

**THE CITY SCORECARD FOR EFFECTIVE PERFORMANCE MANAGEMENT AT  
THE JOHANNESBURG METRO COUNCIL**

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## ABSTRACT

Citizens of South Africa expect that the policy and regulatory changes introduced by government will be translated into tangible service delivery. Elected representatives, in particular, must demonstrate that national, provincial and local government are capable of managing public resources in a way that deliver benefits to its citizens. The ex- President Thabo Mbeki often used to speak about performance-driven public sector and has referred to the critical role that local government will play in this process. Municipalities which are at the coal-face of service delivery are being challenged to demonstrate their ability to execute both basic as well as enabling services crucial for social and economic growth and development. This challenge finds expression in the requirement that municipalities are expected to report on their performance, from both a civic and policy perspective.

The present government is taking performance of government officials and politicians seriously. The Government has created a new ministry in the Presidency called Performance Monitoring and Evaluation that will assist in ensuring that government performs better. The President of South Africa Mr. Jacob Zuma said that performance management works only if there is a mechanism to hold the people responsible and accountable

City of Johannesburg (COJ) therefore looks at the effectiveness of City Scorecard (CS) in terms of performance management at the City of Johannesburg for enhanced performance of employees. The improved performance of employees is imperative for effective service delivery to communities.

There were numerous protests all over the country between January and August 2009 including COJ against poor service delivery by different municipalities. It is therefore essential to identify the impact of City Scorecard on performance management of municipal employees. There is a close relationship between performance management and service delivery. The needs and expectations of the community are considered in Integrated Development Plan that assists the top Management of COJ to develop strategic

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objectives for the City. The priorities are established by the Mayor, commonly known as Mayoral priorities. The needs, priorities and strategies are combined, monitored and measured through City Scorecard (CS).

The community is a yard stick of City Scorecard. The satisfaction of the community is a means to ensure that municipal officials are performing and rendering effective and efficient services to communities.



## **LIST OF ABBREVIATIONS**

**COJ** City of Johannesburg

**CS** City Scorecard

**FTC** Fixed Term Contract

**IDP** Integrated Development Plan

**JDA** Johannesburg Development Agency

**KPA** Key Performance Areas

**KPI** Key Performance Indicator

**MFMA** Municipal Financial Management Act

**MMC** Member of Mayoral Committee

**PA** Performance Agreement

**PHP** Peoples Housing Process

**PM** Performance Measurement

**PO** Performance Objectives

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## CHAPTER ONE

### ORIENTATION AND PROBLEM STATEMENT

#### 1.1 Orientation and background

The South African Public Service at all spheres continues to face change at an accelerating rate. Legislation for change, such as *Public Service Act* (Act 103 of 1994), *Public Financial Management* (Act 1 of 1999), *Municipal Management Financial Act* (Act 56 of 2003), *Municipal Systems Act* (Act 32 of 2000) and *Batho Pele* Principles are the most significant, and impact across all areas of the public sector including local government. The recurring theme of these and other government initiatives is the need to demonstrate that performance is managed, measured and improved.

Performance Management is a communication tool that helps managers by providing a motivating climate to assist employees in developing and achieving high standards of performance so that employees can improve the effectiveness of the City of Johannesburg (City of Johannesburg: Employee Handbook 2008).

The new government culture places the client at the center of service delivery. Public sector and local government organizations will need to strengthen their focus upon performance improvement, monitoring and evaluation, from both strategic and operational perspective. Striving towards continuous improvement and aiming for excellence is an expectation from government and general public alike. International public sector reformers have recently recognized the significance of performance governance strategies designed to establish frameworks for managing the work of government.

The new widespread terminology of performance, namely, outputs, refers to the actual goods or services being delivered and outcomes refers to the impact of those services on the target community (Van der Walt, 2004: 3).

Chapter six of *Municipal Systems Act* (Act 32 of 2000) explains the establishment of performance management system. Section 38 of the Act states that a municipality must establish a performance management systems that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in its integrated development plan, and to promote a culture of performance management among its political structures. Section 41 further stipulates that a municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed- set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact with regard to the municipality's development priorities and objectives as set out in its integrated development plan (Municipal Systems Act, 2000).

The City of Johannesburg has developed and implemented a range of systems and processes targeted to improve performance in order to enhance service. One such system is the City's Performance Management System, originally designed in June 2001. This system aimed to meet the legislative requirements of the Municipal Systems Act 32 of 2000. In 2004 the City introduced the City Scorecard to enhance the performance in the City of Johannesburg. The City Scorecard is about the setting and measurement of desired outcomes and activities of the organization, its individual components as well as its staff who contribute to the achievement of the strategic vision of the organization. It is a multilevel process that starts with an overall strategy and cascades to organizational, departmental and individual performance management and appraisal (City of Johannesburg: Basic Training on Performance Management, 2007).

Organizational performance management is the process through which performance objectives for the City, as defined in the City Manager's Scorecard, are translated into the business plans and scorecards for the various regions, departments and municipal entities. Regional and Departmental performance is monitored at the level of Business Plan and Executive Director's Scorecard while the performance of municipal entities is monitored through Business Plans and Service Delivery Agreements. Employee performance management is the process through which the objectives as defined in scorecards at the level of department or region within the City are

cascaded into individual scorecards, allowing for planning, monitoring, reviewing and rewarding of performance, and the enhancement of development, at the level of the individual employee (City of Johannesburg: Basic Training on Performance Management, 2007).

A Performance Management System not only ensures that the City fulfils its legal duty to introduce performance management but also helps employees to understand exactly what work they must do to contribute towards the achievement of this vision.

## **1.2 Problem statement**

Some time ago, there was a public outcry in the form of complains and protests by civil society in the City of Johannesburg regarding the poor service delivery; lack of commitment by personnel; performance not properly monitored; lack of training; and poor customer care (Mazibuko, 2004: 2). In order to improve these services, the need was identified to develop systems and processes to improve performance of employees in order to enhance service delivery in the City of Johannesburg.

It was also acknowledged that “performance and productivity are difficult to measure in the public sector and local government, because both relate to output but not necessarily to production. The public sector, that includes municipalities, is generally a provider of public services, and not a producer of goods and services. Public sector output, or the quantification thereof, appears to be a vague issue due to the notion that it is intangible and therefore not easily measured” (Hilliard.1995: 2) in the City of Johannesburg.

## **1.3 Hypothesis**

It is argued that the introduction of a city scorecard may lead to the more effective delivery of services through measuring of productivity of employees.

## **1.4 Research questions**

Considering the problem statement, the study was attempted to find answers to the following questions:

- What are the meanings of performance management and scorecard at the City of Johannesburg?
- What are the processes and systems that enhance performance management at City of Johannesburg?
- What could be the impact of scorecard on performance management at City of Johannesburg?
- What is the impact of performance management of employees on delivery of services at City of Johannesburg?
- What recommendations can be offered to add value to performance management at City of Johannesburg?

### **1.5 Research Objectives**

The following were outlined as objectives for the study:

- To give a theoretical exposition of concepts, city scorecard and performance management at City of Johannesburg.
- To explore the processes and systems that enhances performance management at City of Johannesburg.

- To investigate the significance of scorecard on performance management at City of Johannesburg.
- To investigate the impact of performance management of employees on delivery of services at City of Johannesburg.
- To offer recommendations that may add value for effective Performance Management at City of Johannesburg.

## **1.6 Research Methods**

The research utilized the following methodology for gathering information:

### **1.6.1 Literature**

Literature was employed to gather information on concepts of City Scorecard and Performance Management. The sources consulted were: books, journals, legislations, newspapers, archival data from the City of Johannesburg intranet (Jozinet), Intranet websites.

### **1.6.2 Empirical Research and Design**

Under the guidance of the supervisor semi-structured interviews were conducted with respondents from senior management, politicians, and officials. This included qualitative questionnaires to obtain their opinion on the significance of city scorecard for effective performance management at City of Johannesburg. The following were interviewed:

- The political head (i.e. Member of Mayoral Committee (MMC) for Corporate Services in City of Johannesburg) to establish the state of Performance Management by the officials of City of Johannesburg.

- Human Resource Management to find out the impact of City Scorecard in enhancing Performance Management of officials of the City of Johannesburg.
- Director Corporate Services and Training Academy to monitor and evaluate the training of officials on City Scorecard and Performance Management.
- Projects Manager to explore the implementation level and impact of City Scorecard on Performance Management at City of Johannesburg.
- Employees (30) of City of Johannesburg to obtain their opinions regarding the understanding and utility of the City Scorecard.
- Community members (30) as recipients of services.

### **1.6.3 Target population**

The research was targeted on a sample of City of Johannesburg employees. **The relevant** persons were interviewed, on convenient basis for the research, which includes the Directors, Managers and Employees.

### **1.6.4 Measuring instrument**

Information was obtained by means of questionnaires, which was convenient as officials are available within the City of Johannesburg.



## **1.7 Outline of chapters**

To pursue the research, the following chapters are covered:

Chapter one: Orientation and problem statement

Chapter two: Theoretical exposition of the concepts, city scorecard and performance management

Chapter three: An overview of the extent of performance management and service delivery at City of Johannesburg

Chapter four: The significance of a city scorecard for effective performance management and efficient service delivery at City of Johannesburg

Chapter five: Conclusion and recommendations

The next chapter will explore the meaning of concepts performance management and city scorecard comprehensively.

## **CHAPTER TWO**

### **THEORETICAL EXPOSITION OF THE CONCEPTS PERFORMANCE MANAGEMENT AND CITY SCORECARD**

#### **2.1 INTRODUCTION**

Government performance is a very important factor to community members and also to government officials regarding efficient rendering of services. Communities expect acceptable standards of services to be rendered by public managers. Against the background of growing community expectations, public managers have continued to develop new ways to meet public demands. They are seeking to improve their capabilities, approaches and results and to transform their departments into high- performance institutions.

Performance management is very critical factor in both private and public sectors. One cannot measure performance without using different measurement systems, namely ratings, performance outcome and customer satisfaction. The public sector is highly regulated with the Performance Management System. The South African municipalities are therefore using the City Scorecard as a tool to monitor performance of their employees.

The focus of this chapter is largely on the understanding of the concepts Performance Management and City Scorecard. These concepts will be defined and their significance will be elaborated.

#### **2.2 MEANING AND NATURE OF THE CONCEPTS PERFORMANCE MANAGEMENT**

According to Williams (2002:45) defining performance management is a difficult task. However there are three main perspectives on performance, namely:

- Performance management is a system devised to manage employees,
- It is a system to manage the organization, and
- Lastly, it is a system to manage the integration of the former two (Williams, 2002: 45).

Ultimately, the definition of performance management places emphasis on the fact that “it is a system that ensures organization performance through the alignment and integration of all the organizational actions such as the vision, mission, values and culture of the organization” (Williams, 2002: 44-45).

Broadly, performance management is 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, continually monitor, periodically measure and review performance of the organization in terms of performance indicators and targets for efficient and effective service delivery (Independent Communication Authority of South Africa [ICASA], 2007: 12). Performance management is therefore an approach to people management that aims to optimize individual, team and organizational effectiveness and success through the use of a process for establishing a shared understanding between management and employees regarding:

- What is to be achieved in the workplace
- How it is to be achieved (methods to be used and resource available)
- The timeline for its achievement (ICASA: 2007: 12).

Public institutions use scarce resources (inputs), both human and material, to outputs for consumption by their clients/ customers (community) in order to achieve valued outcomes. It is this relationship between inputs, activities, outputs and the outcomes (impact of the service on the wide range of users) and the ways its productivity and quality might be improved. The term performance management is used to describe the range of processes, techniques and methods used to achieve such improvement (Patel, 1994: 34). Performance management is an approach to management which harnesses the endeavors of individual managers and workers towards an organization's strategic goals. It defines goals and the outputs needed to achieve those goals and

outputs, it gains the commitment of individuals or teams to achieve those outputs, and it monitors outcome (Patel, 1994: 34).

Definitions of performance management vary according to scope. In its widest definition, this refers to “all those processes and systems designed to manage and develop performance at all levels of the public service, specific organizations, components, teams and individuals. In its most narrow definition performance management refers to specific systems for managing individual performance appraisal systems. In the new thinking, effective performance management focuses on:

- What should be and actually is achieved in the public interest,
- Building inclusive discussion and understanding to promote coordinated strategic thinking and action, and
- Learning and ongoing development of the capacity to understand and serve the public interest” (Van der Waldt, 2004: 39-40).

Fox and Uys (2001:105-106) state that “performance management consists of the following three elements of a systems process with sequential logic that is able to predict the future plan (a view that the past will predict what will happen in the future):

- Performance planning, which forms part of the overall strategy planning of an institution with a view to allow employees to perform optimally in order to reach organizational goals. In general, it means ensuring that employees are aware of performance standards, exactly how their performance in relation to those standards will be measured and what the results of such measurements could be. Furthermore, it has some bearing on career planning, in that employees should understand at what level to perform in order to advance in their careers.
- Performance monitoring, which has to do with day-to-day supervision of performance, recording actual performance on the job and pre-empting performance problems.
- Performance appraisal, which comprises the applicant of a system of measuring performance”.

Performance management further deals with the following critical issues:

- What are organizational objectives? What do we wish to achieve and over what time-scale?
  - How do we prioritize objectives? Do we expect prioritization to change over time?
  - What kinds of qualities are needed to deliver these objectives? What are the implications in terms of corporate skills and competencies, values, behaviours, and working styles?
  - What are our current strength and weaknesses in relation to these objectives? What do we need to change and develop in order to achieve our goals?
  - What specific contributions do we require from particular parts of the organization?
- (Walters, 1995: 20).

Most organizations can benefit from a periodic review of this kind. However, in describing the outcomes of such a review a more prescriptive model of a performance management system is required (Walters, 1995: 20). Armstrong and Murlis (1988: 157) therefore deduced that “performance management is about getting better results through people. It consists of a range of activities, the primary aim of which is to help managers to obtain improved performance from their staff, who will be rewarded accordingly. Performance management also looks to the future. It is concerned with the development of potential so that people are capable of taking on greater responsibility and thus of earning even higher rewards”.

In essence, performance management is a shared process between managers, individuals and teams that they manage. Performance management is based on the agreement of objectives, knowledge, skills and competence requirements, and work and developed plans. It involves the joint and continuing review of performance against these objectives, requirements and plans, and the agreement and implementation of improvement and further development plans (Armstrong 1994:14).

It is potentially a level for achieving cultural and behavioral change and means of empowering people by giving them more control over their work and their performance development. It often provides the basis for performance-related pay. Performance management activities provide the

information needed to determine levels of reward in relation to contribution, and to plan salary increases in relation to progress and potential. It is also ensured that appropriate intrinsic incentives and rewards are given for achievement. These include recognition, status and opportunities for advancement (Armstrong, 1994:14). Performance management activities further involve: performance review; performance counseling; potential review; and career counseling. These activities aim at initially identifying employee performance targets, by monitoring the work performance on continuous basis, and managing the performance of employees by the use of participative management techniques. By establishing a conducive work environment, managers are able to develop employee strengths and overcome weaknesses, thus utilizing employees to their full potential. The historical background to performance management stems from developments in merit rating, management by objectives, and performance appraisal (Cheminais, et al, 1998:163).

Work is productive if it contributes to the purpose of the organization. Evaluation identifies possible adjustments and improvements if employee's efforts are being directed toward the right results and gives recognition where performance is good. Evaluation identifies training and development that can increase performance. Future performance can only be managed if it is known what has already been accomplished in relation to performance goals (Andrews, 1988: 124). De Waal (2002:134) therefore emphasizes the strategic nature of performance management and defines performance as the process that enables the organization to deliver a predictable contribution to sustained value creation. A world class performance management process consists of excellent strategy development, target setting, performance measurement, performance review, and incentive compensation sub-processes. Thus, the management principle underpinning performance management is that performance is a management tool that integrates the business operations with the strategic intent of the organization.

The success of any organization is said to depend on its ability to execute its functions against its strategies as Flapper and Stoop (1996: 27) argue that "strategies within the organization must ensure that all noses are pointing in the same direction and that every person within the organization is contributing to the organizations objectives via their daily activities in support of measurements as contained within the performance management system". Noe et al (2000: 23) state that this "highly committed work force is the source of an organization's sustainable



competitive advantage. A well designed and developed performance management system can ensure worker commitment to the organization's goals". Performance management system will only be able to achieve the above if the organization also implements a sound job analysis and design procedure, effective recruitment policy, good training and development programme; all these coupled with a well developed performance management system helps to ensure a culture of effectiveness (Radnor and McGuire, 2004: 47).

To transform public service, the performance management system should focus on reinforcing accountability so that the outcome is the efficient, effective and economical use of resources. It should also ensure effective teamwork, create a shared vision, facilitate improved employee involvement, and enhance multi-competence in employees, which in a proactive manner, improves the performance of the organization.

In essence the concept of performance management can be summarized by stating that performance management is a tool that ensures organization meets its vision and mission by managing and developing its human resources. Performance management should focus on enforcing accountability and teamwork by public servants in order to draw the associated benefits that are discussed in the next section.

### **2.2.1 Benefits of Effective Performance Management**

Performance management provides the organization with the following benefits:

- Top management: It enables members of top management to get on with their job of setting objectives for the organization whilst managing relationships with external bodies such as customers/ community, politicians/ councilors, regulatory bodies, stakeholders and translating their requirements into objectives for the organization.
- Managers: It helps managers to gain a full understanding of the organization's mission to set targets and standards for their team and to delegate work, freeing them to concentrate on strategic planning and continuous improvement and development of their operations and work teams.

- Staff: Improved management of performance results in clearer targets and the freedom to work autonomously to achieve these targets, with the required level of support from their management that is improved personal self-development.
- Support function: Objectives which come from a centrally agreed business plan are more likely to give support functions and alternative reason for existence rather than the pursuit of their own specialized agenda.
- Community/ Customers: Clear performance management enable the organization to deliver on its promises to customers more consistently by converting community needs into workable plans of action (van der Waladt, 2004: 42).

The other benefits of performance management are: it clarifies strategy and makes it accessible; it transforms strategy into operations, vision into action (strategic alignment); it clarifies roles and responsibilities- political and managerial; it clarifies expectations of the institution and individuals; and it improves accountability and participation (van der Waladt, 2004: 41-42).

If performance management is properly monitored, all stakeholders will be rewarded in one way or the other, for example, managers will be able to achieve the strategic objectives of the organization; employees will receive performance bonuses while community will receive good and quality service on time. These can be achieved through effective performance management process that is explained in the next section.

### **2.2.2 Performance Management Process**

Performance management consists of a number of broad phases. The steps taken within each of the phases depend on the specific route the parties involved choose to go. The performance management system which is chosen by an institution should be evaluated before it is implemented to ensure that it is a system that will work in the institution. Aspects that need to be taken into account include the educational levels of employees and the kind of service that is provided to community (Harvey, 2000:181).

There are four basic phases in the performance management process, namely:

- The planning phase: this is the phase on which all of the other phases depend on it to succeed. Without proper planning none of the other phases will stand a good chance of achieving their goals. The reason for this is that the planning phase is used to plan the outcomes of each of the other phases. During this stage the institution sets its vision, mission as well as the goals that it wants to reach. The vision and mission can be long term, but the goals can be either new or old goals that have been adapted to suit new circumstances within the institution. This phase also includes planning by individuals with regard to how they need to contribute towards the achievement of organizational goals. Employees therefore set their own goals that are in line with the goals of the institution. The institution then makes sure that the goals of the employees coincide with the goals of the institution. Standards can also be set on the quantity and quality of the work to be done.
- Performance appraisal: this is the phase whereby the observation or evaluation of the performance takes place. During this phase the importance of the planning stage becomes evident. If there are no goals, objectives and standards are set during the planning stage. During this phase a method of appraisal is chosen that measures the actual outputs of the employees against the set goals, objectives and standards. It is also important that the method chosen should be simple and easy to understand by management, supervisors and employees. As soon as the method is chosen, it is imperative that both management and employees receive training on how the appraisal system works and how it will be applied. The training is important to ensure that there are no negative feelings about the appraisal. People tend to fear what they don't understand. It is also only fair to give employees the opportunity to prepare for an evaluation of any kind. They will only be able to do so if they fully understand the process of evaluation or appraisal.
- Performance feedback: there is a tendency in the institution to appraise employees and not to take the process any further. This means that the performance management process has not been completed. The results of an appraisal are meaningless if the process is not taken further. The first step in taking the process further is to give employees feedback on their performance. Feedback ensures that the employees know what their shortcomings are and

can then pay attention to those areas in which they need to improve their performance. Knowing that management recognizes those areas where the employee is performing well or excelling can motivate the employee to perform even better.

- Performance development is the final phase in the performance management process and also leads to the planning of new goals, objectives and standards for the next cycle. Performance can mainly be developed through training and development. The idea is not to get rid of an employee, who is under-performing, but rather to train and develop such an employee to be able to reach the set goals, objectives and standards in future (Harvey, 2000:181-182).

There are different sections or departments in municipalities and all these sections render different services, for example emergency management services deal with emergencies such as fire and paramedic services, but they cannot work without administrative support service such as human resource and finance. These sections have different inherent requirements (qualifications and experience) of the job. This means that municipalities should consider these factors carefully when choosing performance management system that can suit the demands and the availability of resources in their areas of jurisdiction. Regular monitoring is also required to measure the effectiveness of performance management programmes as explained in the next section.

