local Municipality regarding the challenges of implementing performance from an informed position. Literature review assisted in developing a relevant questionnaire that posed specific questions related to performance management relevant to Dihlabeng Local Municipality.

The significance of literature review must be emphasised, as it provides context and expands on reasons for the research questions. Literature review strengthened the study by citing what other credible authors have said about the topic, and also provided a solid background for the research, since comprehensive knowledge of the specific topic is essential to the researcher. The breadth and depth of the literature review also served to support the credibility of the writer in his or her field.

There are a number of theories that inform performance management, but a conceptual framework dealt with a theory of performance management that was relevant to the Dihlabeng Local Municipality situation in comparison with general theories on performance management. Literature review assisted the study by placing performance management into proper context, analysis of performance management and the objectives of performance management. All these were tailored by the study to suit the situation in Dihlabeng Local Municipality. Further literature consulted included Acts of Parliament relevant to local government and performance management in particular, and government policy positions relevant to local government and performance management in particular.

The study further considered the municipal performance management system policy framework, municipal IDP and SDBIP, as well as audit reports on performance management. The legislative and regulatory framework underpinning performance management system was anchored in a number of pieces of legislation and regulations, which are all aimed at ensuring that municipalities are familiar with and adhere to performance management requirements.

Literature review in verifying that similar research has not been undertaken before, or similar findings have not been arrived at before, that can serve as point of reference to a similar situation. If similar research has been done before and similar findings arrived at, these can serve as a point of reference to inform the current situation and provide guidance on how present challenges can be overcome.

6.1.3. Research methodology

Research methodology refers to a strategic approach used in social research for undertaking a detailed investigation of a phenomenon. There is quantitative and qualitative research approach as well as mixed method that has elements of both the quantitative and qualitative research methods.

Quantitative research approach is structured and involves the quantification of concepts, where possible, in order to do measurements and conduct evaluations (Powell and Connaway, 2004:3). Quantitative research has noticeable features or characteristics such as single reality that can be defined by careful measurement, it is usually concise and describes and examines relationships and determines causality among variables where this is possible. A statistical analysis is conducted to reduce and organise data, determine significant relationships and identify differences and/or similarities within and between different categories of data. Comprehensive data collected by employing different methods and/or instruments should result in a complete description of the variable or the population studied.

The sample must be representative of a large population and reliability and validity of the instruments are important. In this approach the group studied is mainly larger and randomly selected. The quantitative research should provide an accurate account of characteristics of a particular individual, situation or group.

Qualitative research emphasises words or texts rather than quantification in the collection and analysis of data. The researcher is the main instrument of data collection and is very close to the investigation (Merriam, 2009). The research strategy is unstructured and is a process. The theory and concepts emerge from the data. The interpretive paradigm allows the researcher to capture rich insights into a complex world (Saunders, et al, 2003). The interpretive paradigm is described as a systematic analysis of socially meaningful action through the direct observation of people in their natural setting in order to arrive at a meaningful understanding and interpretation of how people create and maintain their social worlds (Neuman, 2011). The mixed method approach contains elements of quantitative and qualitative research approaches in varying degrees.

Triangulation is the process of observing a phenomenon from different viewpoints or angles (Neuman, 2011; 2013). There are various kinds of triangulation, including data triangulation, researcher triangulation, theory triangulation and methodological triangulation.

The research process entailed a single round of administering survey questionnaires to senior managers and councillors of Dihlabeng Local Municipality, as well as community members. Primary and secondary data was used, and officials, councillors and community members were surveyed because of their relevance as both employers and employees of the municipality. Where a researcher uses a wide range of methods to locate all possible cases that fit within a particular criterion, purposive sampling is preferred in selecting respondents for the research to ensure a reasonable balance. Various officials and councillors were selected because of their relevance to the study and their responsibilities within the municipality.

In the survey the questions were designed to cover the following three themes, namely the process, feedback and supervision as well as attitudes towards incentives, with regard to performance appraisal. There were essentially closed questions in which quantitative findings were arrived at, and open-ended questions which required descriptive input. One key question related to challenges of implementing the performance management system in the Public Service while the other question considered what could be done to improve performance management in Dihlabeng Local Municipality.

Data was then quantified and results generalised from a sample to the population of interest. Incidences of various views and opinions in a chosen sample were measured through study computational techniques. The quantitative analysis for this study was descriptive and involved frequency counts which were computed on the spreadsheet. This enabled the researcher to collate the data and use tables and graphs for presentation.

For the qualitative analysis, the process of bringing order, structure and meaning to the mass of collected data was employed (Ghauri and Gronhaug, 2010). Data was used as a carrier of information which needed to be interpreted to make sense.

Through validity and reliability of the measure used for the data collection phase of the study, the overall quality of the research process and the end product was ensured. All ethical issues were taken into consideration to ensure that permission was sought from all participants and the purpose of their participation in the study was explained to them. All participants were made aware that what they said in the survey would be treated with strict confidentiality.

6.1.4. Presentation of findings

The survey questionnaire covered three themes, namely the process, feedback and supervision, as well as attitudes towards incentives in relation to performance appraisal. Since a mixed method approach was used, quantitative findings were presented in tabular form and qualitative findings were presented in a narrative. The findings in the main highlighted challenges for poor implementation of performance management system in Dihlabeng Local Municipality. The findings brought to the surface the views of participants in the survey on how performance management is understood, how it is implemented and what the impact of that implementation is on the organisation. The response of participants to the 19 questions posed was quantified and presented at the beginning of Chapter 4, which chapter can be consulted for more detailed information.

6.1.5. Interpretation and analysis of the findings

On the process of performance appraisal (classification of performance based on standard or quality), the employees of the same institution gave contradictory and inconsistent responses in understanding and implementing the performance appraisal system. This meant that there is no common understanding and no effective coordinated approach from management to employees, no effective communication of direction and no provision of feedback as well as no evaluation for reward and behaviour. Senior management have to prevail over the situation and coordinate all employees around the organisational objectives and how all employees put their shoulders to the wheel in helping to realise the organisational objectives. Performance appraisal is an important tool that measures whether employees are executing their responsibilities accordingly and if there are limitations, where and when intervention should be made. It is also a tool through which an employer can measure and appreciate the efforts of the employees, reward those who perform satisfactorily and sanction or assist those whose performance is not satisfactory.

With regard to feedback and supervision, it emerged that effective two-way communication is important in the organisation, from management to lower level employees and from bottom to top management. Giving feedback to employees builds trust and ensures that employees take ownership of decisions taken and implement them. Open communication ensures that employees share information and knowledge, and report shortcomings and weaknesses in order for management to intervene timeously.

On incentives, the improved work environment was seen as the best incentive. This was said by employees with strong work ethics, employees who respect their work and who understand that the success of the organisation is also their success. Some employees have long service that goes with valuable experience and corporate or organisational memory, and their commitment and loyalty to the organisation seems clear. The attitude of such employees is exemplary. This indicates that recognition of long service, loyalty, productivity and many other positive values that improve productivity at work should be recognised and appreciated.

Pay increase as an incentive was ranked the lowest. This came from employees who understand that they have to earn a salary, after having contributed positively for the organisation to realise its objectives. When the organisation has not achieved its set goals, honest employees reflect on their performance and avoid allocating blame elsewhere.

In Dihlabeng it emerged that there was no effective communication from management to employees about organisational objectives and no feedback from employees to management about their expectations. There is no planned organisational approach towards implementing performance management, employees are not rated or appraised, and there is also no common understanding of how, when and by whom performance appraisal should be done. There is furthermore no plan to continuously monitor and periodically measure and review performance of the organisation and its employees in accordance with indicators to determine efficiency, effectiveness and impact, thereby improving service delivery and ensuring return on investment of public monies.

Plats (1995) defines performance management in its strictest sense as the process of quantifying the efficiency and effectiveness of action. Three inter-related elements were also identified for measuring performance, namely individual measures that quantify the efficiency and effectiveness of action; a set of measures that combine to assess the performance of the organisation as a whole; and supporting infrastructure that enables data to be collected, collated, analysed, interpreted and disseminated.