### **2.2.3 Performance Measurement**

Performance measurement is the on-going monitoring and reporting of programme accomplishments, particularly progress towards pre-established goals. Performance measures may address the type or level of programme activities conducted (progress), the direct services delivered by a programme (outputs), and/or the results of those services (outcomes). A programme may be any activity, project, function, or policy that has an identifiable purpose or set of objectives. Performance measures quantitatively tell the organizations something important about their services and the processes that produce them. These measures serve as a tool to help to understand, manage, and improve the service that is rendered by the organization (Artley & Stroh, 2001: 3). Effective performance measures assist the organization regarding:

- how well it is doing;
- whether it is meeting its goals;
- whether the customers are satisfied;
- whether the progress are in statistical control; and
- if and where improvements are necessary (Artley & Stroh, 2001: 3).

Performance measures also “provide the organization with the information necessary to make intelligent decisions. A performance measure is composed of a number and a unit of measure. The number gives a magnitude (how much) and the unit gives the number a meaning (what). Performance measures are always tied to a goal or an objective” (Sudarsanam, 2003: 560).

In most research on job performance, ratings by supervisors, peers, and subordinates as well as self-ratings have been used to measure performance. This has been partly a matter of convenience, given that other measures of work performance are unavailable, but ratings may be the best, and most flexible, approach to job performance measurement. Performance can thus be measured using the following measurements: Ratings, Performance Outcomes or Results and Customer Satisfaction (Schmitt and Chan, 1998:73-74).

### **2.2.3.1 Ratings**

Ratings are probably made on 5-7 point scales ranging from poor to excellent on several dimensions considered important by management. The rating is the scoring that is used by managers to evaluate their subordinates in a 5 or 7 point scales (Performance Management and Development, 2005: 52).

South African local government uses 5 point rating scale to score overall performance. The definitions for the different rating levels are shown in the table 2.1 below:



**Table 2.1: 5 Point rating scale to score overall performance**

Ratings	Definition
5	Outstanding performance: performance far exceeds the standard of an employee at this level
4	Performance significantly above expectations: Performance is higher than standard expected in the job
3	Fully effective: Performance fully meets the standard expected in all areas of the job
2	Performance not fully effective: Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job
1	Unacceptable performance: Performance does not meet the standard expected for the job. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement

Source: adopted from Guidelines for Reviewing and Rewarding Performance, 2008: 9.

The development of above rating involves the following steps:

- Using the results of the job analysis, the job analyst identifies the major job performance dimension.
- The analyst identifies the critical incidents that were generated during the job analysis for each of these major performance dimensions.
- The analyst reassigns a scrambled list of these critical incident behaviors to the major dimension.
- The analyst rates each statement as to the level of performance it represents on a particular dimension.

- The analyst constructs the final instrument, which consists of at least one rating scale for each major performance dimension (Schmitt and Chan, 1998: 75-76).

#### **2.2.3.2 Performance Outcome**

Some managers have often favored so-called hard or objectives criteria of job performance as opposed to soft criteria or ratings. These objective criteria might include the number of objects produced in a given period of time, the number of products sold or the amount of scrap produced in a given period of time. Although these measures may have utility in some instances, problems of contamination often preclude the use of production measures as job performance indices (Schmitt and Chan, 1998: 79).

Occasionally, those who use products as performance measures will also attempt to assess the quality of what is produced. Certainly, quality indices face the same potential for contamination as do simple counts of products. The assessment of quality often involves some type of ratings; if one is concerned about quality of ratings, the use of quality indices may not preclude the various ratings errors (Schmitt and Chan, 1998:79).

#### **2.2.3.3 Customer Satisfaction**

Customer satisfaction with the products produced is indirectly important to manufacturing organizations, but very directly tied to the organizational goals in service organizations. Councilors, municipal managers, medical personnel, postal employees and others may constitute the product that is sold or in many instances may be the only source of variance in the product sold, as the products are of equal quality and price (Schmitt and Chan, 1998: 84).

However, it would be difficult or impossible for customer's evaluation to give total performance measurement because they generally view only part of the employee's performance. For this reason, supervisors generally are still responsible for the overall performance management, of which customer input becomes a part. The reaction of customers is being emphasized even in non service jobs, like those in manufacturing. Quality management is the responsibility of all employees, not only of quality department (Carrel et al, 1997: 290).

Performance management will be meaningless if it is not measured. Different measuring tools are used to measure performance and this depends on the needs of the organization. Municipalities would not be in a position to know whether it is performing good or bad if its overall performance is not measured. The next section explores the constitutional requirements that are also imperative regarding effective implementation of performance management system in South African municipalities.

## **2.3 LEGISLATIONS REGARDING PERFORMANCE MANAGEMENT FOR SOUTH AFRICAN MUNICIPALITIES**

Performance management system occurs within definite legislative and policy framework. All legislations direct activities of performance managers in South African public service (Erasmus et al, 2005: 35).

### **2.3.1 Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)**

The Constitution of the Republic of South Africa, Act 108 of 1996 **constitutes** the immediate source of ethical direction to public officials in general and public human resource in particular. The Constitution is supreme law of the Republic. Any law or conduct that doesn't abide with the Constitution is invalid. To fulfill its primary ethical function effectively, the Constitution must be accepted by all people of South Africa (Erasmus et al, 2005: 33).

Section 195 of the Constitution states that:

- (1) Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:
  - (a) A high standard of professional ethics must be promoted and maintained.
  - (b) Efficient, effective and economical use of resources must be promoted.
  - (c) Public administration must be development oriented.
  - (d) Service must be promoted impartially, fairly, equitable and without bias.



- (e) People's need must be responded to and the public must be encouraged to participate in policy making.
- (f) Public administration must be accountable.
- (g) Transparency must be fostered by providing the public timely, accessible and accurate information.
- (h) Good Human resource management and career development practices, to maximize human potential, must be cultivated.
- (i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

Section 195 of the Constitution serves as a reference point of guiding the conduct of all public officials in every sphere of government. Section 195 further stipulates that there should be a good human resource management meaning that government officials should manage performance of employees and monitor it on a regular basis for the effective delivery of services to the community. Section 195 also serves as a frame of reference to public managers on how to administer and manage employees. Public managers should be responsible, accountable and transparent regarding their actions and perform their duties with absolute ability.

### **2.3.2 The White Paper on Local Government, 1998**

The White Paper on Local Government (1998) proposed the introduction of performance management systems to local government as a tool to ensure developmental local government. It states that an Integrated Development Plan, (IDP) budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives.

Involving communities in developing some municipal key performance indicators increases the accountability of municipalities. Some communities may prioritize the amount of time it takes a

municipality to answer a query, others will prioritize the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities on performance, accountability is increased, and public trust in the local government system enhanced. With communities engaging municipalities from an informed position, this can only result in municipalities planning better and strategically, while improving the way they work for accelerated service delivery. This defines the place of performance management as a tool for change in the conceptualization of the local government transformation. The performance management philosophy also rests on an understanding that other spheres of government need to play their part in supporting Local Government to perform its functions better and thereby improve the quality of life of our people (Van der Waldt, 2004: 319-320).

### **2.3.3 Performance Management Guide for Municipalities, 2001**

The National Government in South Africa realizes that it needs to support municipalities to ensure the successful implementation of their programmes. As part of the broader support framework, the Department of Provincial and Local Government developed a guide in 2001 to enable local government practitioners to implement a performance management system. The guide is intended to serve as set of simple, user-friendly, non-prescriptive guidelines to assist municipalities in developing and implementing their legislatively required performance management system. It is designed to enable the development and implementation of such a system within the resource constraints, suited to the particular circumstances and in line with priorities, objectives, indicators and targets contained in a municipalities' Integrated Development Plan (IDP) (van der Waldt, 2004: 337).

This guideline presents development and implementation of an organizational performance management system. It also highlights some of the linkages to an employee or personnel performance management system. The guide also strives to establish common language, thereby ensuring some level of consistency and uniformity in the application of the concepts. The guide is not meant as a prescriptive document, it simply provides guidelines. It is meant to provide any depth of detail about integrated development planning processes to overall organizational performance management (van der Waldt, 2004: 337-338).

#### **2.3.4 Municipal Systems Act 32 of 2000 and White Paper on the Transformation of the Public Service of 1995 (Batho Pele White Paper)**

The Batho Pele White Paper values are operationalized through the Municipal Systems Act (Act 32 of 2000) which states that the objective of institutionalizing performance management at local government level is to monitor, review and improve the implementation of the municipality's Integrated Development Plan (IDP). Section 35 of the Act states that, Integrated Development Plan is the principal strategy planning instrument of the municipality that guides the management regarding its planning and development activities. Section 38 states that the performance management system must monitor the performance of the political office bearers, councilors and that of the administration as a whole (Municipal Systems Act 32, 2000).

Calitz and Siebrits (2000: 56) state that performance contracts for managers are one of the focus areas in transforming the public service. In section 57 of the Municipal Systems Act (Act 32 of 2000), it is stated that the Municipal Manager who is the head of administration and the chief accounting officer, and managers who are directly reporting to him/her must have written employment contracts. In case of Municipal Manager, the contract must be between Municipal Manager and the Mayor, who represents the municipality, while for the rest of the managers who reports to Municipal Manager, they sign contracts with Municipal Manager. The written contract should include performance agreement with stated performance objectives and targets with indicators that derived from the municipality's Integrated Development Plan.

Furthermore, Municipal Manager's contract must make provision for cancellation of the contract for non- performance. The performance contract must also contain the values and principles as stated in section 50 of the said Act. The contract must also uphold the management standards and practices stated in section 51 of the Act. Lastly, the contract must reflect the values as stated in the Code of Conduct contained in Schedule of this Act. Section 50 of the Act upholds section 195 of the Constitution of the Republic of South Africa.

In essence, section 195 of the Constitution is reiterated by the values of Batho Pele Principles as stated in the Batho Pele White Paper. This forms the basis for the performance management system. In section 50 of the Municipal System Act (Act 32 of 2000), the emphasis is on maintaining a high standard of professional ethics, ensuring accountability by public

administration managers and economical use of resources. Section 51 of this Act re-emphasizes the development of culture of accountability and the aligning and organizing of administration in a manner that it is responsive to the needs of the community. Section 51 of the Municipal Systems Act also requires the administration to be performance orientated so as to uphold the objectives of local government as stated in section 152 and 153 of the Constitution of the Republic of South Africa.

### **2.3.5 Municipal Financial Management Act 2003 (Act 56 of 2003)**

The Municipal Financial Management Act 56 of 2003 states that the municipality must implement a service delivery and budget implementation plan. Chapter one of this Act states that a detailed plan approved by the Mayor of a municipality in terms of section 53 (1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget must indicate service delivery targets and performance indicators for each quarter.

Performance management in public service is guided by legislative and policy frameworks. These directives ensure consistency in the application of performance management by public managers in general and municipalities in particular. Municipalities are using city scorecard to monitor and regulate performance management in their areas of jurisdiction. The concept and significance of city scorecard is explored in the next section.

## **2.4 MEANING AND NATURE OF CONCEPT CITY SCORECARD**

According to Jackson and Schuler (2003:124), in order to ensure that the organization is on the correct path of success, it needs to benchmark its performance against accepted best practices. In terms of performance management, "a scorecard assists in benchmarking performance and as a snapshot of performance it should contain criteria, acceptable as a valid measure of performance. A city scorecard as part of management system enables the council to clarify its vision and strategy by evaluating customer/community satisfaction, supplier's performance, technology

employed and innovative actions taken and gauging performance against actions taken” (Jackson and Schuler, 2003:124).

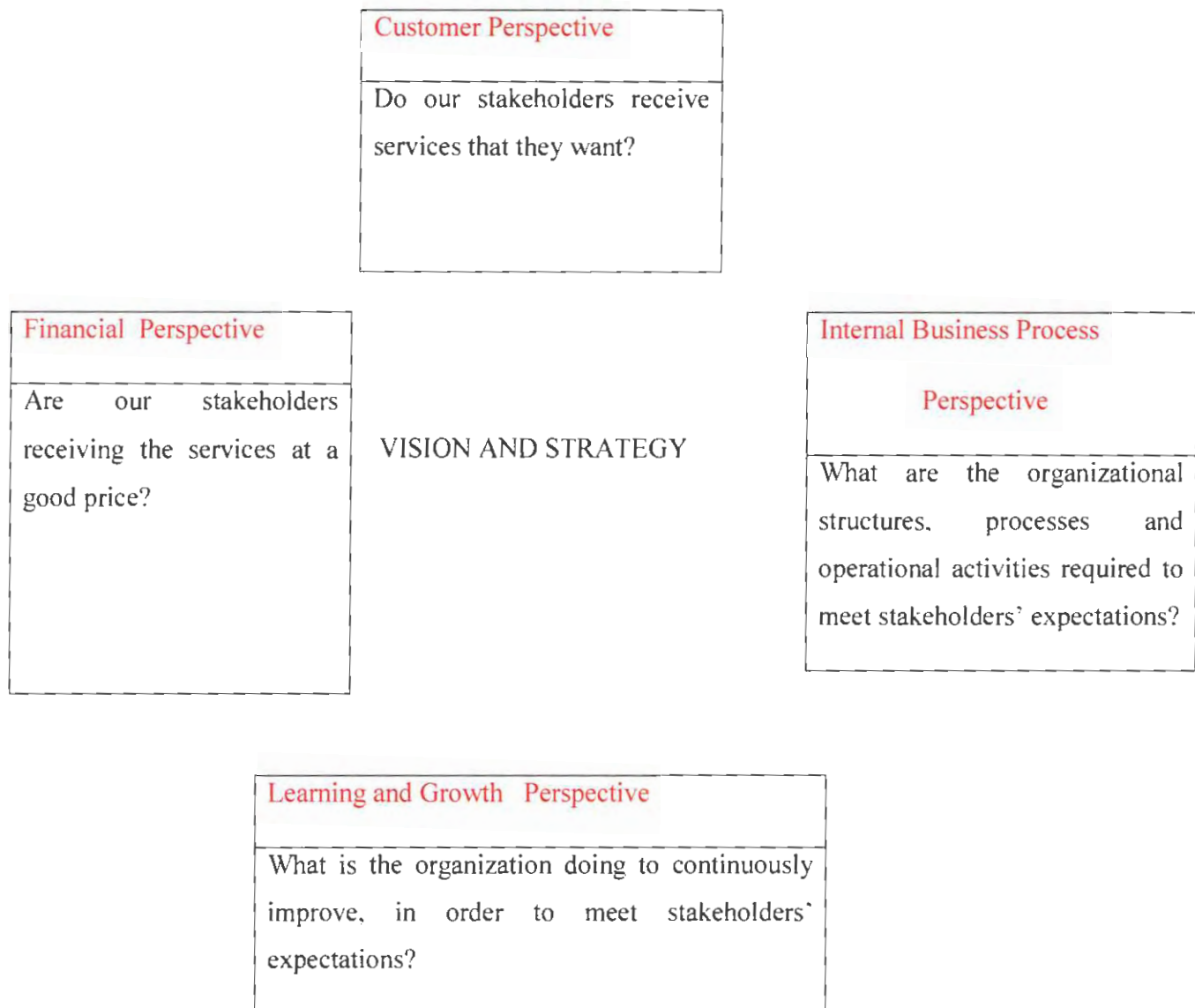
The city scorecard provides feedback on both internal and external business processes and external outcomes or results if strategic performance and results are to be achieved. Ultimately once the scorecard has been defined, it becomes the dashboard of the council’s overall performance (Jackson and Schuler, 2003:124).

The city scorecard approach to performance management is placed on four key areas, with priorities drawn from the municipalities’ vision and strategy. The four perspectives against which performance objectives are defined include:

- A customer perspective
- A financial perspective
- An internal business process perspective
- A learning and growth perspective (Employee Performance Management and Training, 2008:17).

Through focusing on the areas identified above, the city scorecard moves away from the traditional approach of only focusing on the finances of an organization. It now introduces the notion of the four organizational perspectives, all of which are critical for strategy development and implementation. The figure 2.1 below outlines these perspectives and highlights the key questions to be asked in the local government context.

**Figure 2.1: The organizational perspectives of city scorecard**



Source: adopted from Employee Performance Management and Training, 2008:17.

These are the questions that underpin the thinking behind the municipalities' performance management system. In local government context, the balanced scorecard approach prioritizes the customer perspective, but in reality, all of the perspectives are important. The municipalities are thus in a position to develop clear strategies and measures in relation to each of these perspectives (Employee Performance Management and Training, 2008:17). The city scorecard has the following key objectives:

- Improve the organizational performance by improving individuals performance;
- Clarify expectations of what individuals are required to achieve;
- Develop the skills and competency of individuals within the organizations;
- Foster a sound working relationship between managers and employees through the development of agreed objectives, the provision of feedback, counseling and coaching;
- Provide a tool for managers to manage performance of their staff;
- Allow employees to become more actively involved in managing their own performance;
- Reward those employees whose performance exceeds the output criteria; and
- Instill a performance oriented culture throughout the organization at the level of employees (Employee Performance Management and Training, 2008:16).

In order to achieve the above objectives and fulfill the obligation of improved performance and enhanced service delivery, municipalities follow a three-tiered approach of city scorecard.

#### **2.4.1 Three Tiered Approach of City Scorecard**

Performance management in the municipalities is about the setting and measurement of desired outcomes and activities of the organization, its individual components as well as its staff who contribute to the achievement of the strategic vision of the organization. It is a multilevel process that starts with an overall strategy and cascades to organizational, departmental and individual performance management and appraisal. It is a performance at an individual, departmental, organizational and citywide level that collectively contributes to municipalities' success in ensuring effective service delivery to its community.



Performance management encompasses the planning, monitoring, measurement and reporting of performance at various levels. For this, municipalities need to adopt an integrated performance management system, with a process starting with the municipalities' strategic planning phases and moving all the way through the various levels of the contribution, from citywide, organizational, departmental, to individual. With this approach, performance priorities for municipalities as a whole are cascaded through the entire organization meeting its strategic objectives (Employee Performance Management and Training, 2008: 55).

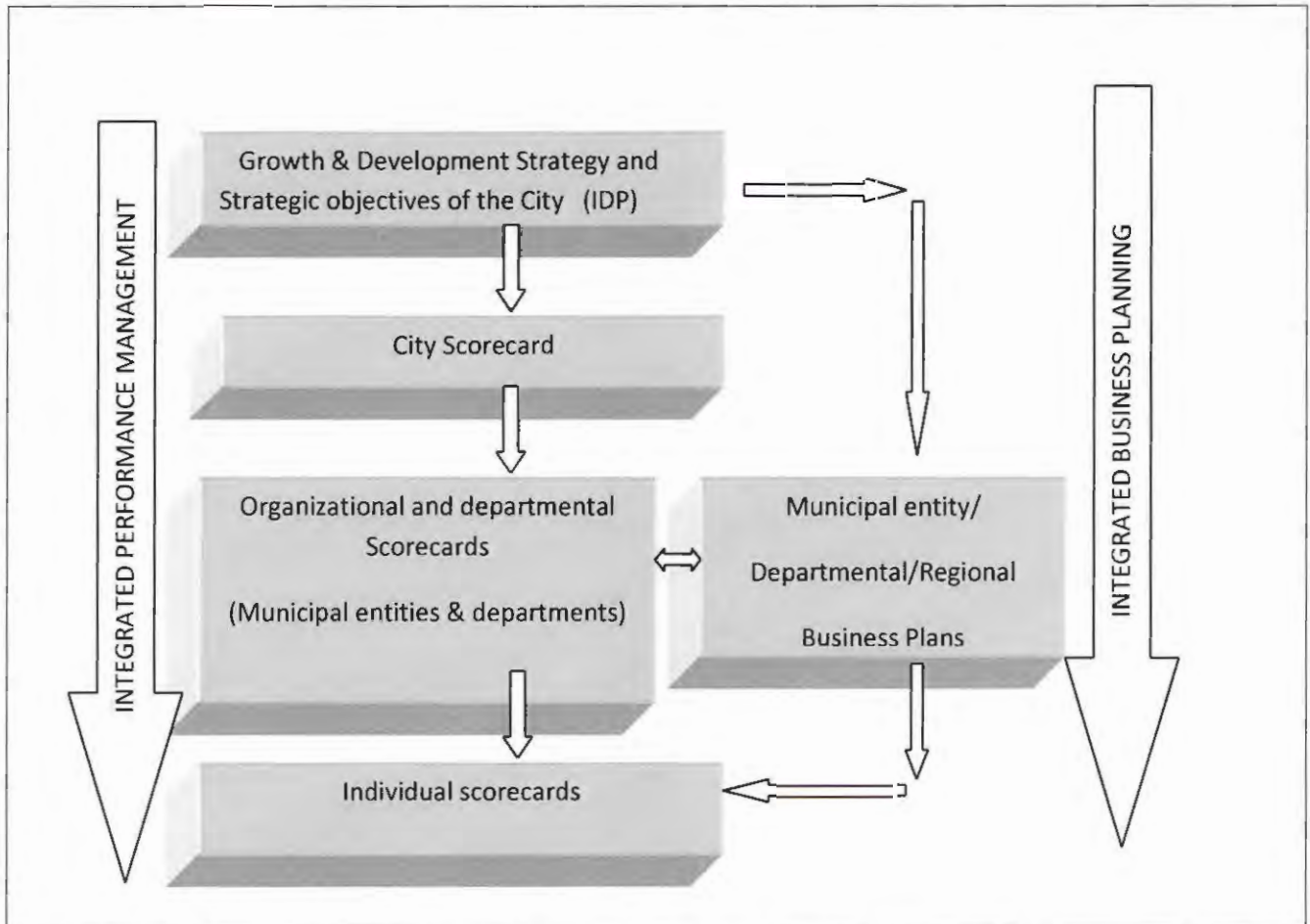
Performance management within municipalities therefore consists of three-tiered approach within the municipalities' Integrated Development Plan informing the development of key areas of performance and targets across all three performance levels. The design of the system, whereby the key performance areas and indicators of performance contained in the citywide scorecard are cascaded into the organizational scorecard (municipal entity and departmental scorecards) and then into individual scorecards ensuring that the appropriate alignment between individual performance and organizational performance is secured (Basic Training on Performance Management, 2007: 6).