Questionnaires in the survey centred on three themes as previously mentioned, which sought to understand how performance management system and other related matters are dealt with by management, how employees understand such matters and what the impact is on the organisation. The interpretation and analysis of the findings indicated that there was no coherent and co-ordinated approach to the implementation of the performance management system. There was also no common understanding by all employees on how performance management system works, how it should be implemented and what was expected from all employees and broad stakeholders.

The central and primary role of management in supporting all employees in realising the organisational objectives was lacking in Dihlabeng Local Municipality and the process of interpretation and analysis identified those specific issues that need to be addressed to rectify the situation.

6.2. RECOMMENDATIONS

The poor implementation of performance management system in Dihlabeng Local Municipality led to a number of problems that contributed to service delivery protests. Political and administrative instability, lack of competent, skilled and qualified officials as well as undesirable audit outcomes were common challenges. Problems such as unresponsive leadership, corruption, poor delivery of basic services, poor work ethic and lack of discipline on the part of municipality staff, and lack of housing were some of the issues or complaints raised during the protest marches.

Various policy and legislative interventions were introduced to assist municipalities, like Operation Siyenza Manje, the local government turn-around strategy Back to Basics, and section 39 and section 106 interventions which saw some municipalities in the Free State as well as across the country affected. Since then there has been a steady improvement in audit outcomes in the Free State and across the country. While it is a statutory obligation for all municipalities to implement performance management systems, in some municipalities it remains a matter of malicious compliance to satisfy the legal requirements, but the implementation still remains a problem. A number of challenges around poor implementation were identified in Dihlabeng.

The following recommendations are made for consideration by Dihlabeng Local Municipality. These recommendations will begin to address the challenges that were identified and confirmed by the participants, and validated by the literature review.

- There must be strong commitment and support from senior managers in Dihlabeng to ensure the successful implementation of an effective and efficient performance management system. The management plays an important role here, not only in motivating, coaching and enabling performance, organising resources and facilitating any development opportunities, but also in monitoring and if necessary revising performance expectations and objectives (Torrington et al, 2005).

- A conducive working environment that recognises employees' potential and weakness should be established (Sloman, 1997).

- Performance goals must be linked to the corporate strategy and goals, logically cascaded down through the organisation units and individual levels. Strategic success lies in focusing attention at all levels on key business imperatives that can be achieved through effective performance management (Bennett and Minty, 1999:5).

- Performance feedback (positive and negative) should be provided to employees on an ongoing basis, so that there are no unpleasant surprises at performance review time. The feedback is received from all those around the employee in the organisation, from the supervisor to the subordinate and peer (Peiperl, 2001).

- In addition to the formal performance reviews, line managers and their direct reports should meet at least monthly to discuss performance progress and challenges. Notwithstanding the need for ongoing informal review, formal assessment is a key component of any PMS and performance appraisal is one of the most common vehicles for reviewing performance against objectives (Redman, 2001).

- Employees should be given adequate notice of performance reviews which are facilitated by line managers in a way that involves the employee and asks for their input first on how they have fared on each measure and what rating they think best reflects their performance. The opportunity to participate in the performance management process, particularly if appraisal is combined with goal-setting and the chance to add value to the organisation, improves the ratee's motivation and reduces defensiveness during evaluation interviews (Cascio, 1995:291).

- Personal Development Plans (as a performance review output) should be based on current competency shortfalls as well as new role challenges and employee career goals. Planned or systematic effort made by an employer to facilitate employees' learning of knowledge, skills and behaviour required to perform their job (Holland and De Cieri, 2006).

- Performance should be linked to remuneration in a way that sends a clear message to both good and poor performers. Sufficient reward differentiation must be made so that top performers benefit materially and psychologically for their efforts. This should only happen, as asserted by Kreitner and Kinicki (2001:258-9), when goal attainment is under the control of employee; goals are quantitative and measurable; and when payments are frequent and substantial.

- Employees should experience the entire process as positive, motivating and career-enhancing. It is acknowledged by (Katz, 2000), that managers often dread appraising their subordinates' performance, but he believes that appraisal can be enjoyable, productive and successful if certain steps can be taken.

- Introduction of an electronic system to complete appraisal form, as this was preferred by the majority of participants in the survey.

Line managers must ensure that employees have sufficient resources and tools to complete the work and achieve the desired outcomes, and that systems, processes and policies facilitate rather than impede optimal performance.

The research community can reflect on and benefit from this study by identifying new issues that were not raised or addressed in past research and that are relevant to the performance management system and its effective and efficient implementation for the success of the organisation. The challenges that led to poor implementation of performance management may not be peculiar to Dihlabeng Local Municipality only, and this commonality may assist in adequately investigating and understanding challenges of poor implementation of performance management in other organisations as well.

Many weaknesses were identified which require a holistic and co-ordinated approach to address. The successful implementation of performance management system depends on rectifying such weaknesses in order to promote improvements in the management of the administration, contribute to the stabilisation of the environment, and overall ensure improved service delivery of the highest quality.

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RESEARCH QUESTIONNAIRE:
PERFORMANCE APPRAISAL

My name is Tjhetane Mofokeng and I am collecting data for my research for my studies. This is for educational purposes only. All information in this questionnaire is completely confidential and you will not be identified in any way. Please do not write your name on this sheet. Please answer every question. When you are finished, please put your questionnaire anonymously in the box provided.

Demographic information:

Gender		Age	Grade or Level		
Male	Female		Senior Management	Middle Management	Community Development Worker

Performance Management:

Question										Any comment?
1. Is your performance rated?										
Yes	1	No	2	I don't know	3					
2. How often is your performance appraised?										
Never	1	Quarterly	2	Every six months	3	Once a year	4	Beyond one year	5	
3. Do you understand how your performance is rated?										
Yes	1	No	2	I don't know	3					
4. Who is involved in the process of grading your performance?										
Only myself	1	Only my supervisor	2	Both my supervisor and I	3					
5. How often do you get feedback on your performance after appraisal?										
Never	1	Sometimes	2	All the time	3	I don't know	4			
6. How long does it take to get feedback on your performance after appraisal?										
Immediately	1	Less than a week	2	Less than a month	3	More than a month	4			

7. Do you have regular meetings with your supervisor throughout the year to discuss your performance?								
Never	1	Sometimes	2	All the time	3	I don't know	4	
8. The Performance Appraisal reflects my performance								
Never	1	Sometimes	2	All the time	3	I don't know	4	
9. How can your performance be enhanced?								
Training	1	Improved work environment	2	Staff recognition	3	None of these	4	
10. I would prefer using an electronic system to complete my appraisal form								
Yes	1	No	2	I don't know	3			
11. Is there a reward system in place for good performance?								
Never	1	Sometimes	2	All the time	3	I don't know	4	
12. Are any corrective action principles applied to employees when they are not performing their job satisfactorily?								
Never	1	Sometimes	2	All the time	3	I don't know	4	
13. How much would a pay increase motivate you to perform better?								
Not at all	1	A little	2	Average	3	A fair amount	4	Definitely	5
14. How much would non-monetary recognition motivate you to perform better								
Not at all	1	A little	2	Average	3	A fair amount	4	Definitely	5
15. Do you create your performance objectives together with your supervisor?								
Never	1	Sometimes	2	All the time	3	I don't know	4	
16. I understand the objectives of my job								
Never	1	Sometimes	2	All the time	3	I don't know	4	
17. Does your performance appraisal ask questions about employee attitudes?								
Never	1	Sometimes	2	All the time	3	I don't know	4	
18. Was the performance appraisal system created within the last two years?								
Yes	1	No	2	I don't know	3			

19. In your opinion, what have been the challenges in implementing the Performance Management system in the Public Service?

20. What can be done to improve the Public Service Performance Management System in your organization?

Thank you very much for your responses.