Performance management therefore forms part of a strategic management approach within the municipalities, aimed at ensuring that the organization is strategy-led and that key systems such as planning, budgeting and performance management are integrated. This approach enables municipalities to plan and budget efficiently, monitor and measure performance effectively, and report on achievements in a transparent and convincing manner.

The three-tiered approach to performance management and its alignment with the Growth and Development Strategy and Integrated Development Plan process is outlined in the figure 2.2 below:



**Figure 2.2: Three tiered approach to performance management**



Source: adopted from Employee Performance Management and Training, 2008: 5.

The process involves:

- *Citywide Performance Management.* This is the process of strategic planning through which performance objectives for municipalities are identified, based on input from Growth and Development Strategy, Integrated Development Plan and Mayoral Priorities and then monitored and measured via the city scorecard.
- *Organizational Performance Management.* This is the process through which performance objectives for municipalities, as defined in the City Manager's scorecard, are translated into the business plans and scorecards for the various regions, departments and municipal entities.

Organizational and departmental performance is monitored at the level of business plan and Executive Director Scorecard, while the performance of municipal entities is monitored through business plans and service delivery agreements.

- *Employee Performance Management.* This is the process through which the objectives are defined in scorecards at the level of department within municipalities are cascaded into individual scorecards allowing for planning, monitoring, reviewing and rewarding of performance, and the enhancement of development, at the level of the individual employee (Basic Training on Performance Management, 2007: 6).

Performance management is regarded as a critical communication process that helps managers to provide a motivating climate to assist employees in developing and achieving high standards of performance. The Municipal Systems Act 32 of 2000 requires that municipalities establish a performance management system that is commensurate with its resources, best suited to its circumstance, and in line with priorities, objectives, indicators and targets contained in its Integrated Development Plan. It is required to promote a culture of performance management among its political office bearers and councilors, and its administration.

Municipalities need to develop and implement a range of systems and processes targeting to improve performance and enhance service delivery for its citizens. One such system is the city scorecard, originally designed in 2001. This system aimed to meet the legislative requirement of the Municipal System Act, 32 of 2000; the Municipal Structures Act, 117 of 1998; and the Municipal Structures Amendment Act, 45 of 2000 (Basic Training on Performance Management, 2007: 9).

The city scorecard can thus be defined as a tool that enables municipalities to clarify its vision and strategies by evaluating satisfaction of its clients. The city scorecard does not only concentrate on finances as it was the case previously, it focuses on all four perspectives as depicted in the figure 2.1. Municipalities are not only concentrating on the individual performance, but they look at the overall performance of respective municipalities. This means performance is not only managed and monitored at employee level only but also at

organizational, departmental and citywide levels. A city scorecard thus evaluates customer/community satisfaction, supplier's performance, innovative actions, and assessing performance against these set actions for improved service delivery.

## **2.5 CONCLUSION**

The concept performance management was discussed in this chapter to ensure that the City of Johannesburg implements its strategic objectives by measuring, monitoring and holding employees accountable for the implementation of actions in support of a strategy. An effective performance management system ensures that every person, individually and collectively, is contributing to the strategic intent of the organization. The significance of city scorecard was also highlighted as South African municipalities use city scorecard as part of performance management system that focus on four key areas namely financial, customer, internal business, and learning and growth perspective. These are critical for strategic development and implementation of municipalities.

The **next** chapter will give an overview of city scorecard as a tool of performance management at City of Johannesburg. The effective performance management may have positive impact on service delivery. In order to assess this statement, the following chapter will also investigate the effectiveness of service delivery at City of Johannesburg.

## **CHAPTER THREE**

### **AN OVERVIEW OF THE EXTENT OF PERFORMANACE MANAGEMENT AND SERVICE DELIVERY AT CITY OF JOHANNESBURG (COJ)**

#### **3.1 INTRODUCTION**

Public sector worldwide is facing the challenge of controlling and monitoring performance of public servants for improved service delivery. According to Menonca and Kanungo (1996: 34) performance management ensures that strategic objectives of City of Johannesburg regarding service delivery are attained.

The fundamental purpose of this chapter is to explore the city scorecard for effective performance management at City of Johannesburg. The city scorecard is a performance management tool that is used to achieve objectives as outlined in growth and development strategy, Mayoral priorities and Integrated Development Plans (Employee Performance Management – Refresher Workshop, 2008: 5). This chapter further explores the development process of city scorecard emphasizing its significance for enhanced service delivery.

#### **3.2 AN OVERVIEW OF PERFOMANCE MANAGEMENT AT CITY OF JOHANNESBURG (COJ)**

The city scorecard is the personal scorecard of the City Manager and it is sometimes called the organizational scorecard, therefore all personal scorecards of all employees within COJ are derived from the city scorecard. The city scorecard is underpinned by a set of key performance management principles that drive the design and implementation of the system. All employees are responsible for achieving service delivery excellence. City scorecard is about communicating expectations, motivating success through constructive feedback, and coaching and development. Those who perform will be fairly recognized and rewarded and those who are underperforming

will be dealt with accordingly. The performance management policy is concerned about the way in which individual employee performance is managed, across the COJ (Performance Scorecards for section 57 employees, 2007/08: 2). COJ employees fall within one of three main categories: firstly, Section 57 employees, that is, City Manager and Executive Directors; and non-section 57 employees, that is, employees who are employed by COJ on fixed term contracts (FTC) and fall outside Bargaining Council, and lastly employees who are permanent.

Section 57 employees' performance is reviewed by Performance Audit Committee. There is a direct link between individual performance and city-wide performance and financial reward. Non-section 57 employees' performance contract and reviews are done by their line managers (Performance Scorecards for section 57 employees, 2007/08: 2).

City scorecard serves as communication tool between the manager and the employee for improved service delivery at City of Johannesburg.

### **3.3 DEVELOPMENT OF CITY SCORECARD**

It is imperative that every COJ employees must have a signed personal scorecard by end of July during each financial year, whether employee is on fixed term contract, permanent or temporary. All employees should have personal scorecard so as to align their efforts with COJ objectives. When developing city scorecard, there are seven factors that need to be taken into consideration (News Flash, 2008). These factors are:

#### **3.3.1 The Performance Agreement**

Performance agreement can be defined as a process whereby a manager and employee agree on work that will be done in a specific financial year. They agree on Key Performance Areas (KPA's), Key Performance Indicators (KPI's), baselines, targets, weightings, evidence and means of verifications. Performance agreements are also known as contracting (Jerkewitz et al, 1998: 67).

All employees of COJ are required to have a performance agreement, which should be finalized and signed as close to the beginning of the financial year as possible. The Local Government Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, stipulates that performance agreement should be done once a year within one month after the commencement of the new financial year (July) (The Local Government Performance Regulations for Municipal Managers, 2000:15). The performance agreement stresses developing Key Performance Areas to establish performance targets.

### **3.3.2 Developing Key Performance Areas (KPA's)**

Key Performance Areas (KPA's) are statements of performance objective and outcome results that relate to an individual's role and responsibilities. KPA's focus on the results that individual employees are expected to achieve in their roles. KPA's are determined by Mayors objectives, growth and development strategy and Integrated Development Plans (Municipal Planning and Performance Management Regulations, 2001: 8).

KPA's is the explicit statement of a performance objective and outcome results that relate to a major functional, operational, technical, financial area of the individual's role and accountabilities. Any individual role will typically encompass a maximum of 5 KPA's. Strategic Performance Objective (SPO) are the most critical and strategically focused key performance areas of any individual's role for a specific period (typically one year or less). The SPO for Section 57 employees are derived from the city scorecard (Organizational Scorecard). Each SPO or KPA must be assigned a weighting out of 100%. The sum of all the weightings for SPO's must be equal to 100% and the sum of all weightings for all KPA's must be 100%. KPI's are most critical to assess progress toward objectives (Altman, 1979: 31).

Practical tips for developing KPA's are as follows: a role is best broken down into a number of key result areas and then key objectives or output statements are created for each of these. Taken together, these should provide a comprehensive statement of all key objectives (Key Performance Areas) of the role and each should comply with the following:

- \* represent all key output areas of the role (not a list of tasks, duties and other inputs);
- \* be worded in such a way that leads automatically to measures of performance;



- \* be distinct from other statements by describing an explicit area in which results must be achieved by the position holder;
- \* relate clearly and realistically to the position in question; and
- \* be within the employee's control (Altman, 1979: 31).

The key performance areas must have three key elements namely:

- Action verb i.e. How the function is performed;
- What activity i.e. function, area and process are affected by the action;
- End result i.e. why the function is performed ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)).

The KPA's assist the relevant authorities to establish Key Performance Indicators for achievement of set goals.

### **3.3.3 Developing Key Performance Indicators (KPI's)**

KPI is a yardstick that indicates how a particular KPA will be achieved. KPA just mention what need to be done by the employee while KPI indicate how that KPA will be done (Altman, 1979: 32). Once key performance areas have been agreed it is important to agree the standard set which the work will be done i.e. "this job or task will be done if (the following things happen)". An example of an indicator is that queries are resolved within 24 hours. Performance indicators must ideally describe the result in quantitative terms. For example: Department reports prepared and distributed within three working days after meeting or 90% of customer queries resolved within 24 hours. It is not always possible to describe performance indicators in quantitative terms and end results may have to be expressed in qualitative terms. For example: callers are dealt with courteously at all times. Different types of measures can be set that could include: time performance against set timeframes. Speed of the activity or response time quantity of how much output must be achieved simultaneously (Altman, 1979: 33).

KPI's are used by COJ to measure individual employee performance and overall organizational performance. The number of KPA's in each scorecard should be limited to develop appropriate



focus. Scorecards should include KPA's and KPI's for which the scorecard owner has direct line of sight. This means that the scorecard owner has control over the implementation of the KPA's and associated KPI's included in his/her scorecard (Employee Performance Management and Training, 2008: 29).

KPI's should be directly linked to organizational goals and objectives. They need to reflect organizational culture and values, by indicating the type of behaviour and performance the organization will recognize as successful and reward employees. As outputs of the performance management system, KPI's also need to be in alignment with other human resource related functions, including training and development, rewards and recognition, and career planning ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)).

All KPI's should adhere to the SMART principle. That means KPI's should be specific, measurable, achievable, relevant, and time-bound, and explained as ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)):

- **Specific**

KPI's need to be specific to the individual job and if possible expressed as statements of actual on-the-job behaviours. An indicator needs to achieve the following: explain clearly to the employee what he/she has to do; have an impact on successful job performance, that is distinguishing between effective performance and ineffective performance; and focus on the behavior itself, rather than personality attributes such as 'attitude to customers'.

- **Measurable**

KPI's must be quantifiable to a large extent that is based on behaviour that can be observed and documented, and which is job-related. They should also provide employees with ongoing feedback on their standard of performance. Some aspects of performance are easy to measure, such as financial and work quantity measures, and it may be tempting to prepare a list of KPI's that focuses mainly on these aspects.

- **Achievable**

Performance management needs to be an open, two-way communication process. KPI's that are imposed on employees without genuine prior consultation are risking failure. It is essential that employee clearly understands the KPI's, and that they have the same meaning to both manager and employee. Consultation is more likely to result in standards that are relevant and valid.

- **Relevant**

The employee must have a significant degree of control over achievement of the KPI. This is not the case when there are issues such as insufficient resources, for example one cannot expect the housing manager to build 10 000 houses with a budget of R50 000. Do necessary arrangements for such problems when they occur. The KPI must be realistically achievable. If it is set too high for the prevailing circumstances (such as building 20 000 houses within a month), not only will it be irrelevant but if action is taken against the employee for failure to achieve it, legal issues may arise, such as an unfair labour practice claim. KPI's should emphasize the nature of the job.

- **Time Related**

KPI's should have an appropriate time frame. Relevant information should be collected either as it happens or within a short time afterwards, otherwise it will lose its relevance. This is also another argument in favour of keeping the process simple. The question of whether the KPI's indicated, line up with the KPA should be asked to ensure that appropriate indicators of success have been identified in respect of each performance area.

This means that KPA's and KPI's should be easily understandable by the employee for absolute achievement of set targets.

- **Assigning Weightings**

Weighting is a percentage that is allocated to KPA and is determined by the importance of KPA. For example if one is responsible for provision of houses, KPA like provide 100 houses per quarter will carry more weight than for example control budget, as this KPA will carry more weight in finance department as their main function is to monitor budget (Basic Training on Performance Management, 2007: 27).

Weightings show the relative importance of one key performance area to another. Each SPO or KPA must be assigned a weighting out of 100%. The sum of all the weightings for SPO's must be equal to 100% and the sum of all weightings for all KPA's must be 100%. An important key performance area or strategic performance objective may be assigned a weighting of 20 or more out of the total of 100, whereas a less important key performance area may be assigned a weighting of 5 out of 100. The purpose of the weightings is to show employees what the key focus areas are in their work. If a key performance area has a higher weighting than any of the other key performance areas, then the employee will know that this KPA or SPO is very important and he/she must give it more attention. Scoring of performance should take place at the level of KPA's, i.e. the weighting will not be further split amongst the various KPI's associated with a KPA (Basic Training on Performance Management, 2007: 28).

Scoring of performance takes place at the level of KPA's. In establishing the scorecard, each KPA is assigned one or more KPI's. Each KPI is then considered in terms of the scale of 1 to 5, and the indicators of performance at each level must be defined. By so doing, when achieving the targets in full, the individual will receive a score of 3. By exceeding the target by the level specified, the individual will be scored for this excess, through the assignment of a "4" or "5". Each KPA will therefore include the KPI's, the baseline and target, and a description of achievement against a 1, 2, 3, 4 or 5 for each KPI. This eliminates subjectivity or bias in the system ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)).

#### **3.3.4.1 Determining Weightings**

The following criteria should be considered when deciding upon the weightings that should be assigned to your Key Performance Areas:

- Degree of ease/difficulty
- Degree of strategic alignment
- Past performance
- Political pressures ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)).

### **3.3.5 Targets and Baselines**

Target is what the employee should achieve as **has** set during performance agreement. In the example of houses that was discussed above, 100 houses will be a target for housing department while baseline is houses that they built in the previous financial year. This means baseline is what has been achieved already (Basic Training on Performance Management, 2007: 30).

Where baselines have not been finalized by the start of the new performance cycle, these should be finalized at the mid-year review. Sound records of all confirmed targets and baselines are to be signed and maintained. Both the manager and the employee should keep a record of the updated signed scorecard. Once targets are identified, the question should be asked as to whether these are too easy or not. The balance between stretch and achievable must be emphasized ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)).

There are different sections within COJ and they are responsible for different duties, for example finance section's weightings will be more on budget or internal control measures on finances as they are the custodian of municipal finances while Metro Police's weightings will be more on crime prevention and enforcing by-laws. The city scorecard should have targets and baseline so that employee must know exactly what is expected from him/her.

### **3.3.6 Evidence and Means of Verification**

The owner of the scorecard takes responsibility for ensuring that the form of evidence identified within his/ her scorecard will be carried out or provided (e.g. ensuring that the houses are available and signatures of houses owners are filed). The form of evidence or measure identified in the scorecard must be realistic, relevant, independent and manageable. In terms of evidence being manageable, extensive checks of evidence such as files submitted may best be provided

through application of electronic systems where feasible, or through a report being provided by internal audit following their review of data ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)).

Self-reporting mechanisms should be regularly audited by internal audit. As per the regulations, the role of internal audit is to assess the extent, to which the municipality's performance measurements are reliable in measuring performance of municipalities (Local Government Performance Management Regulations, 2001:15).

If employee has performed well, there must be evidence as a proof that he/she achieved all the KPA's and KPI's. The means of verification should be signed by either Director or Executive Director or external person. This is usually a report that indicates that particular KPA or KPI has been achieved.

### **3.3.7 City Scorecard Development Checklist**

The city scorecard development checklist is the guideline that is used by managers to ensure that city scorecard contains all necessary information. The main reason for the introduction of this checklist is to ensure consistency in all COJ departments including municipal owned entities (Basic Training on Performance Management, 2007: 33), that includes:

#### The truth test

Are we really measuring what we set out to measure?

#### The Focus Test

Are we only measuring what we set out to measure? We do not want any one measure to be too multidimensional as it loses focus.

#### The Relevance Test

Do not confound multiple performance issues in the same measure. Also, is it the right measure?

#### The Consistency Test

Is the measure consistent? Is the measurement process consistent across people and time?

#### The Access Test



Can the data be easily accessed and understood? Is it easy to track and capture? ([www.joburg-archives.co.za](http://www.joburg-archives.co.za)).

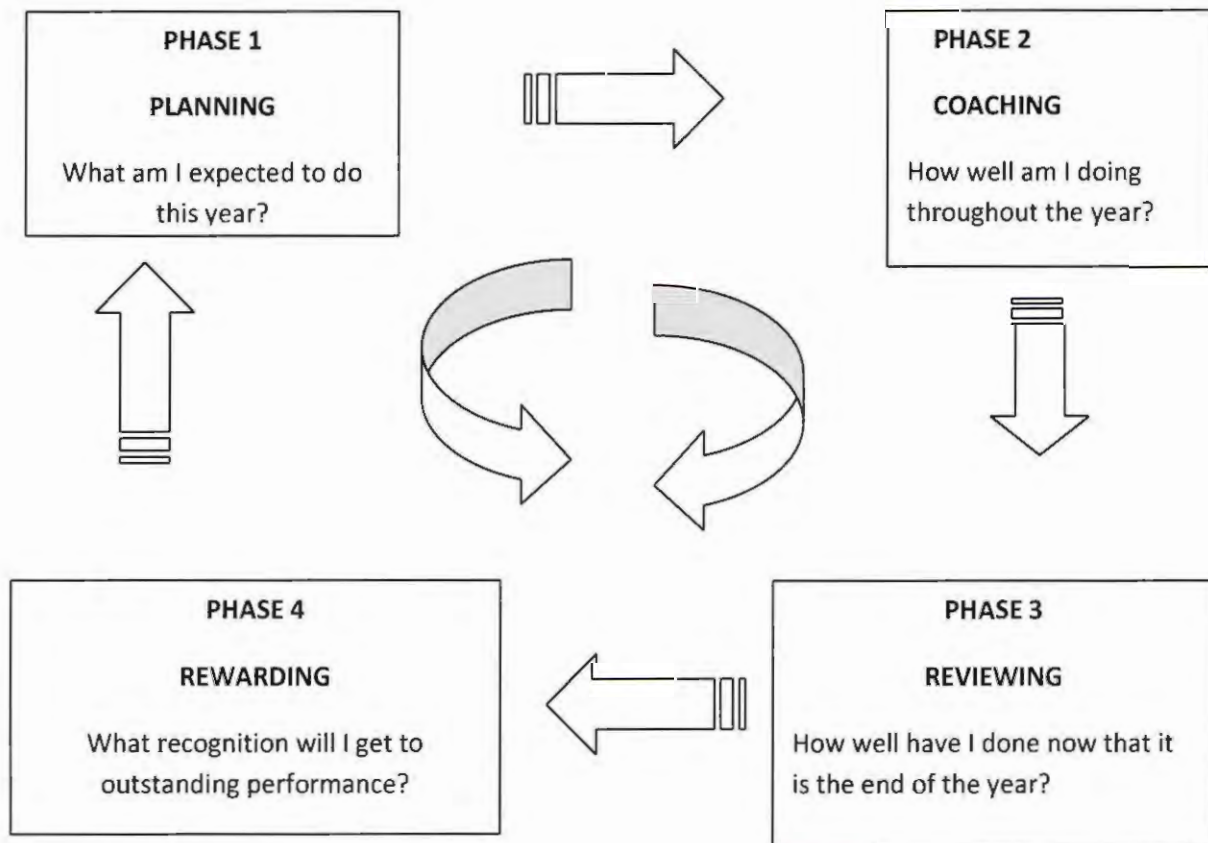
The city scorecard development checklist is used by COJ managers during the performance agreement. The manager check personal scorecard format by using city scorecard development checklist as all information on the checklist should be reflected in the personal scorecard. There are about 70000 employees in COJ and only about 5600 went through this process as city scorecard was only introduced at senior levels ([www.jozinet.org.za](http://www.jozinet.org.za)).

After developing city scorecard, COJ ensures that all employees of all categories have a signed personal scorecard at the end of July in every financial year after agreement have been reached between the managers and employees on performance agreements. There were about 63687 employees at the end of 2007 at City of Johannesburg. The city scorecard was only implemented from level one to level five. This means it is only implemented at senior level. The intention is to implement it to all employees in 2015 ([www.jozinet.org.za](http://www.jozinet.org.za)). During performance agreements both parties agree on KPA's and KPI's. All city scorecards should have Key Performance Areas (KPA's), Key Performance Indicators (KPI's), Weightings, Targets and Baseline, Evidence and Means of verification. COJ also developed checklist for city scorecard to ensure that all city scorecards contains all necessary factors.

### **3.3 IMPLEMENTATION OF CITY SCORECARD WITHIN CITY OF JOHANNESBURG**

There are four key phases in the performance management cycle. Often managers in COJ only concentrate on formal review, but this is only one aspect of performance management. Other aspects of performance management cycle are also important. Performance management cycle is explained by means of figure 3.1.

**Figure 3.1: Performance management cycle**



Source: Performance Management System: Employee Handbook, 2008: 6-7.

The performance management cycle includes the following phases:

### **3.4.1 Planning phase**

This phase is done in July every year. In this phase the manager/ supervisor and his/her subordinates plan the work that should be done during the financial year from July to June. Together they complete the personal scorecard with detailed objectives, key performance areas, key performance indicators, the time frame, weightings and evidence that will be used to prove that the employee achieved the objectives (Performance Management System: Employee Handbook, 2008: 6).



The planning meeting assists both the manager and the employee in order to:

- Link the work of the employee to the objectives of the department and ultimately to those of the City of Johannesburg,
- Identify the knowledge, skills and behaviours that the employee will need to achieve his/her objectives, and
- Help the employee to think about actions plans and thing that the employee can do so that he/she can achieve the objectives of his/her personal scorecard (Performance Management System: Employee Handbook, 2008: 7).

The planning phase leads to the coaching phase.

#### **3.4.2 Coaching phase**

- Coaching must be done regularly so that the employee will always know how well he/she is doing. Coaching can be informal or formal and it allows the employee and the manager to discuss the progress of the employee against his/her scorecard and to decide if anything needs to be changed before the final performance review in June (Performance Management System: Employee Handbook, 2008: 7).

The main purposes of coaching are the following:

- The manager can make clear what he/she expects from the employee,
- To give employee positive feedback when he/she do well,
- To let the employee know when he/she is not doing well and to help him/her to do better. The employee should not be afraid to ask the manager to give him feedback. He has a right to know how well or bad he/she is doing (Performance Management System: Employee Handbook, 2008: 8).

Half way through the year the manager must conduct a formal half-year review. The purpose is to give the employee feedback on his/her performance thus far and to check that the objectives

that were set during planning phase are still relevant. The employee will not be scored at this stage (Performance Management System: Employee Handbook, 2008: 8).

### **3.4.3 Reviewing phase**

This is the formal meeting held in June between the employee and his/her manager to rate the employee by using the scorecard that was set at the beginning of the financial year. The manager was doing the coaching for the whole year. During the meeting employee must ask questions to make sure that he/she understand why the manager gave him/her a particular score. The manager has a final say on what score the employee get, but it is important to understand why he/she is getting a particular score (Performance Management System: Employee Handbook, 2008: 8).

The employee should score him/herself and he/she must think about examples of activities that occurred during the year to provide evidence or proof of why he/she scored him/herself in a particular way. The manager will help the employee to complete an individual learning plan. This learning plan is to make sure that the employee gain the necessary knowledge, skills and behaviours to do his/her job well, perhaps to advance in his/her career. Formal training courses are not the only way to learn. Formal training can be expensive and the employee and the manager need to think of other ways for employee to learn without necessarily have to go through training courses (Performance Management System: Employee Handbook, 2008: 7).

### **3.4.4 Rewarding phase**

At the end of the performance review in June employee should have a particular performance score. If employee scored above certain level he/she will be rewarded accordingly (Performance Management System: Employee Handbook, 2008: 6-7).

Performance management is implemented by means of a cycle by COJ managers. The planning phase is the critical phase as both parties develop performance agreements and sign the personal scorecard at the beginning of financial year. There must be interventions by the manager during the year so that problems can be detected as early as possible. Employee must get regular

feedback about his/her performance. At the end of financial year both parties should have a formal meeting to review how the employee performed for the whole year and if he/she performed well he/she must be rewarded accordingly.

### **3.5 THE SIGNIFICANCE OF CITY SCORECARD AT CITY OF JOHANNESBURG**

The primary purpose of the city scorecard is to enable managers and create a motivating climate for employees to develop and achieve high standards of performance. City scorecard supports the provision of evidence of how COJ delivers better outcomes for the residents of Johannesburg and helps identify what might be done to improve performance of its employees (Employee Performance Management and Training, 2008: 13).

The city scorecard is designed to assist the COJ in achieving its objectives as set out in the Integrated Development Plans (IDP), thus working towards the achievement of its vision of becoming an African world class city. The COJ has six key strategic priorities:

- Economic development and job creation
- Health and community development
- Housing and services
- A safe, clean and green city
- A well governed and managed city
- HIV and AIDS (Employee Performance Management and Training, 2008: 13).

City scorecard ensures that the COJ fulfils its legal duty to introduce performance management and help to understand exactly what employees are required to contribute towards the achievement of this vision. The core components of the City Scorecard are:

- Setting of appropriate key performance areas;
- Setting of measurable key performance targets;
- Monitoring performance;
- Measuring and rewarding performance at least once a year;

- Taking steps to improve performance; and
- Establishing a process of regular reporting (Employee Performance Management and Training, 2008: 13).

Providing world-class services means that COJ have to be good in delivering services in all of the following areas that are depicted in figure 3.2 below.

**Figure 3.2: World class service**

COJ need to serve community by providing excellent customer service, satisfying community

COJ must have sound financial management systems in place so that they can meet current and future community needs



COJ must have skilled and experienced employees who are motivated to provide a high standard of service

COJ must improve systems and processes and make sure that their staff have the necessary knowledge and information to use this systems effectively

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Source: adopted from Performance Management System: Employee Handbook, 2008: 2.

The vision of COJ is to become African world class city, thus city scorecard is designed in such a way that this vision is achieved. COJ has six key strategies priorities in order to become African world class city. This vision means that COJ should provide excellent service to community and have sustainable finances that will fulfill the needs of community. The COJ should develop its employees and ensures that they have adequate resources (Performance Management System: Employee Handbook, 2008: 2).

### **3.6 MANAGEMENT OF POOR PERFORMANCE AT CITY OF JOHANNESBURG**

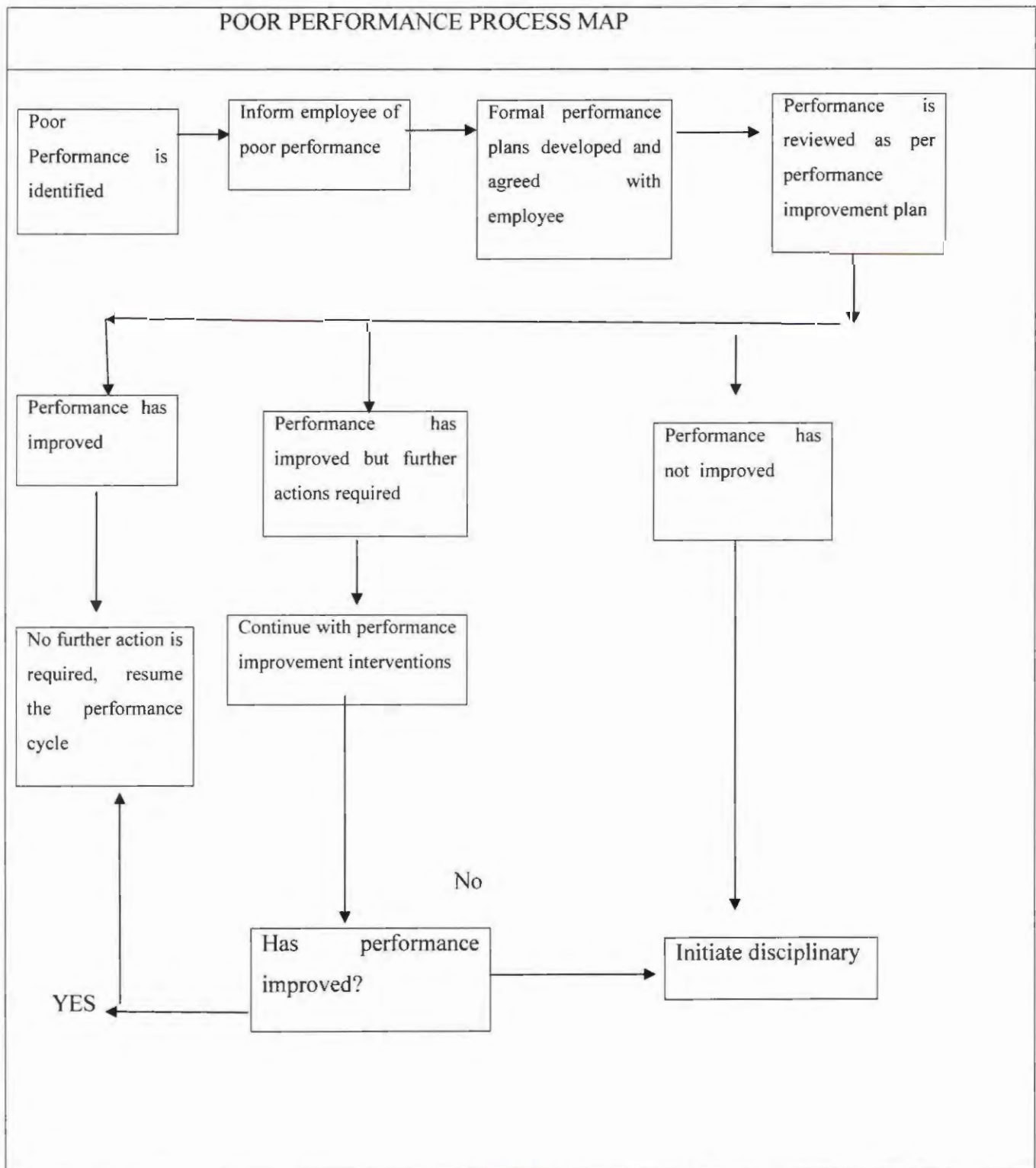
It is the manager's responsibility to follow-up on the performance review of an employee who was ranked as a poor performer. It is important to note that an employee may not be dismissed due to his poor performance unless he has received appropriate evaluation, instruction, training, guidance or counseling (Performance management "review and rewarding" guideline, 2008:18).

The Code of Good Practice in the Labour Relations Act requires an employer to:

- Investigate to establish the reasons for the employee's unsatisfactory performance,
- To give employee appropriate evaluation, instruction, training, guidance or counseling,
- Allow the employee a reasonable time to improve, and
- Consider alternatives sanctions short of dismissal (Labour Relations Act, 1995:196).

The manager must assess the employee's review, and identify a course of action that will address the shortcomings. Whilst the primary aim is to assist the employee to achieve satisfactory work performance, there is the possibility that it may also ultimately lead to dismissal. The process map that follows describes the different steps and outcomes that result from an intervention to address poor performance, discussed in figure 3.3 below.

**Figure 3.3: Poor performance process map**



Source: adopted from performance management “review and rewarding” guideline, 2005:18.



The poor performance can be managed through the following phases:

### **3.6.1 Phases of dealing with poor performance**

There are three broad phases for dealing with poor performance at COJ. These phases are discussed below.

#### **3.6.1.1 Phase one: Establishing poor performance**

Firstly, the manager must identify whether the poor performance is due to capacity or ill health, in this case the manager must contact the Human Resource Department to receive assistance on how to deal with the situation. If poor performance is not related to ill health or incapacity; the manager must establish the following (Performance Management: workshop refresher guide, 2008: 34):

##### **3.6.1.1a Existence of performance standard**

The requirement to establish the existence of a performance management standard should be easily satisfied as the employee has participated in the performance management process that has resulted in a City Scorecard, to which the employee has consented. Sources of performance standards can be varied, including letters of appointment, induction manuals, direct instruction, custom and practice in the COJ.

##### **3.6.1.1b Proof of poor performance**

This is a question of fact to be determined on a balance of probabilities, not beyond reasonable doubt. The outcomes of the performance management review process in the form of the City Scorecard, evaluation of evidence and rating should corroborate the lack of performance.



#### **3.6.1.1c Awareness of the performance standard**

The manager must establish that the employee was aware of the performance standard, before he/she can be held accountable for poor performance.

#### **3.6.1.2 Phase two: Affording the employee the opportunity to improve performance**

The manager should meet with the employee to discuss their performance and establish why it is falling short of the required standard and to agree on how performance can be improved. This process will incorporate the following:

- The manager should review and assemble any relevant information and documentation prior to the meeting.
- It should be made clear that the purpose of the meeting is to establish the fact of the existence and the cause of the employee's poor performance and to agree on next step.
- Care must be taken to establish whether or not there are contributing problems or circumstances in the work place for which the employee is not responsible.
- The discussion should include ways in which the necessary improvements can be made.
- The manager should identify in consultation with the employee whether any training, support or any assistance could help the employee to improve his/her performance (Performance management "review and rewarding" guideline, 2005:19-20).

#### **3.6.1.3 Phase three: Outcome of actions initiated to deliver sustained performance improvements**

- At the end of the review period, the manager must again assess the employee's performance and should convene a final meeting with the employee; at he/she will be informed of the outcome, orally and in writing. The possible outcomes will be as follows:
- If there has been a measurable and sustained improvement in performance, this should be recognized and the individual should be informed that no further action is necessary. In

addition, the performance counseling process will not count against the employee in any subsequent application for promotion or benefits.

- If there has been insufficient improvement, or improvement is not sustained thereafter, there may be no alternative but to have recourse to a formal performance hearing, the outcomes may range from a decision to redeploy to an alternative post either at the same or lower level or dismiss ( Performance management “review and rewarding” guideline, 2005:21).

The main purpose of city scorecard is to enhance performance management. When employees are performing as expected they will be rewarded, while employees who are not performing are dealt with accordingly as indicated above. COJ helps underperforming employees by providing training and guidance. If training and development and even coaching have been provided to underperforming employee but there is no improvement recorded, the employee will be disciplined for poor performance. The employee can also be dismissed.

### **3.7 AN OVERVIEW OF SERVICE DELIVERY AT CITY OF JOHANNESBURG**

The challenges confronting senior managers in public service are to look for alternatives, improvement, government and more specific service delivery that is client centered in its performance, culture and attitudes. This approach stresses more delegation of authority, more flexibility, more incentives to encourage initiative, greater attention to training and development of staff particularly in areas where there will be a direct payoff in terms of improved service to citizens, recognition of performance and celebration of successes (Van der Waladt, 2004: 82-83).

Despite the relatively good performance of Johannesburg, there are major discrepancies in the income distribution in the COJ. While the average annual household income in four of the city’s wealthiest administrative regions doubled between 1996 and 2001, the number of households that reported no income increased from approximately 50 000 to nearly 200 000. Another such discrepancy relates to service delivery, where the total number of households with access to electricity increased by 200 000 between 1996 and 2001, while in the same period the proportion

of households with access to this service decreased by 7% from 86% to 79% (www.joburgnews.co.za, 2001: 47). This is primarily because of the rate of people migrating to the COJ, and this rate outpaces extensive efforts in delivering basic services.

The challenges faced in terms of rapid population growth and the growth of informal settlements result in difficulties with the management of the biophysical environment. Environmental challenges facing the COJ include air quality management, protection of water resources, waste management, provision of land and open spaces and plant and animal biodiversity management. The air quality management challenges are a result of households depending on fossil fuel for heating, the use of private vehicles, dust from operational industries and mines and other forms of industrial air pollution. All of which leads to elevated levels of emissions such as Carbon dioxide. The river systems in the COJ also show evidence of high levels of sewage and mining pollution. This is worsened by contaminated storm water run-offs, increased littering and illegal effluent discharges from industry and wastewater treatment works. COJ also has a high level of waste generation. The five landfill sites that the COJ depends on for waste disposal cannot cope with the current rate of waste generation. Current projections show that the existing landfills will reach their half-life by 2010 (www.pikitup.co.za).

COJ is obliged by law to provide service to community of Johannesburg and this implies that provision of service is a right not a privilege. Although provision of service is a right, there are challenges that hinder COJ to provide effective and efficient service.

### **3.8 SERVICE DELIVERY PLANS AT CITY OF JOHANNESBURG**

In terms of the COJ's business model, COJ is directly responsible for the delivery of services relating to health, housing and social development. Structurally, COJ has established central departments for each of these areas. COJ has eleven regions each with regional managers in the areas of health, housing and social development. During the 2003/4 financial year, COJ experienced difficulty in these arrangements. In particular, planning was very difficult as each region developed particular strategies that were not necessarily linked to the strategic direction of

the whole City. During the 2004/5 financial year, COJ appointed a Chief Operating Officer (COO) to be responsible for all regions and departments (Office of City Manager, 2005: 12).

The COO has introduced a new planning approach that has resulted in much greater cohesion between the central and regional planning. The COO introduced a service delivery plan that stipulates that central departments and regions are required to plan together. The service delivery plan is a plan that set City-wide performance targets in respect of the services that COJ delivers through its regional structures. An example of such a target could be a 10% increase in revenue generated from sports and recreational facilities managed by COJ. The intention of the City-wide target is to guide each of the regions in terms of what it should achieve regionally to ensure that the overall 10% revenue increase is attained (Office of City Manager Performance Scorecard, 2003: 13).

A key requirement in the regional planning process is the inclusion of all service delivery plan targets in the regional plan. Since Directors and Regional Managers have participated in the development of service delivery plans, the development of regional plans has included all the service delivery targets set. Regional plans also cover the managerial responsibilities of regions as well as region specific projects. Each of the regions has produced regional plans that describe the strategic focus of the region through its regional scorecard and provide programme that indicate how scorecard will be achieved ([www.jda.org.za](http://www.jda.org.za)).

COJ has eleven regions and initially all these regions were not working together. In 2004/5 financial year COJ appointed Chief Operation Officer. The COO was responsible for coordination between different regions and departments. The COO introduced the service delivery plans that outline how regions and departments are going to provide services in their regions.

### **3.9 SERVICES PROVIDED BY CITY OF JOHANNESBURG**

There are services that are provided by COJ to individual households, and other services are provided to community at large. Both types of services are discussed below as per available information and statistics.

### **3.9.1 Household services**

The benefit of household services is enjoyed by the individual household even though the benefit is indirectly felt at a communal level. This sub-section focuses on access by the poor to following services:

#### **3.9.1.1 Water**

Through Johannesburg Water, the City of Johannesburg provides a universal subsidy of the first 6 kilolitres free per month to all the households in the COJ that are in the billing system of the COJ. Households get billed for consumption in excess of the first 6 kilolitres. The 1050 418 households that are in the Johannesburg, about 470 35615 are account holders and therefore receive the free 6 kilolitre coming up to a cost of just over R113 million. In addition to servicing households that are account holders, the COJ provides water to about 36 392 households in informal settlements with mobile water tankers at a cost of about R5 889 000 to the COJ since 2003/04 financial year (Social Package, 2004: 27).

#### **3.9.1.2 Electricity**

Electricity in the COJ is supplied by City Power and Eskom. The COJ is administering three tariff structures for its residents, namely;

- Lifeline tariff
- Two-part flat tariff
- Two-part seasonal tariff (Social Service Package, 2004: 28).

The difference between the lifeline tariff and the other two is that there is no basic service charge of R60.99 per month for it whereas the other two have. Also, the charge per kWh for the lifeline tariff is R33.94c while for the two-part flat and seasonal tariffs is R26.31c and R33.81c respectively. Legally, connected residents are given the option to choose the tariff structure that

bests suits them but it also depends on their consumption patterns. The choice would apply to new connections where account holders are supposed to be given a form to fill in choosing the tariff structure. City Power has designed the break-even point to be 1020kWh for the current financial year. Any consumption above this point is considered large consumption. When the policy was being implemented in 2000 the different tariff structures were applied automatically based on the consumption patterns of households. Those consuming less than 1020kWh were automatically put on the lifeline tariff and those consuming more on the two part tariff. As a result, about 60% of the customers are on the lifeline tariff and the rest on the two-part tariff. Account holders that want to change over to the lifeline tariff can apply to the municipality (Social Service Package, 2004: 29).

The subsidy for electricity is a universal application of the first 50kWh per month for free for those users that are on the lifeline tariff. This grant is a credit equivalent to 50kWh per month on the bill and it cannot be redeemed for cash. A resident that has been disconnected is not entitled to the grant for the duration of the disconnection. An accountholder is reconnected after settling the arrears on the account or making an arrangement with the COJ's Revenue Department to pay the arrears and a connection fee is paid. There are currently about 208 045 legally connected account holders in the Johannesburg Supply Area of whom 186 278 are on the lifeline tariff and thus receiving the free basic electricity. This figure includes about 47 000 prepaid customers. The cost to the City of Johannesburg is approximately R37.9 million for the current financial year. There are about 30 000 households that are supplied by Eskom for which COJ has to reimburse for the free basic electricity. The cost to the COJ in respect of these households is just under R1.2 million for the current financial year (Social Service Package, 2004: 29).

### **3.9.1.3 Sanitation**

The charges for sanitation depend of the size of the property ranging from R40.70 per month for a property up to 300m<sup>2</sup> to R172.70 per month for a property larger than 2000m<sup>2</sup>. Indigent residents can apply for an annual subsidy in respect of sanitation and refuse removal. Applicants that qualify should be accountholders and fulfill the following requirements:



- Live in a property smaller than 300 m<sup>2</sup>
- Family income less than R1 100
- Receive a disability grant
- Pensioners with family income less than R1 100
- HIV/AIDS patients (with full blown AIDS) or their orphans ([www.sacities.net](http://www.sacities.net)).

The policy was implemented in the 2002/2003 financial year and in that year about 24 232 applications were received of which 13 990 were successful. Approximately only 6 000 households have received this subsidy to date it did not even apply for the full stipulated period of 12 months due to the budget running out. There is a backlog of about 8 000 households for the first year and more for the current financial year. Problematically, households that qualify are not receiving the subsidy due to this subsidy mechanism not having a sufficient budget. The Budget Office and Social Development estimate the number of households qualifying for this subsidy to be about 20 000 for the year 2003/04, including those who qualified in the previous year plus 6000 new applicants. The estimated cost to COJ to provide this subsidy is just over R9.7 million since 2003/04 financial year (Office of City Manager, 2003: 43).

Clearly this subsidy mechanism can only be effective if the budget for this is available. According to Johannesburg Water, all informal settlements have access to a form of sanitation, either waterborne or alternative. There are currently about 36 392 full waterborne sewer connections in informal settlements with operating costs totaling about R31.5 million. The operating cost for chemical toilets throughout COJ is calculated to be R4 million for the 2004/2005 financial year. The cost is maintained since 2004/05. The aim is to upgrade all informal settlements to a level 2 of service which is a ventilated improved pit latrine (VIP) toilet ([www.sacities.net](http://www.sacities.net)).

#### **3.9.1.4 Refuse removal**

Similar to sanitation, the tariff for refuse removal varies according to the size of a property, ranging from R21.60 per month for a property smaller and up to 300 m<sup>2</sup> to R70.65 for a property larger than 2000 m<sup>2</sup>. Again here, a household qualifying for a rebate on assessment rates is



entitled to be charged the monthly tariff of a property smaller and up to 300 m<sup>2</sup> (i.e.R21.60). As a subsidy, refuse removal is linked to sanitation and residents qualifying as special cases receive a joint subsidy on both services ([www.pikitup.co.za](http://www.pikitup.co.za)).

It comes as a package to successful applicants and thus the same criteria discussed above applies to refuse removal as well. It then follows accordingly that only about 6 000 people that have received the subsidy to date. Again here, the Budget Office and Department of Social Development estimate the number of households receiving this subsidy is 20 000 for the 2003/04 financial year at a cost of R5.1 million to the COJ. The amount is maintained since 2003/04. Refuse removal in informal settlements that are serviced is charged at a flat rate of R5 per household per month. At the moment 194 904 households are serviced by Pikitup at a total cost of R3 114 040 per month and R37 368 480 per annum. This is the cost on collection of bulk refuse, bags and skips ([www.pikitup.co.za](http://www.pikitup.co.za)).

### **3.9.1.5 Housing**

As mentioned above, housing is delivered in partnership with the province. The programmes of the province are replicated in COJ and the waiting list of beneficiaries for housing is also maintained in partnership with the province. The Housing Strategy created 166 385 units in 2005/06 through its strategic programmes and it housed about 23% of its population that is housed in less than adequate accommodation and to address the household growth that was unplanned (Social Service Package, 2004: 7).

#### **3.9.1.5 (a) Informal settlements**

In addressing the challenge posed by informal settlements COJ has reduced the number of informal settlements from 89 to 74 by relocating 15 settlements to formalized settlements such as the RDP housing and formalized settlement. Secondly, formal settlements have been upgraded through the provision of water and sanitation as part of the *People's Housing Process (PHP)*. This process includes registering, numbering units, fencing and naming streets, among others.

The People's Housing Process involves the beneficiaries contributing sweat equity in the building of their houses. Beneficiaries are capacitated as part of this process through the Housing Support Centers. The Housing Strategy has projected that four Housing Support Centers will be built to support the building of 5 000 units. The plan is to have 43 more Housing Support Centers and to have built a total of 60 000 units by 2009 (Social Service Package, 2004: 7).

#### **3.9.1.5 (b) RDP Houses**

Since 2002 in partnership with province, the regions and developers, COJ has facilitated the construction of 13 580 RDP units and is in the process of developing 5 000 more. The target is 30 000 units by 2009. As part of the strategy, COJ also aims to introduce savings schemes through the National Urban Reconstruction Housing Agency to raise the deposit of R2 479 required from qualifying beneficiaries in terms of national policy as a prerequisite to access the full subsidy of R20 300 (Social Service Package, 2004: 8).

#### **3.9.1.5 (c) Hostels**

The COJ, the Province and other stakeholders upgraded hostels into family units creating 10 000 units. This process began in 2000 and ended in 2006. The COJ transferred its stock through selling it to legal tenants since 2000 and this was completed in 2006. The COJ's Housing Strategy aims to assist people who want to buy their houses or flats by providing a discount of up to a maximum of R7 500 if a person has been living in council housing before 15 March 1994. These prices range between R2 000 and R35 000 per house and the COJ also has a subsidy scheme of R205 to cover transfer costs. By selling and transferring its stock to households, the current cost of R100 million towards rates and taxes will be freed for other needs in the COJ. Rent charged for council housing varies from region to region (Social Service Package, 2004: 8).

#### **3.9.1.5 (d) High Density and Inner City**

In 2006 the COJ plans delivered 33 900 high rise/density housing in partnership with Province, Housing Associations and the Johannesburg Development Agency (JDA). This includes upgrading of inner city buildings and new projects. In order to facilitate new housing developments, COJ has to identify developable land and buildings to respond to the high demand for adequate housing in COJ and address housing backlogs. To this end, Province has appointed a team to work with the COJ to identify land and building for housing projects, conduct feasibility studies, develop master plans for township development and implement projects in line with COJ's approved development plans (Social Service Package: 2004: 09-10).

### **3.9.2 Communal benefit services**

The COJ is not only providing services to individual households but it also provides following communal services and they are healthcare and social services.

#### **3.9.2.1 Healthcare**

Strategies to improve access of health services to the poor, that was discussed above include the provision of free Primary Health Care and the decentralization of health services. Two main components of the package of health services currently provided as part of these strategies are facility based services and community based services (Social Service Package: 2004: 11).

#### **3.9.2.2 Social services**

Through its regions, the COJ is delivering social services to its poor and other vulnerable groups. Firstly, there are programmes targeted at the youth, women, the aged and people with disabilities. These programmes include economic empowerment training, victim empowerment and HIV/AIDS training and awareness and are regionally driven. In partnership with local

community organizations identify the needs of the community and through forums that get established, programmes are designed with council social workers to address these needs. These programmes will thus vary from region to region based on the community needs and their impact to communities is potentially substantial if funded and properly targeted (Social Service Package: 2004: 11).

A mechanism through which the impact of these programmes can be measured is necessary. The COJ has upgraded multipurpose centers and constructed ten new ones. As part of social services, COJ has approved and administers a Social Funding Policy under which nonprofit organizations are running social programmes can apply annually for funding in respect of municipal assessment rates and the social programmes that they conduct in the community. The other category in respect of which organizations can apply is mayoral support which covers events for which the organizations needs assistance on. This policy substitutes the Grants-in-Aid policy that COJ has been using to assist community organization that link up to the social functions of COJ and the Mayoral priorities (Social Service Package: 2004: 12).

This is not a grant to the organization but a credit against the account of the successful applicants. The subsidy amount depends on the amount owed but the maximum is R100 000 for each organization. To qualify in respect of assessment rates, these organizations have to submit their rates accounts to COJ. Implementing policies without a budget is problematic in that the department operates with uncertainty for most of the year as they construct the budget figures based on applications received. These figures should be estimated based on applications received the previous year and adjustment should be made accordingly to allow for a reasonable increase in the number of organizations that are expected to apply so that the staff can be in a position to have a budget to work on (Social Service Package: 2004:11-13).

City of Johannesburg provides services to both individual households and community. Services that are rendered to households are basic needs such as water, electricity, etc. while community services are services that are enjoyed by all members of community such as health services and social services.

### **3.10 LEGISLATIVE REVIEW ON SERVICE DELIVERY**

The service delivery is regulated by the following regulations: the Constitution, Municipal Systems Act, Municipal Planning and Performance Management Regulations, Property Rates Bill, Free Basic Services Policy, Housing Policy, Health legislation and strategic framework.

#### **3.10.1 The Constitution of the Republic of South Africa, 1996**

The Constitution as the highest law of the country is the basis for all national legislation that mandates access to basic services by the poor and provides for social development of communities. Chapter 2 of the Constitution containing the Bill of Rights stipulates that everyone has a right to have access to housing; health care services including reproductive health care; sufficient food and water as well as social security and social assistance when communities cannot support themselves and their dependents. Sections 26 and 27 further stipulate that the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of each of these rights. Section 152(1) (c) mandates local government specifically with the task of promoting social and economic development. Section 153 obliges every municipality to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

Furthermore, municipalities must participate in the programmes of national and provincial development programmes. These programmes also include poverty alleviation programmes targeted at the poor sections of the community. The COJ, through initiatives such as the emerging development of a Human Development Strategy is showing a commitment to the sentiments outlined in Section 153. In terms of participating in programmes initiated by other tiers of government, the COJ appears to be committed to the implementation of programmes such as the Free Basic Services initiative.

### **3.10.2 Municipal Systems Act, 2000**

Giving expression to the provisions of the Constitution with regard to provision of services to the poor is the Municipal Systems Act, 2000. Section 73(1) obliges a municipality to give effect to the provisions of the Constitution by giving priority to the basic needs of local community and ensuring that all members of the community have access to minimum level of basic services. Since municipalities levy fees on the services they provide, a tariff policy of a municipality can be structured in such a manner that the poorest residents are accommodated. Section 74(2) (c) provides for a tariff policy which a municipality needs to adopt and implement. This policy needs to follow a number of guidelines, one of which is that poor households must have access to at least basic services through tariffs that cover only operating and maintenance costs, special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service, or any other direct or indirect method of subsidization of tariffs for poor households. The other guideline is that the extent of the tariff subsidy for poor households and other categories of users should be disclosed. The municipality is levying fees and thus generating revenue, it needs to collect all moneys due to it through a credit control and debt collection policy. Chapter 9 of this Act provides for the development of such a policy and its contents. Section 97(1) states that this policy needs to ensure that its contents are consistent with the rates and tariff policy and any national policy on indigent debtors (i.e. poor households).

### **3.10.3 Municipal Planning and Performance Management Regulations, 2000**

The Municipal Planning and Performance Management Regulations, 2001 give effect and detail to various sections of the Municipal Systems Act of 2000. Chapter 3 of the Regulations speaks to performance management in municipalities including setting key performance indicators. Two of the seven general key performance indicators relate to access to basic services are: firstly the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal and secondly the percentage of households earning less than R1 100 per month with access to free basic services.

When collected, this information provides baseline data on where the COJ is with regard to the number of poor households accessing basic services. The intention being that all households



have access to basic services. These indicators give an indication of how many poor households are still not accessing these services and therefore plan accordingly to address backlogs. These indicators further reinforce government's commitment to address poverty at municipal level. The only concern is that COJ is currently relying on the application process in terms of its Special Cases Policy that is not reaching everyone due to the strong emphasis on account holders instead of the poor generally (Municipal Planning and Performance Management Regulations, 2000: 6).

#### **3.10.4 Property Rates Bill, 2003**

In addition to levying fees on services, municipalities rely on property tax as a source of revenue. Metropolitan and local municipalities can levy this tax on property in their areas of jurisdiction. Even though municipalities always had the power to levy this tax, different valuation systems were used by different municipalities. This bill seeks to introduce a new rating system as well as allow municipalities to include property formerly excluded from the property tax net. Overall, the objective of the bill is to regulate the power of municipalities to impose rates on property. When this bill is enacted into legislation, all ratable property will be levied. However, a COJ may exempt owners of certain properties in accordance with criteria set out in its rates policy. It is in this policy that a COJ can exempt poor households as part of its strategy to reduce poverty (Property Rates Bill, 2003: 21).

Section 3 of this bill provides for the development and adoption of a rates policy by a municipality which, among others, must take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them. Section 14 allows a municipality to exempt the owner of a specific property from payment of a rate levied on their property or grant them a rebate or reduction on the rates payable on the property. In such a case, the Municipal Manager needs to report annually on all the exemptions, rebates and reductions as well as on the income foregone by the municipality as a result. Should the municipality decide to exempt or reduce the rate on certain properties; such exemption or rebates have to be reflected in its budget as income on the revenue side and expenditure on the expenditure side. One of the significant changes implicit in the Bill is to calculate property rates on the value of both the land, and the value of the top structure. At present, property rates in Johannesburg are calculated on



the value of the land alone with property valued below R20 001 being exempt from rates. Clearly this threshold will need to be adjusted in the light of the imminent changes to the rates formula (Property Rates Bill, 2003: 21).

#### **3.10.5 Free Basic Services Policy, 2001**

As part of poverty alleviation, Cabinet announced a statement of intent with regard to free basic water and electricity in 2000. This policy was implemented in July 2001 after the Departments of Water Affairs & Forestry, and Minerals & Energy submitted proposals to Cabinet. According to the policy on free basic services, households qualify to get the first 6kl of water as well as the first 50kWh of electricity monthly for free. Even though this policy is applied universally, it is assumed that poor households consume about 6kl of water and 50kWh monthly. Households start paying the tariff after these levels of consumption. Free basic services are funded out of the equitable share and internal cross-subsidies. The City of Johannesburg is implementing the free basic services policy with water being applied universally and electricity applying to households that are on the lifeline tariff structure ([www.joburgwater.co.za](http://www.joburgwater.co.za)).

#### **3.10.6 National Housing Act, 1997**

The National Housing Act of 1997 replaces all housing legislation. This Act details the roles of the different spheres of government in housing delivery and ensures that all housing delivery in COJ is done within the framework of the Constitution. It also ensures that poor households receive a subsidy towards housing based on income. The poorest households with income between R0 and R1 500 qualify for a full subsidy of R23 050. This subsidy has been increased from R20 300 to accommodate inflation and it reduced based on income bands. With an exception of pensioners, disabled and permanent or temporary health problems, beneficiaries are now required to contribute R2 479 towards the building of their houses. Beneficiaries that don't have this contribution **are** expected to contribute sweat equity through the People's Housing Process (PHP) wherein people are capacitated through Housing Support Centers to participate in the building of their housing units. The Housing Code explains the Housing Act in details as well

as the guidelines for housing delivery and how the Act interacts with other legislation. Housing is a concurrent function with each sphere of government having a specific role in the delivery of housing in the country ([www.housing.gov.za](http://www.housing.gov.za)).

Among others, the role of national government is to determine national policy including norms and standards; set national housing delivery goals and facilitate provinces and local governments set their own housing delivery goals; monitor performance of the housing sector against the set goals; assist province to develop their administrative capacity and support municipalities develop capacity for housing development. The role of provincial government is to determine provincial policy with regard to housing in line with national policy; co-ordinate housing development in the province, support the capacity of municipalities in respect of housing development; develop and maintain a multi-year plan; and, assess and accredit municipalities applying to administer national housing programmes ([www.housing.gov.za](http://www.housing.gov.za)).

The Gauteng Province has developed a multi-year strategy that addresses the coordination and delivery of housing in the province. In consultation with the COJ, the Province is in the process of developing municipal housing plans. A *status quo* report on housing in the Province has been developed to assess the extent of the housing backlog to enable it to better plan for housing delivery in partnership with the municipalities accredited to administer housing programmes. The COJ is participating in the development of the municipal housing plan for its area of jurisdiction. The role of every municipality must ensure that through its Integrated Development Plan the right to have access to adequate housing is realized by carrying out the following functions, among others: remove or prevent conditions not conducive to the health and safety of its inhabitants; provide in an efficient manner services in respect of water, sanitation, electricity, roads, storm water drainage and transport; set their own housing delivery goal; and identify land for housing development. The COJ is in compliance with the national Housing Code as these functions are addressed in the Housing Strategy of the COJ (Social Service Package: 2004: 22).

### **3.10.7 Health legislation and strategic framework, 1999-2004**

Until the recent development of definitions provided in the Health Bill (2003), responsibility for Primary Health Care (PHC) was determined by the Health Act of 1977. Powers and functions

were split between provincial and local spheres of government. Provinces were responsible for curative health care such as the provision of medicines for diabetes and hypertension in clinics while local government was made responsible for preventive and promoting health care such as antenatal care and immunization. This resulted in fragmentation of health services since people were forced to go to different clinics for different services. The term 'Municipal Health Services' was used in the constitution but was never defined. The Health Bill (2003) defines Municipal Health as Environmental Health services only and places responsibility for PHC with provinces.

It stipulates that Municipal Health Services will include water quality monitoring, food control, waste management, control of premises, communicable disease control, vector control, environmental pollution control, disposal of the dead, chemical safety and noise control. It excludes port health, malaria control and control of hazardous substances which will continue to be provincial competence. The advantage of this move is that it places legal, policy and financial responsibility for PHC services squarely with one sphere of government. The down side of this move is that it contradicts the national vision of a decentralized and integrated district health system. Responsibility for PHC remains split between spheres with environmental health services falling under local government. It also locks administrations into bureaucratic processes associated with setting up service level agreements to transfer service provider responsibility from province to local government (Social Service Package: 2004: 5).

The 'Health Sector Strategic Framework: 1999 – 2004', identifies ten national health priorities in a 'ten-point plan'. One of these priorities is developing primary health care and the district health system. The Health Bill proposes that health districts may be established at provincial or local levels. Either way the Strategic Framework identifies that the interaction between provincial and local spheres of government will be a key challenge in developing integrated services. The lack of integrated health services impacts negatively on the population as a whole, but on poor people in particular. Improved integration in service will for example, decrease the number of visits people need to make to different clinics because a comprehensive range of services will be provided at one point. It should also improve the system of referral within the primary health care to hospitals (Social Service Package: 2004: 5-7).

Chapter two of the Constitution of Republic of South Africa states that everyone has a right to have access to housing, health care services, sufficient food and water as well as social security

and social assistance when they cannot support themselves. This means that COJ is compelled by Constitution to provide Johannesburg residents with above-mentioned services. Sections 26 and 27 stipulate that there should be legislations that will ensure that those needs are met. Legislations such as Property Rates Bill, Free Basic Services Policy, etc. are therefore imperative to serve the purpose to provide basic services to communities.

### **3.11 CONCLUSION**

In contracts with the private sector where the customer can go elsewhere if he/she is not satisfied with the service, the public sector and particularly City of Johannesburg cannot afford to fail in its mission to deliver effective and efficient service to community.

All employees of COJ are responsible for providing world class service. There are three categories of employees at COJ namely section 57 employees, fixed-term employees and permanent employees. The section 57 employees are evaluated by the performance audit committee while the non section 57 employees are evaluated by line managers. All employees within COJ should have personal scorecards by the end of July every year. Before employees sign for their personal scorecards it should be developed first by the employee and his/her line manager. The City Scorecard is developed between City Manager and Executive Mayor. City Manager Scorecard is cascaded to all employees within the City of Johannesburg.

The first step in developing personal scorecard is performance contract (performance agreement) whereby line manager and employee agree on KPA's, KPI's, weightings, targets, baseline and means of verifications. In the evidence of scorecard, employee takes responsibility and ensures that evidence realistic and manageable and can be provided. The check-list should also be developed to ensure that City Scorecard contains all necessary and relevant information.

The main function of City Scorecard is to ensure that COJ achieve its vision of becoming African World Class City by delivering effective service to Johannesburg residents and avoid protests by residents. Poor performance by COJ employees is a challenge but City of Johannesburg introduced a guideline to help managers improving the challenges. There is a

monitoring cycle to regulate the effectiveness of City Scorecard. The cycle start with planning the scorecard and end in rewarding good performance.

The City of Johannesburg (COJ) is compelled by the Constitution of Republic of South Africa (Act 108 of 1996) to provide effective and efficient service to its citizens. COJ provides the following services to its citizens: water, electricity, housing, sanitation and solid waste collection, etc. Although COJ is trying to deliver effective service to community there are challenges that need improvement.

The following chapter will explore the empirical research whereby responses are analyzed and interpreted regarding the significance of city scorecard for effective performance management and efficient service delivery at City of Johannesburg.

## **CHAPTER 4**

# **THE SIGNIFICANCE OF A CITY SCORECARD FOR EFFECTIVE PERFORMANCE MANAGEMENT AND EFFICIENT SERVICE DELIVERY AT CITY OF JOHANNESBURG**

### **4.1 INTRODUCTION**

There were protests of service delivery at different municipalities including City of Johannesburg (COJ) recently and people lost their lives and houses were burnt due to these protests. The main reasons for these protests were poor services delivered by municipalities. It is therefore imperative for municipalities to monitor the performance of their employees in order to enhance the delivery of basic services to communities.

This chapter provides an overview of methodology used to study the impact of performance management on service delivery. The chapter defines research methodology and explains the qualitative and quantitative types of research applicable to the study. The research methods that were applied to obtain data are explained. The responses collected by means of questionnaires and semi-structured interviews are analyzed and interpreted.

### **4.2 PREPARATION FOR RESEARCH AND DESIGN**

The researcher is a manager at COJ and is responsible for monitoring the performance management of subordinates through the implementation of city scorecard. The field and research methods selected in this study were instrumental to the researcher. In preparation for the research and design the researcher considered the following:



#### **4.2.1 Permission**

The researcher obtained permission from the Human Resource Department of City of Johannesburg to conduct research, to distribute questionnaires to both employees and managers of City of Johannesburg, and to interview employees (Appendix A).

#### **4.2.2 Population and sample of respondents**

Population is aggregation of elements from which the survey sample is actually selected (Babbie, 1995:147). In this study the sample was made out of 34 officials from City of Johannesburg and 30 members of community of City of Johannesburg. These samples represent officials at City of Johannesburg and community members of Johannesburg. The researcher went to Flora Centre mall in Florida Park, Eldorado Park, Lenasia station and Orange Farm taxi rank to receive the views of community of City of Johannesburg on convenience basis.

#### **4.2.3 Site of data collection**

Employees, managers and community members of COJ were selected for the study. The City of Johannesburg Municipality was chosen for the study because it is convenient for the researcher, as one of the managers of the municipality, to access information from the employees and managers. It was further feasible for the researcher to distribute questionnaires to community members in order to obtain their responses on convenience basis.

### **4.3 RESEACH AND RESEARCH METHDOLOGY**

Research is a diligent search, studies inquiry, investigation or experimentation aimed at the discovery of new facts and findings, or broadly, it may relate to any subject of inquiry with regard to collection of information, interpretation of facts, and revision of existing theories or laws in the light of new facts or evidence. Simple research is merely aimed at acquiring the most basic type of information-but it is still research in a very real sense because it requires an

individual to first identify and then understand the problem then find out where to go for information and whom to ask, and also know what questions to ask (Burton, 2000: 114). Research is therefore conducted for a number of reasons, which in turn depend on the objectives of any particular research problem. It leads to discover something new in the area of study.

Research requires a clear research methodology to conduct research. According to De Vos et al (2002:19) research methodology deals with “‘what scientific knowledge is’ and also ‘which methods to apply or to follow’ to obtain scientific knowledge. In fact the word ‘methodology’ refers to how to get from the starting point to the point where scientific knowledge is achieved”. Brynard and Hanekom, (1997: 28-29) further stated that “research methodology or methods of collecting data, necessitates reflection on the planning, structuring and execution of the research in order to comply with the demands of truth, objectivity and validity. Hence, research methodology focuses on the processes of research and the decisions which the researcher has to take to execute the research project. For example:

- Which decisions need to be taken as the research processes?
- Which methods and techniques for data collection and data analysis should be selected
- Which factors play a role in the design of a research project?
- What influence does the particular purpose of the research project have on the selection of methods and techniques?
- Which factors play a role in the process of research and how to do these factors influence the methodology of the researcher?
- In the human sciences two basic methodological research methods can be distinguished, namely qualitative and quantitative methodology models”.

The main point however is that research in whatever organization is always undertaken to strengthen an organization’s ability to meet future demands. In this study the researcher is investigating the effectiveness of the city scorecard in City of Johannesburg. This investigation will assist COJ to use city scorecard with required modifications, if necessary.

#### 4.4 QUALITATIVE AND QUANTITATIVE RESEARCH

This section explores the introduction to the two research methodology paradigms. A paradigm is a perspective based on a set of assumptions, concepts, and values that are held by a community or researchers. For the most of the 20<sup>th</sup> century the quantitative paradigm was dominant. During the 1980s, the qualitative paradigm came of age as an alternative to the quantitative paradigm, and it was often conceptualized as the opposite of quantitative research (<http://www.nova.edu>).

Quantitative research is a research that relies primarily on the collection of quantitative data while qualitative research is a research that relies on the collection of qualitative data (<http://www.nova.edu>).

The differences between quantitative research and qualitative research are outlined in Table 4.1 below:

**Table 4.1 Differences between quantitative and qualitative research**

<b>Quantitative Research</b>	<b>Qualitative Research</b>
Deductive or top-down	Inductive or bottom –up
Researcher tests hypothesis and theory with data	Researcher generates new hypotheses and grounded theory from data collected during field work
Behaviour is regulated and predictable	Behaviour is fluid, dynamic, situational, social, contextual and personal
Description, explanation and prediction	Description exploration and discovery
Narrow-angle lens, testing specific hypotheses	Wide-angle and deep-angle lens examining the breadth and depth of phenomena to learn more about them
Study behaviour under controlled conditions	Study behaviour in natural environments and study the context in which behaviour occurs

Objectives (different observers agree on what is observed)	Subjective, personal and socially constructed
Collect quantitative data based on precise measurement using structured and validated data collection instruments.	Collect qualitative data such as interviews, participant observation and open-ended questions. The researcher is the primary data collection instrument.
Identify statistical relationships	Search for patterns, themes, and holistic results features
Generalized findings	Particularistic findings
Statistical report for example with correlations, comparisons of means and reporting of statistical significance of findings	Narrative report with contextual description and direct quotations from research participants

Source: <http://www.nova.edu>.

Comparing quantitative and qualitative methodologies, the researcher tried to establish the most appropriate method for conducting this study. The key difference between these methodologies is their flexibility. Quantitative methods are fairly inflexible. With quantitative methods such as surveys and questionnaires, for example, researchers ask all participants identical questions in the same order.

The response categories from which participants may choose are close-ended or fixed. On the other hand, qualitative methods are typically more flexible – that is, they allow greater spontaneity and adaptation of the interaction between the researcher and the study participants. In turn, participants have the opportunity to respond more elaborately and in greater detail than is typically the case with quantitative methods (William, 2002: 6).

## **4.5 DATA COLLECTION**

It is evident in this study that data was collected from variety of sources as no single method can be adequate. A multi-faceted approach was therefore adopted in gathering data. Primary and secondary sources were used to collect data in this project. The primary sources involved interviews with key respondents and questionnaires. Secondary sources included books, journal articles, policies, government acts, information from internet and intranet and newspapers.

The researcher interviewed managers and officials of COJ and distributed questionnaires to managers, officials and community members. Furthermore the primary and secondary sources were also used by the researcher to explore the core concepts of the research.

### **4.5.1 Sampling**

Sampling refers to drawing a sample (a subset) from a population (the full set). The usual goal in sampling is to produce a representative sample that is similar to the population on all characteristics, except that it includes fewer people because it is a sample rather than the complete population. Metaphorically, a perfect representative sample would be a "mirror image" of the population from which it was selected (Miller, 1991:98).

A sample is a smaller representation of a larger whole. The use of sampling allows for more adequate scientific work by making the time of scientific workers count. Instead of spending much of their time analyzing a large mass of material from one point of view, they can use that time to make a more intensive analysis from many points of view. Researchers can also save time and money by sampling, thus making possible investigations that could not otherwise be carried out (Robson, 1993: 119).

#### **4.5.1.1 Probability and non-probability sampling**

The difference between non-probability and probability sampling is that non-probability sampling does not involve random selection and probability sampling does. Does that mean that non-probability samples aren't representative of the population? Not necessarily. But it does



mean that non-probability samples cannot depend upon the rationale of probability theory. At least with a probabilistic sample, we know the odds or probability that we have represented the population well. We are able to estimate confidence intervals for the statistic. With non-probability samples, we may or may not represent the population well, and it will often be hard for us to know how well we've done so. In general, researchers prefer probabilistic or random sampling methods over non-probabilistic ones, and consider them to be more accurate and rigorous. However, in applied social research there may be circumstances where it is not feasible, practical or theoretically sensible to do random sampling. Here, we consider a wide range of non-probabilistic alternatives (Krueger, 1994: 15).

We can divide non-probability sampling methods into two broad types: accidental or purposive. Most sampling methods are purposive in nature because we usually approach the sampling problem with a specific plan in mind. The most important distinctions among these types of sampling methods are the ones between the different types of purposive sampling approaches (Krueger, 1994: 15).

The researcher utilized the convenience sampling. The convenience sampling is “used in exploratory research where the researcher is interested in getting an inexpensive approximation of the truth. As the name implies, the sample is selected because they are convenient. This non-probability method is often used during preliminary research efforts to get a gross estimate of the results, without incurring the cost or time required to select a random sample” (Krueger, 1994: 1).

#### **4.5.2 Research Techniques**

The most frequently used techniques of data collection using both qualitative and quantitative methods are literature review, interviews, questionnaires and observation. The researcher used the following methods in this study:



#### **4.5.2.1 Literature review**

After the identification of the research idea, and a general problem that sounds interesting to the researcher, the next step is to become familiar with the published information on the topic. Conducting a literature review will help the researcher to see if his/her topic has already been researched, help him/her to see how he/she might need to revise the research idea, and show methodological techniques and problems specific to his/her research problem that will help him/her in designing a study (McNeil, 1989: 89).

Most importantly, after conducting a thorough literature review, the specific research questions and hypotheses will become clearer. A literature review can take a different form in qualitative and quantitative research. In qualitative research (which often means exploratory research), little prior literature may be available. Furthermore, too much review may make a researcher "myopic". Literature is important during the later stages (for example interpreting results and discussion) of exploratory research. Still, for much qualitative research, it is recommended that a literature review is conducted to see what has been done and to provide sensitizing concepts (Adams et al, 2007: 125). After the data is collected, the researcher can use strategies to minimize the researcher's biases. In this study the researcher used sources from City of Johannesburg in order to avoid biases.

In quantitative research, the researcher directly builds on past research. Therefore, review of prior research must be done before conducting the study. In quantitative research, the literature review will help to see if the research problem has already been done, show the data collection instruments that have been used, show designs that have been used, and show theoretical and methodological issues that have arisen (Adams et al, 2007: 125).

There are several major sources of information that were used in this study viz. books, Journals, computer databases, and COJ reports. Investigation was done by the researcher in this study and was found that no research was conducted previously on the aspect of City Scorecard at City of Johannesburg.

#### **4.5.2.2 Questionnaires**

Questionnaire is a self-report data collection instrument that is filled out by research participants. Questionnaires are usually paper-and-pencil instruments, but they can also be placed on the web for participants to go to and “fill out.” Questionnaires are sometimes called survey instruments, which are fine, but the actual questionnaire should not be called the survey. The word survey refers to the process of using a questionnaire or interview protocol to collect data. For example, you might do a survey of teacher’s attitudes about inclusion; the instrument of data collection should be called the questionnaire or the survey instrument (Peil, 1982:111).

It is convenient to use questionnaires for large scale surveys of well educated people. Questionnaires provide cheap means of collecting data from large numbers of people. Questionnaires are usually send to officials such as teachers, nurses and local authority officers, who have clear and permanent addresses who can be expected to treat questionnaire as part of their job. Such questionnaires should be accompanied by a letter from appropriate authority that will encourage response. Otherwise, busy officials will ignore them as an unnecessary nuisance. Use of post can be avoided if the target population is conveniently located. For instance, they can be distributed to offices in a single town or to university students and collected when respondents have filled them in (Peil, 1982:111).

The questionnaires were distributed to senior and junior managers at City of Johannesburg. The researcher went to Taxi ranks and Shopping malls at COJ to interview members of the public (Appendix B).

However, even if they are received, questionnaires often suffer from a low response rate and inadequate answers. The researcher should explain why the study is important and ensure that all the questions are answered, sometimes more than half of questionnaires are not returned and many that do come back have illegible and ambiguous answers (Peil, 1982:113).

In this study the respondents were approached by the researcher. The follow-ups were made especially to senior managers as they are very busy and are always in the meetings. Explanation was made that indicated the impotency of questionnaires. Questionnaires were received with absolute responses as discussed later in this study.

#### 4.5.2.3 Interviews

The interview is a kind of conversation with a purpose. Interviews carried out for research or enquiry purposes, are commonly used, possibly used in part because the interview appears to be a quite straightforward and non-problematic way of finding things out. A situation where one person talks and another one listens is always done in normal interviews (Cannel and Kahn, 1995: 295). However, as Powney and Watts (1997: 256) point out in a recent text devoted solely to interviewing, such apparent simplicity is deceptive. They argue that it is as easy as writing a book – most of the people have basic literacy skills but few attain literary art.

Interview is initiated by the interviewer for the specific purpose of obtaining relevant information and focused by interviewer on content specified by research objectives of systematic description, prediction or explanation. This is a useful definition as it can encompass a wide range of type of interview, ranging along one dimension, from totally structured to completely unstructured examples (Cannel and Kahn, 1995:295).

The researcher utilized the semi-structure interviews to obtain responses. Semi- structured interviews “are usually interviews between two extremes that are between the completely structured and on the other hand and the completely unstructured interviews on the other. These types of interview offer a versatile way of collecting data” (Welman & Kruger, 2001:161). Similarly, Lee (1999: 62) cites that semi-structure interviews usually have an overarching topic, general themes, targeted issues, and specific questions, with predetermined sequence for their occurrences.

For the purpose of this study, semi-structured interviews with top managers were used as a data collection tool. This method reduces the distance between the interviewer and the interviewee. Quantitative data was obtained by means of questionnaires and was compiled and used to guide semi-structured interviews with the officials of COJ.

The people with whom semi-structured interviews were held are Member of Mayoral Committee, Human Resource Manager, Director Cooperate Services, Project Manager, and Employees.

#### 4.5.2.4 Observation

In the method of data collection called observation, the researcher observes participants in natural and/or structured environments. It is important to collect observational data (in addition to attitudinal data) because what people say is not always what they do. Observation can be carried out in two types of environments namely laboratory observation and naturalistic observation the former is done in a lab set up by the researcher and the latter is done in real-world settings (Miller, 1991:95).

There are two important forms of observation: quantitative observation and qualitative observation. The former involves standardization procedures, and it produces quantitative data while the latter is exploratory and open-ended, and the researcher takes extensive field notes. The qualitative observer may take on four different roles that make up a continuum:

- ✚ Complete participant i.e. becoming a full member of the group and not informing the participants that you are studying them).
- ✚ Participant-as-Observer i.e., spending extensive time "inside" and informing the participants that you are studying them.
- ✚ Observer-as-Participant i.e., spending a limited amount of time inside and informing them that you are studying them.
- ✚ Complete Observer i.e. observing from the outside and not informing that participants that you are studying them (Miller, 1991:95).

The researcher used the naturalistic observation at it occurred at the place of work. The researcher was an absolute observer as he is an employee of City of Johannesburg and a Manager of Administration and Support Unit. The researcher did not make other employees aware that he is observing them.

#### 4.6 ETHICAL ISSUES

The researcher approached all participants and informed them regarding the purpose of the research. There were no problems encountered by the researcher during the distribution of

questionnaires to both managers and employees of COJ. Some problems were encountered with community members. Non-white communities believed that the researcher will offer them jobs in return of responses as he is the official of COJ. On the other side some white counter-parts were negative and stated that municipal employees are doing nothing the whole day but earn big salaries. The researcher was calm and explains to them nicely and treated participants with dignity and respect. The researcher also provided clarity on questions in order for participants to fill the questionnaire with appropriate responses. The participants sacrifice their time to take part in the research therefore ethical issues like confidentiality, truth and honesty should be ensured.

#### **4.7 DATA PRESENTATION AND ANALYSIS**

There are a variety of ways to use exploratory and descriptive designs to obtain data and many methods of data collection can be used within each type of design. In this point, data collection involves applying the measuring instruments to the sample selected for the investigation (Williams, 2006:56). In this case, before collecting data in qualitative paradigm, Babbie and Mouton, (2006:56) argued that “two important procedures need to occur. There needs to be a sampling process before data collection”. The researcher followed the required procedure of sampling and data collection. The responses are analyzed and interpreted in the following sections.

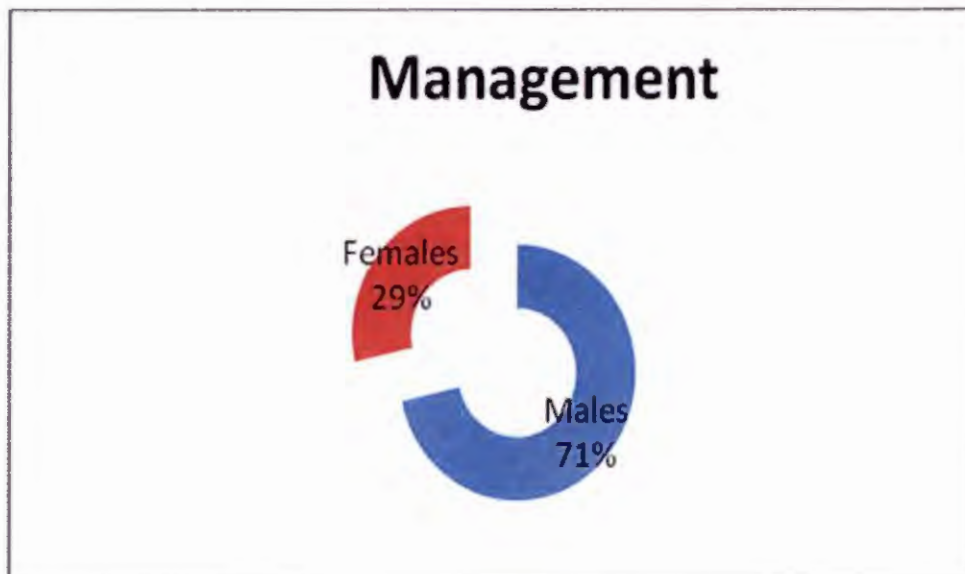
##### **4.7.1 SECTION A: DEMOGRAPHIC DATA**

In order to get the experiences, motives, meaning and perceptions of those being studied, the survey instruments help the researcher to interact with participants. In examining the city scorecard for effective performance management, questionnaires and semi-structured interviews seemed to be the best choices.

The researcher highlighted demographic information of management, employees and community members. The intention of the researcher was to indicate the diversity that exists within COJ.

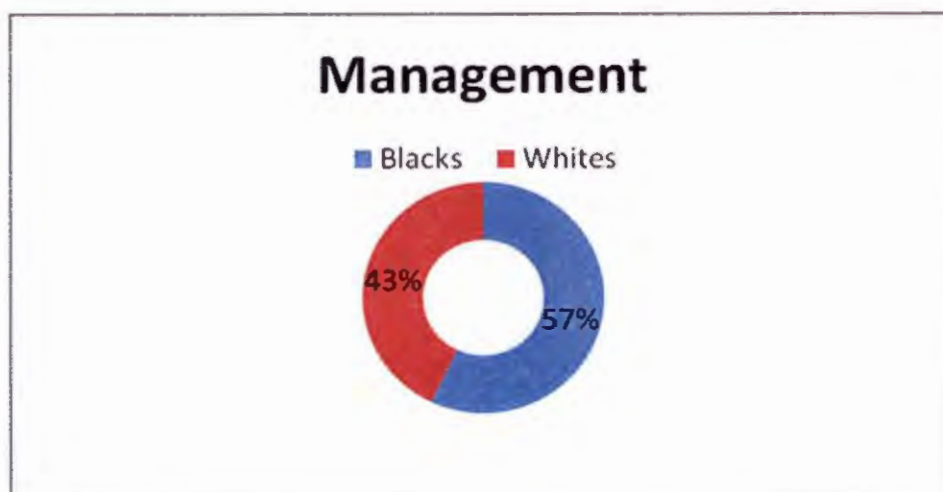


**Figure 4.1: Gender of respondents (management)**



The sample of gender of respondents (management) includes 29% of females and 71% of males. By approaching 29% of females at management level is indicative that the researcher strives to recognize women in authority positions.

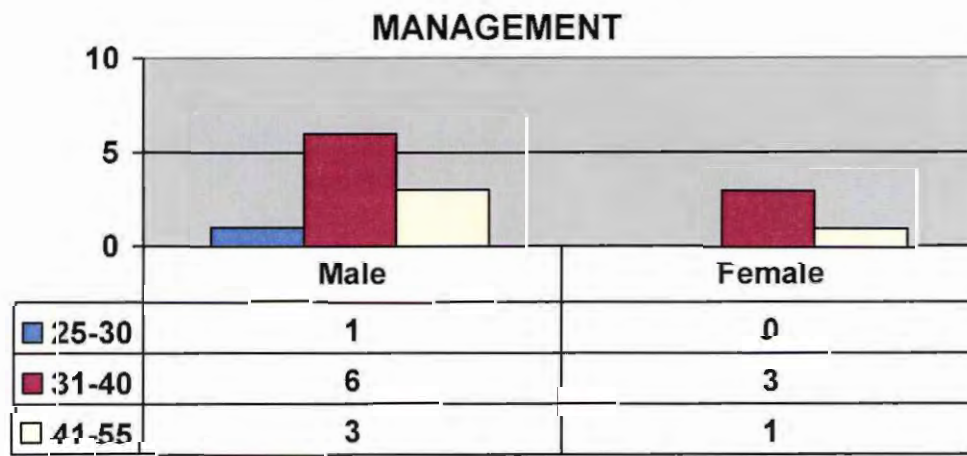
**Figure 4.2: Ethical groups of respondents (management)**





The figure 4.2 indicates that a total of 57% of polled managers are Blacks and 43% are Whites. The reason for this selection is that more than 70% of managers in COJ are Blacks, thus the researcher polled more Blacks in his sample.

**Figure 4.3: Age group of respondents (Management)**



The figure 4.3 represents age distribution of respondents. The managers of COJ age group range from 25 to 55. Most of respondents' age group is 31- 40 years with a total of 64%, followed by 41-55 years with a total of 29% respondents, and the last one is 25-30 with 7% respondent. There are no managers below 25 years as inherent requirement of managerial position at COJ is minimum degree/ diploma and five years of supervisory experience.

**Figure 4.4: Qualifications of respondents (management)**

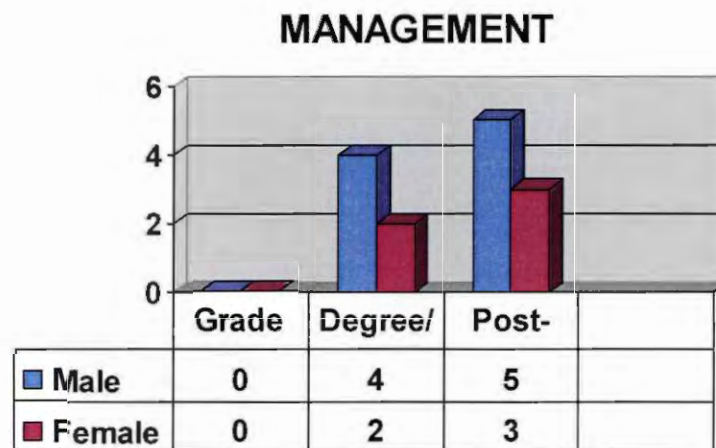
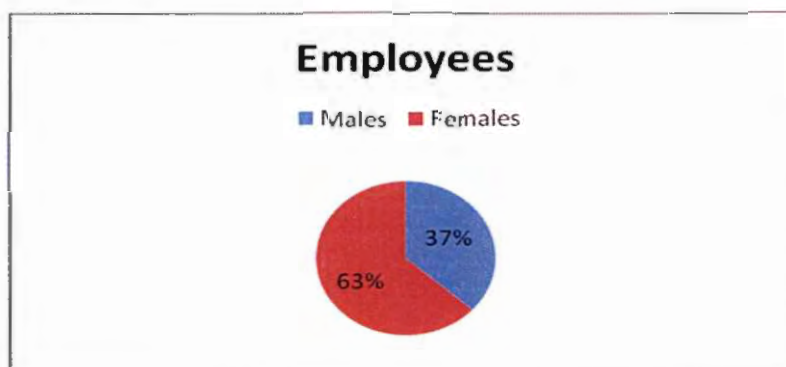


Figure 4.4 depicts that no manager at COJ is working with less than Grade 12 qualifications. Six managers (43%) possess junior degrees or diplomas, while eight respondents (57%) have post graduate qualifications. It is good for management of COJ to have qualifications as this will help managers to take good rational decisions with strategic thinking.

**Figure 4.5: Gender of respondents (Employees)**



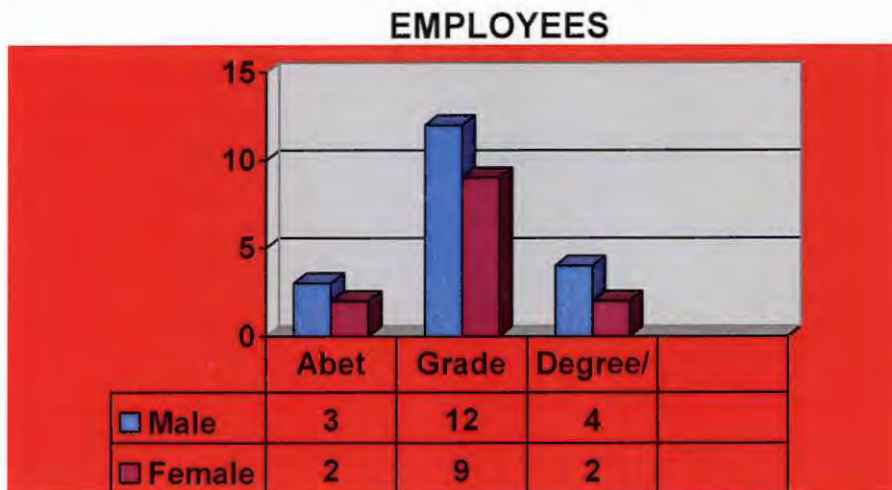
As indicated earlier in this chapter that 30 employees of COJ were selected as sample for the research. 63% of polled employees are females and 37% are males. On the staff establishment of COJ males are holding more positions than females. The researcher therefore polled more males than females. All employees that were selected are Blacks as they represent more than 90% of employees of COJ.

**Figure 4.6: Age group of respondents (Employees)**



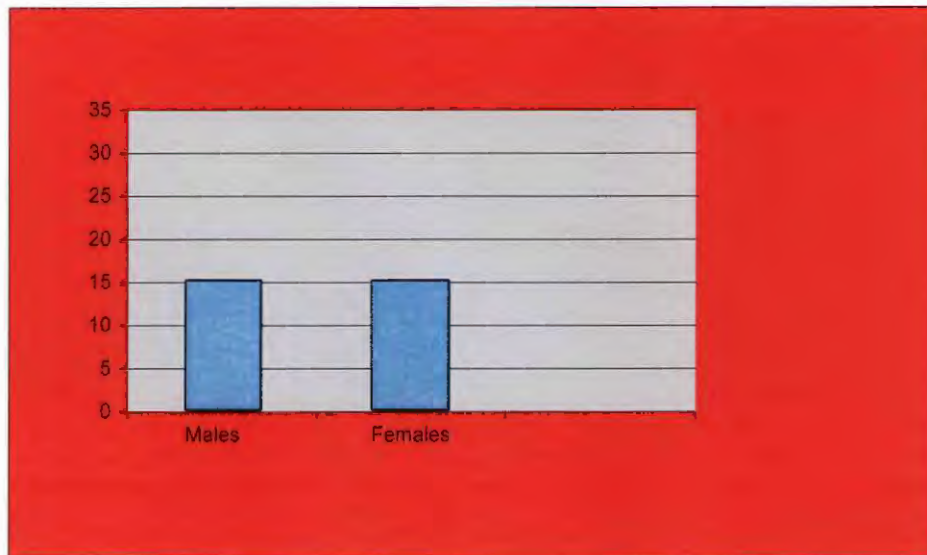
The figure 4.6 shows that 66% of employees of COJ are between 18-30 years of age, 25% of employees are 30-40 years of age, and 6% of employees are between 41-50 years of age. The last group represents 3% of employees of 51 years or more in age. Figure further indicates that most of the junior staff members at COJ are between the ages of 18-20 years. Most of the sampled respondents work as secretaries, administration assistants, fire fighters, administrative clerks and cleaners at COJ.

**Figure 4.7: Qualifications of respondents (Employees)**



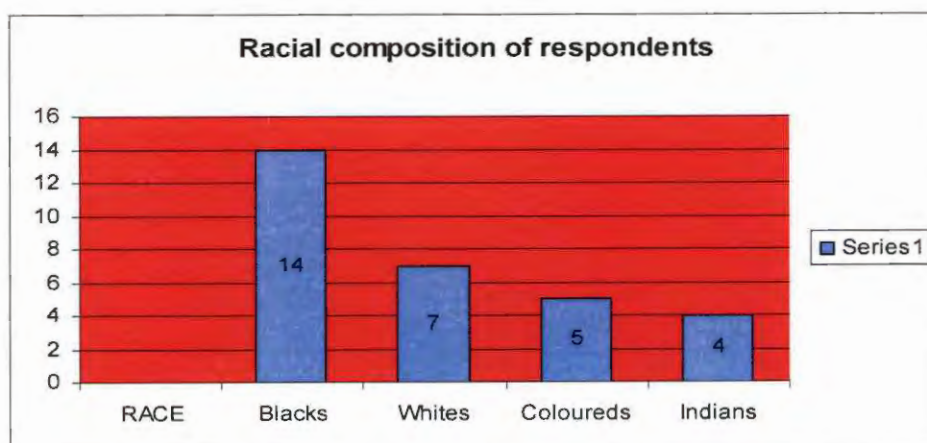
As it was indicated above, employees who were sampled by the researcher are junior employees and this is reflected in their qualifications. 63% of respondents have Grade 10 to Grade 12 of qualifications, 20% employees hold degrees or diplomas. The employees (17%) with Grade 01 to Grade 09 qualifications are commonly known as Abet group.

**Figure 4.8: Gender of respondents (Community)**



The number of the community members sampled for the research represents 50% of males and 50% of females. The researcher was gender sensitive when he was sampling community members.

**Figure 4.9: Racial compositions of respondents (Community)**

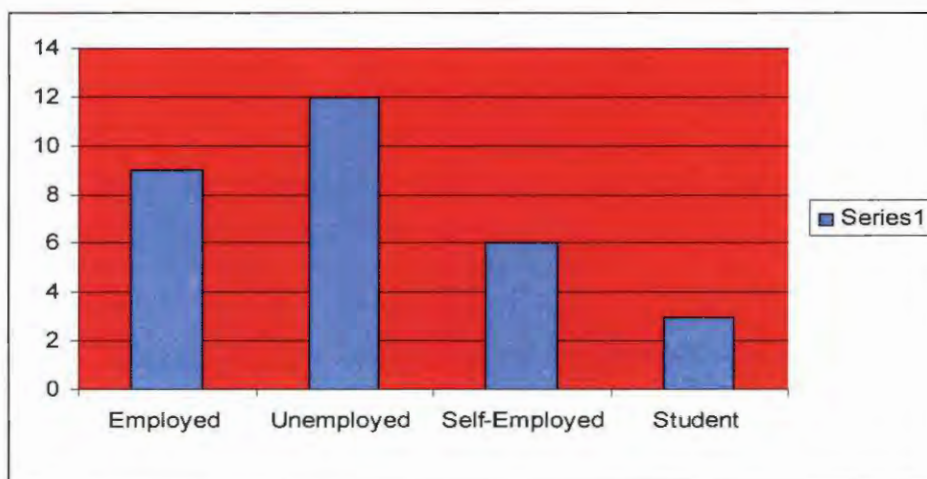




In terms of the racial composition of the respondents, 47% were Africans/Blacks, 23% White, 17% Coloreds and 13% were Indians. The respondents indicated that 36% are Zulu speaking, 11% are Sotho, 23% are English and 30% are Afrikaans speaking, that is Coloreds and Whites.

Majority of residents of COJ are Blacks, hence the researcher sampled high number of Blacks. Most of the black population are poor and depend entirely on COJ for services such as houses, free basic water and electricity. They cannot afford to build their own houses. This is confirmed by the various protests for Reconstruction and Development Plan (RDP) houses at different parts of the country.

**Figure 4.10: Economic Status of respondents (Community)**



It is important for the researcher to point out the economic status of the respondents. 40% of the respondents were unemployed, 30% were employed, 20% were self-employed and 10% were students. The researcher sampled few students intentionally because they are not paying services but are recipient of services.

There is a high rate of unemployment in South Africa hence most the sampled population are unemployed.



#### **4.7.2 SECTION B: QUESTIONNAIRE TO MEMBER OF MAYORAL COMMITTEE (MMC)**

The MMC Corporate Service has a relevancy to this study. The MMC is the most senior political head of human resource and the city scorecard. The performance management falls within his Department.

On the first question regarding 'what is his understanding of city scorecard', the respondent said that it is a tool that they use to manage performance of municipal workers so that they provide effective and efficient services to their constituencies. On the question of 'how much money is invested in city scorecard', the respondent indicated that City of Johannesburg has invested a lot of money in the introduction and implementation of city scorecard. Officials are rewarded if they perform well and this motivates employees to perform more than expectations. The officials are rewarded in monetary terms and in kind, for example official receives day offs and afternoon offs or they are awarded with overseas trips and given laptops.

On the question of 'whether the objectives and strategies of COJ are achieved due to city scorecard', the respondent explains that they are achieved. The city scorecard is a good tool as it regularly and constantly monitors performance of individuals and the City at large. City scorecard makes life of Supervisors easier as they know and understand what is happening in their sections. They can have one on one session with their subordinates on monthly basis to rectify strategies that are not going according to plan.

The question was asked about 'the necessity of city scorecard', the respondent believes that the city scorecard is necessary and it is a useful tool to the organization. He also believed that policy on performance management is necessary as it serves as a guideline to officials. The community is happy with the implementation of city scorecard and it is very important tool to uplifts the morale of officials.

The question was also asked about 'recent community protest due to poor performance of COJ officials'. The respondent explained that to some extent that is true, but most of the protest is about houses that are provided by the provincial government, the municipality just provide the land. There was a question that was raised about 'the help that can be provided by academic institutions such as University of North West in capacitating COJ officials in ensuring

management of performance through city scorecard'. The respondent responded by saying that they are working with University of Johannesburg and they have their own training academies.

The last question was 'the responsibility of Mayoral Committee', and it was responded that it approves policies and budget and ensures that those policies are implemented.

#### **4.7.3 SECTION C: QUESTIONNAIRE TO HUMAN RESOURCE MANAGER**

The Human Resource Manager is a relevant official for this research as the city scorecard and performance management system are the custodians of human resource.

On the question of 'why do you think the COJ needs city scorecard', Human Resource Manager indicated that it monitors performance of employees and reward good work. On the other hand poor performance is dealt with accordingly. There are interventions that are in place to help underperforming employees. If performance of a particular employee does not improve, that employee can ultimately be dismissed as the last resort.

The other question to the respondent was regarding 'training that COJ offers to its employees on city scorecard'. The respondent indicated that training is offered to employees but it is not good enough and not provided regularly. It is relevant to their levels and it improves their understanding of city scorecard.

On the question of 'relationship between performance management system and city scorecard', the respondent said that the former is a system that should be implemented by law while the latter is a tool that monitor performance.

Another question that was asked was the impact of city scorecard on performance management of COJ employees. In response to this question the respondent indicated that since the introduction of city scorecard in 2005 City of Johannesburg performed better than before. The strategic objectives of the COJ were achieved and COJ won Vuna awards in 2007/2008 financial year for good performance.

The last question was 'the link between individual performance and citywide performance' The response is that if all individuals within COJ perform well that will mean the whole city will be

doing well. Officials will receive two bonuses; one will be for individual performance and another one will be for citywide performance. This system encourages individuals to motivate each other. Employees are benefiting by getting recognition and remunerated for good work.

#### **4.7.4 SECTION D: QUESTIONNAIRE TO DIRECTOR CORPORATE SERVICES AND TRAINING ACADEMY**

A questionnaire was submitted to Director Corporate Services and Training Academy. The researcher wanted to find out about the training that is given to employees on city scorecard especially to supervisors as they have to manage performance of their subordinates using the city scorecard.

In response to the question of ‘training of employees on city scorecard’, the Director as the respondent explained that they provide training to all employees and make sure that they understand their key performance areas, key performance indicators, means of verifications and what kinds of evidence are admissible by COJ. On the question of ‘relevancy of the training that is provided’, he said that the training that is provided is relevant to individuals because during training, officials bring along their city scorecards and the facilitator explains their scorecards. Both employees and managers agreed that the training is necessary and is provided by good facilitators. The facilitators use power point presentations.

The respondent raised disturbing point when he admitted on the question of ‘how often do they provide training’, that they are not doing good as the training is offered once a year at the beginning of a financial year. This is a challenge as performance management of employees is conducted throughout the year and managers are sometimes encounter problems and they don’t have anyone who can answer their questions. The Director indicated that they will look into this challenge and addressed it accordingly.

The last question was ‘can COJ renders quality service through effective performance management system’. The respond was “Yes” if it is correctly implemented and there is continuous assessment by supervisors.

#### **4.7.5 SECTION E: QUESTIONNAIRE TO PROJECT MANAGER**

The responsibility of the Project Manager is to implement all projects that are commissioned in COJ. The implementation of city scorecard was regarded as a project, thus the project manager was involved in the process of execution of city scorecard.

On the question of 'how did you implement city scorecard as a performance management tool to employees of COJ', the respondent pointed out that it was difficult at first as employees were resisting it as they did not understand it. As the project team and employees worked hand in hand with training section who explained the advantages of city scorecard and how employees are going to benefit through scorecard.

The question was asked about 'how do you get support of labour movement'. The respondent explained that labour movements were initially against the city scorecard. They indicated that employees who are under performing will be dismissed. Training section organized a workshop for shop stewards about the city scorecard especially the procedure on how to deal with underperforming employee. The other point that was ironed out was 'the disputes that arise when the employee does not agree with his/her supervisor on key performance areas, key performance indicators and performance ratings'. The aggrieved employee/ union representative can lodge complain to supervisor of his/her supervisor and if the complain is not solved he/she can go up until to City Manager.

On the question of 'at what levels city scorecard is implemented', the respondent agreed that the city scorecard was not implemented to all employees especially to junior staff. They are in a process of implementing it to all levels. The labour movements were consulted and employees were also informed. The relevant parties are ready for it but there are some who have concerns but those concerns will be addressed accordingly.

The question was posed to respondent that 'how do you monitor the performance of lower levels employees', the answer was they use job descriptions and duty lists. On the question regarding 'the relationship between city scorecard and service delivery', the respondent replied by saying that there is a close relationship between the two. The city scorecard is a tool that makes sure that officials perform their duties and if they do, that entails that community receives good and effective service. On the question of challenges that they encounter when implementing city

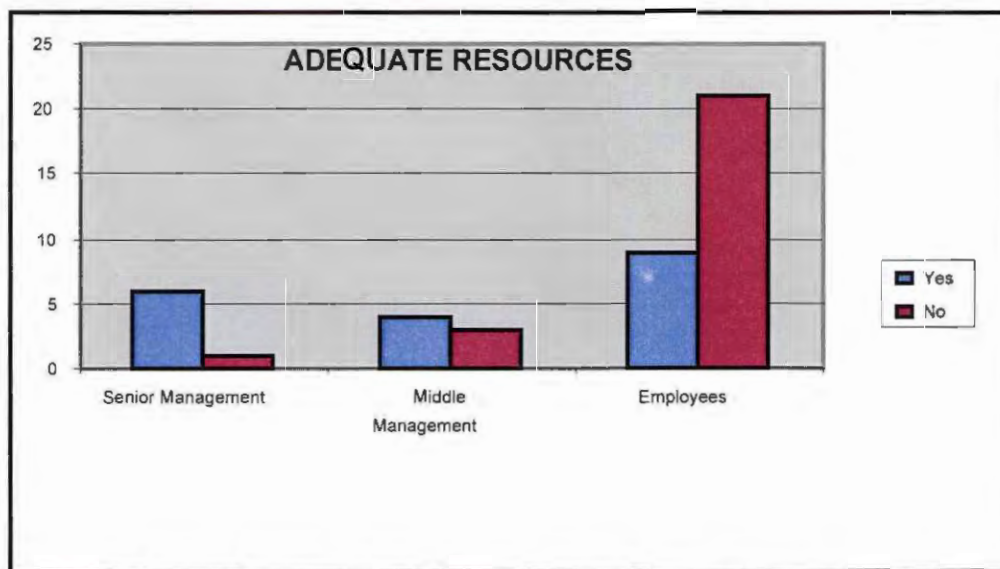
scorecard, the respondent exposed that managers and subordinates don't agree on key performance areas and key performance indicators and they don't want to sign their personal scorecards. The other challenge is that the aforementioned parties don't also agree on the ratings.

#### 4.7.6 SECTION F: QUESTIONNAIRES TO BOTH MANAGERS AND EMPLOYEES

The respondents (managers and employees) were requested to give their inputs on resources and training offered by COJ in city scorecard.

##### 4.7.6.1 Do you have adequate resources to implement city scorecard?

**Figure 4.11: Do you have adequate resources to implement city scorecard**



Majority of senior and middle managers indicated that there are adequate resources that will facilitate the implementation of city scorecard as it is depicted in the figure 4.11. 47% of senior managers felt that there are enough resources at COJ, 12% of middle managers also felt the same, while 41% of both managers believe that there are no adequate resources. Only 16% of



employees indicated they have capacity to implement city scorecard while 84% indicated differently that there are not enough resources to do the work at COJ.

There is a big gap between managers and employees in terms of resources that are available to facilitate the implementation of city scorecard. The providers of the resources (managers) responded by saying resources are adequate while the users of resources (employees) indicated that they are not adequate.

#### 4.7.6.2 How often does COJ offer training on city scorecard?

**Figure 4.12: How often does COJ offer training on city scorecard**



Ten managers believe that training is offered regularly, that comprises 62% of management while four managers (38%) believe differently. On contrary, twenty four employees (86%) believe that COJ provide training on city scorecard seldom (sometimes) to its employees, while only four employees (14%) believe that regular training is provided at COJ.

If adequate training is not provided to employees about city scorecard, their morale will be low and ultimately the productivity will decrease. If the productivity of the employees decreases the community will suffer as they are the main recipients of the services. On the other hand employees will also not receive performance bonuses.

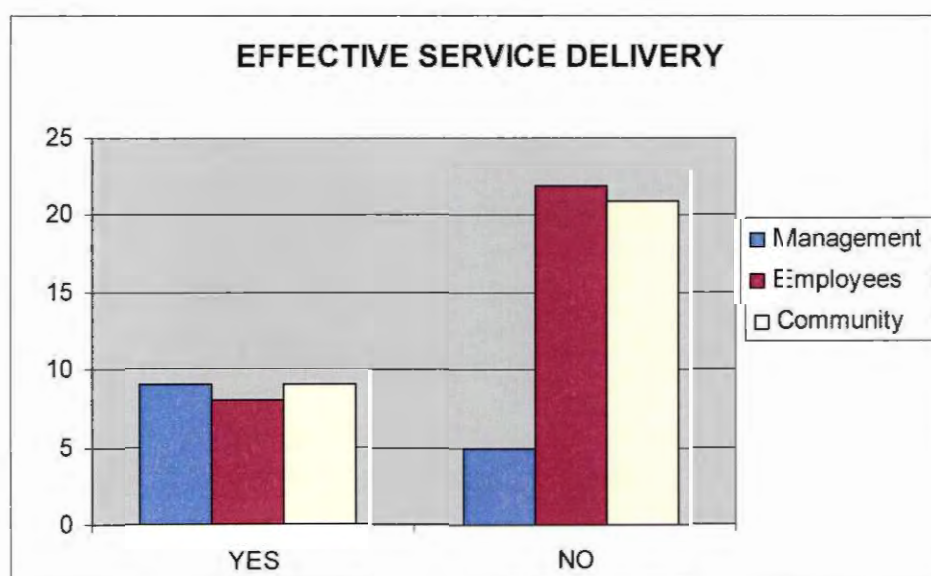


#### 4.7.7 SECTION G: QUESTIONNAIRES TO OFFICIALS AND COMMUNITY MEMBERS

There is a relationship between officials and community of COJ. The officials provide services and community receive services. It became necessary for the researcher to ask same questions to both parties. The researcher found out that employees and community are more or less sharing the same feelings regarding the service delivery at COJ.

##### 4.7.7.1 Can COJ render quality service through implementation of city scorecard?

**Figure 4.13: Can COJ render quality service through implementation of city scorecard.**

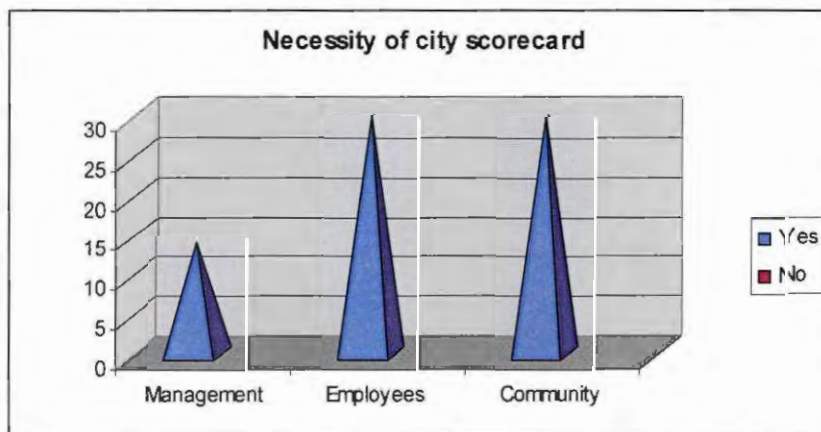


The question was targeted to management, employees and community members whether the quality service can be rendered by COJ with the implementation of city scorecard. 34% of managers responded by saying "Yes", COJ can render effective service through implementation of city scorecard while only 10% of managers said "No". Most employees (46%) feel that city scorecard is not effective while 35% indicated that quality service can be rendered by COJ if effective city scorecard is implemented. Overwhelmingly majority of community also don't have confident in city scorecard (44%) and said "No" while only 35% said "Yes"

Both employees and community members don't have trust on city scorecard. They believe that COJ don't provide quality service. The COJ should look into this matter as it is clear that community members are not happy with the services they are receiving. If this matter can be addressed the protests of community members will be minimized.

#### 4.7.7.2 City scorecard is really necessary?

**Figure 4.14: City scorecard is really necessary?**



Regarding the question that city scorecard really necessary at COJ, all stakeholders agreed that the COJ should continue with city scorecard as they all believe that it is necessary and it should be properly monitored. It is depicted in that 100% of managers, employees and community are in favour of city scorecard.

It goes without saying that city scorecard is a necessity at COJ as all stakeholders are in favour of it. They all believe that scorecard should be properly monitored.

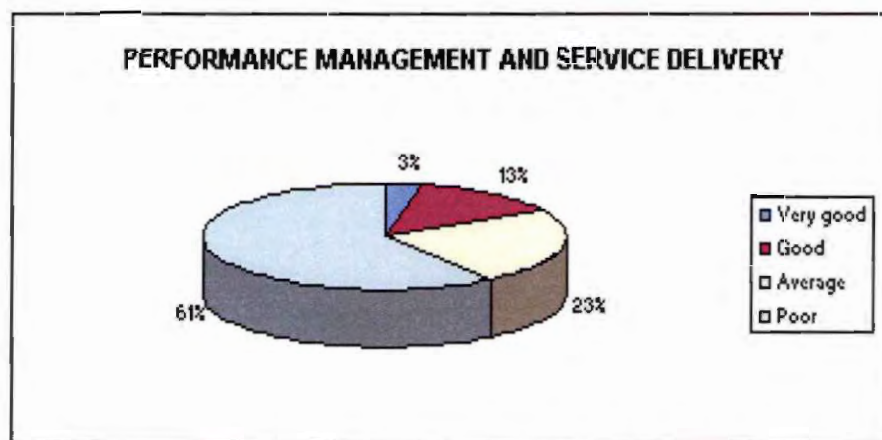
#### 4.7.8 SECTION H: QUESTIONNAIRES TO COMMUNITY MEMBERS ONLY

It became important for the researcher to sample members of community as they are direct recipients of services that is provided by COJ. There are thirty members of community across

various racial lines who were selected as part of random selection as indicated above in this chapter.

#### 4.7.8.1 How do you rate performance of COJ in terms of service delivery?

**Figure 4.15: How do you rate performance of COJ in terms of service delivery?**

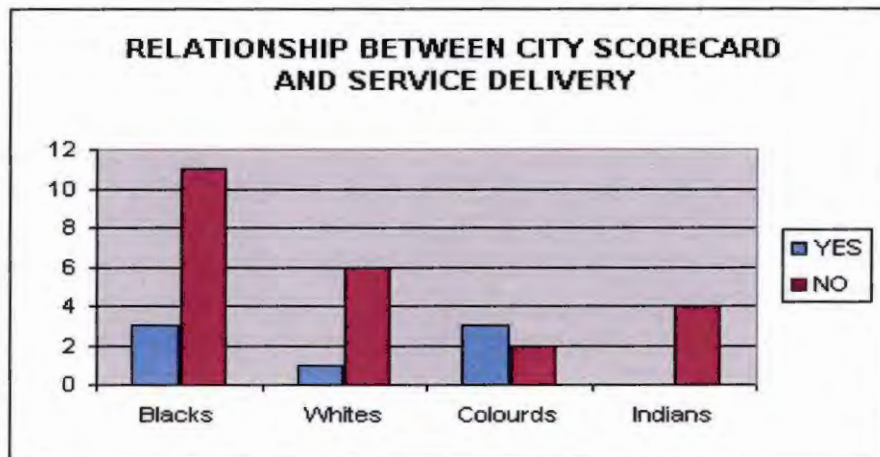


On the four point scale drafted for members of community, a disappointing 3% of the responded rated the performance of COJ as 'very good' and 13% as 'good'. The 23% of the respondents indicated that the performance of COJ is 'average' while overwhelming majority of 61% of the population sampled indicated that the performance of COJ in service delivery is 'poor'.

Most of community members sampled are not happy with the performance management at COJ. This is also shown by the fact that they are not happy with the service rendered by COJ.

#### 4.7.8.2 Introduction of city scorecard improved service delivery

Figure 4.16: Introduction of city scorecard improved service delivery

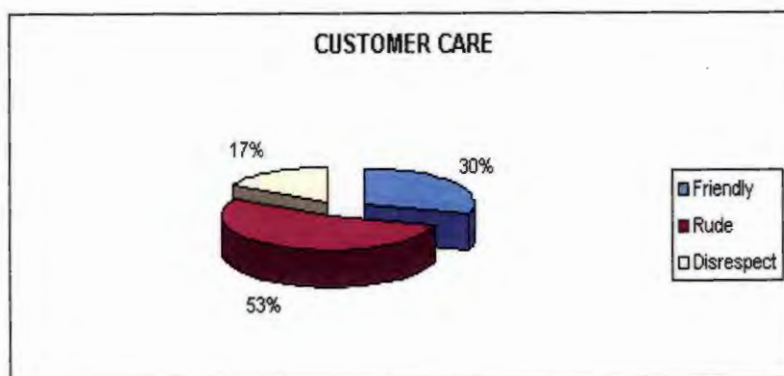


The question was asked to different racial groups about impact of city scorecard on service delivery. On the sample of Black population 43% believe that city scorecard has a positive impact on service delivery while 57% are against that, and Coloreds (43%) felt the same as Blacks and said "Yes" while 57% said "No". It was discouraging and disappointing to point out that only 14% of Whites are supporting city scorecard while 86% believe that city scorecard doesn't have positive impact on service delivery. 100% of Indians voted as "No" to the question.

All different racial groups sampled don't see the impact of city scorecard on service delivery. The reason might be they don't understand the meaning of scorecard.

#### 4.7.8.3 How does community rate customer care at COJ?

Figure 4.17: How does community rate customer care at COJ





The COJ employees, especially the frontline employees interface with community members on a daily basis. On the sampled population, only 30% of the respondents indicated that the employees of COJ are friendly, 17% believe that employees of COJ are not respecting them, and 53% think that they are rude.

Customer care is one of the important factors in the government institutions. The kind of reception that members of public receive from employees of government degrades or upgrades government institutions. Everybody needs to be welcomed with a smile especially where one is going to pay for services.

#### 4.7.8.4 Does city scorecard improves productivity of employees?

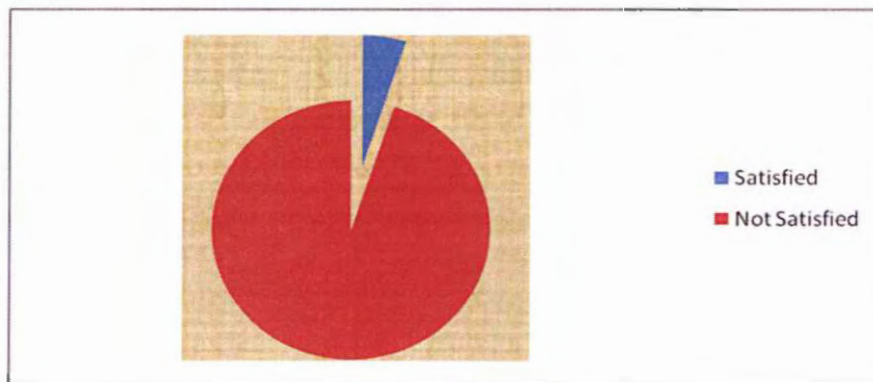
Figure 4.18: Does city scorecard improves productivity of employees



The respondents had mixed feelings. 20% of the respondents believed that city scorecard improves productivity while 30% believed otherwise. The remaining 50% were confused as they did not understand the question although the researcher tried his level best to explain the question to them.

#### 4.7.8.5 Whether they were satisfied with performance of employees of COJ in terms of service delivery?

**Figure 4.19: whether they were satisfied with performance of employees of COJ in terms of service delivery**



On the question of whether they satisfied with performance of employees of COJ in terms of service delivery, 95% of the respondents indicated that they are not happy with performance of employees. Only 5% were satisfied with the performance. The respondents indicated that they are not happy with the performance of employees because when they call COJ employees to render certain services especially after hours for example burst pipe or electricity is off, they don't attend the problem immediately. They come after two days or they don't come at all, until the community protest.

#### 4.7.9 SECTION I: QUESTIONNAIRES TO EMPLOYEES ONLY

The following are responses from the questions that were asked **only** to employees.

The question was asked regarding 'the training that is provided for city scorecard and did the employees benefit from such training'. All respondents (100%) were positive as they indicated that COJ provide training and they benefit from it, but the training is not provided regularly.



The question was asked 'whether they happy with the city scorecard'. Employees (100%) indicated that they are happy and they are looking forward for city scorecard to be implemented at their levels as well.

The question was asked as 'how often respondents want to be evaluated'. All respondents (100%) wanted to be evaluated monthly.

On the question of 'whether do they understand Key Performance Areas (KPA's) and Key Performance Indicators (KPI's)', 98% of the respondents responded that they understand them and they are achievable, while the remaining 2% don't understand the different between KPA's and KPI's. The respondents don't believe that performance is properly managed by their managers and the respondents are also against the performance reward as they feel it is not fair.

#### **4.8 CONCLUSION**

This chapter outlined an overview of the methodology relevant to the impact of performance management on service delivery. Performance management plays a very important role in all organizations. Municipalities should take it into consideration if they want to provide effective and efficient service delivery.

The research has largely depicted that there is relatively high percentage of respondents that are not satisfied with the quality of service provided by City of Johannesburg. The responses by employees and community members show that performance management doesn't have positive impact on service delivery. All respondents have mutual feeling that city scorecard is required and should be treated as priority by COJ. The next chapter will provide a research summary, conclusions and research findings.

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

An in-depth investigation was undertaken to evaluate the effectiveness of performance management at City of Johannesburg (COJ). This chapter deals with summary and findings from the literature and empirical study with reference to the objectives of the study as stated in chapter one. This chapter further indicates whether objectives of this study were realized. The chapter tests the hypothesis and concludes with recommendations and suggestions for future research in the relevant field.

#### **5.2 SUMMARY**

The summary of this study is based on four chapters of this study.

The problem statement of this research stated that there were and there are still protests by community members of COJ regarding poor service delivery, lack of commitment by employees, performance management is not properly monitored, employees are not trained and there is a poor customer care. The researcher indicated in chapter one that in order to address these challenges, systems and processes should be identified that will improve performance of employees that will further lead to better service delivery.

The following research questions were considered for this study:

- What are the meanings of concepts performance management and city scorecard at the City of Johannesburg?
- What are the processes and systems that enhance performance management at City of Johannesburg?

- What could be the impact of scorecard on performance management at City of Johannesburg?
- What is the impact of performance management of employees on delivery of services at City of Johannesburg?

Chapter two dealt with theoretical exposition of concepts namely performance management and city scorecard and these concepts were clearly defined. Benefits of performance management were elaborated indicating that all stakeholders, namely top management, managers, employees and community members are beneficiaries of performance management. The performance process was discussed emphasizing that planning phase is an important phase where municipalities set their visions, missions and goals to achieve. Both managers and employees are evaluated in terms of the set standards. Performance management cannot function if it is not measured. This implies that there must be constant monitoring of performance by managers hence performance measurement was also discussed in this chapter. Furthermore, the legislative framework that governs performance management in South Africa was explained. The other concept defined was the city scorecard. It was mentioned that city scorecard is a tool for managers to manage performance of their subordinates. The three tiered approach to city scorecard was also explored comprehensively.

Chapter three explored the extent of performance management and investigated the level of service delivery at COJ. This chapter started with explanation of different categories of employees. It was stated that there are section 57 employees; non-section 57 employees who are on fixed-term contracts, and permanent employees. The development, implementation and significance of city scorecard at COJ were thoroughly explained. The COJ remunerates employees who make sure that they achieve their vision of becoming the world class African City.

The COJ is compelled by law to provide effective service to its community members as it is the sole provider of municipal services. For example if community members need water to be

connected to their houses they go to Joburgwater as they don't have alternative, thus Joburgwater as the entity of COJ should provide that service. Different services that are provided by COJ were highlighted but there were challenges that hinder effective service delivery and those challenges were pointed out in the proceeding of this chapter. The last point discussed was the legislations that regulate service delivery. These legislations serve as guidelines to municipalities. They facilitate the uniformity of service delivery to different communities.

The impact of performance management of employees on delivery of services at COJ was discussed in chapter four. This was achieved by looking at the results and findings of empirical study conducted at COJ. The data regarding city scorecard and performance management was obtained from managers who represented the top management, thirty ordinary employees who represented all COJ employees, and thirty community members who represent the whole population of COJ. The questionnaires were developed to obtain the responses that were analyzed and interpreted in the chapter.

## **5.3 FINDINGS**

### **5.3.1 FINDINGS RELATED TO MANAGEMENT RESPONSE**

#### **5.3.1.1 The link between individual and citywide performance**

It was **assumed** that there is a direct link between individual and citywide performance. If all departments within COJ are performing well that entail that COJ as a municipality is performing well, and managers will receive performance bonuses.

#### **5.3.1.2 Impact of city scorecard on performance management**

Findings from empirical research showed that the city scorecard has positive impact on performance of employees that has further improved the delivery of services. The COJ therefore qualified to win the Vuna awards for good performance.

#### **5.3.1.3 Relationship between performance management system and city scorecard**

It was noticed in the research that there is a relationship between performance management system and city scorecard. The performance management is a system that should be introduced by law and the city scorecard is a tool that monitors performance.

#### **5.3.1.4 Implementation of city scorecard**

It was **claimed** in figure 4.7.5 that the implementation of city scorecard was very difficult as the employees and labour movements were against it. The intervention of the training unit helped both employees and labour movements to understand city scorecard.

### **5.3.2 FINDINGS RELATED TO MANAGERS AND EMPLOYEES**

#### **5.3.2.1 Training offered to employees regarding city scorecard**

Findings from the empirical investigation indicate that there is a split decision of managers that were sampled for the study. 71% of the respondents are of the opinion that training is offered regularly while only 21% believe otherwise. On the positive note all respondents concurred with the fact that training is necessary and it is very important.

#### **5.3.2.2 Resources**

Findings from empirical investigation (figure 4.11) indicate that the majority of respondents (59%) believe that there are enough resources that facilitate the implementation of city scorecard, while minority (41%) of respondents believes differently.

### **5.3.3 FINDINGS RELATED TO OFFICIALS AND COMMUNITY**

#### **5.3.3.1 Quality service**

Figure 4.13 indicates that 34% of managers are satisfied with the quality of service that is provided by employees of City of Johannesburg while only 10% of managers are not satisfied. One expects that 100% of managers should be happy with the service that their employees render to community of COJ. It shows that there are challenges regarding city scorecard that need attention and improvement.

#### **5.3.3.2 Necessity of City Scorecard**

It is encouraging to see managers sampled agree on questions that were asked. One of the questions that there was a mutual agreement was whether the city scorecard was necessary. 100% of the respondents were positive about the city scorecard as reflected in figure.

### **5.3.4 FINDINGS RELATED TO COMMUNITY**

#### **5.3.4.1 Performance management and service delivery**

It was found that 61% of community members of Johannesburg rated performance of employees as poor, 23% rated it as average, 13% rated as good, and only 3% rated the performance of employees in terms of service delivery as very good (figure 4.15). It is clear that community members are not satisfied with the service that they receive from COJ thus something drastic need to be done.

#### **5.3.4.2 Impact of city scorecard on service delivery**

Figure 4.16 indicates that 43% of black population believes there is a positive impact of city scorecard on service delivery while 57% are not satisfied. The Colored community also believes the same way as their Black counterparts. The majority of White community (86%) indicated that city scorecard does not have any impact on service delivery while only 14% are positive. The last group was Indian community who all of them doesn't see any impact of city scorecard as reflected in figure 4.16. The COJ must educate its community regarding city scorecard and its significance on rendering effective service delivery.



#### **5.3.4.3 Customer care**

Findings from empirical investigation exposed that there is no agreement and consistency in terms of customer care. 53% of the respondents indicated that employees of COJ are rude, 17% said they are disrespectful, and 30% indicated that they are friendly (figure 4.17). COJ should look at the attitude of their employees especially the front line staff as they are the ones who make contact with public.

### **5.3.5 FINDINGS RELATED TO EMPLOYEES**

#### **5.3.5.1 Satisfied with city scorecard**

From the findings of the empirical research it was shown that 100% of the respondents are happy with the implementation and existence of city scorecard.

#### **5.3.5.2 Frequency of evaluation**

It was also shown in this investigation that 100% of the respondents are agreed that evaluation should be done on a monthly basis as this will expose underperformance as early as possible so that necessary interventions should be done.

#### **5.3.5.3 Understanding of key performance areas (KPA's) and key performance indicators (KPI's)**

98% of the respondents know and understand the difference between KPA's and KPI's and how they work in a city scorecard. The training department has to educate only 2% of the respondents regarding KPA's and KPI's.

#### **5.4 REALIZATION OF THE OBJECTIVES**

The first objective of this study was to provide theoretical exposition of concepts city scorecard and performance management. To reach this objective, the exposition of concepts, city scorecard and performance management were explored in chapter two.

The second objective was to give an overview of the extent of performance management and service delivery at City of Johannesburg. The background regarding performance management at COJ was outlined. Service delivery was also explained and services that are provided by COJ were mentioned. The purpose was to give clear picture of performance management and which services are provided and how are they provided by COJ as outlined in chapter three.

The third and fourth objectives of this study were to conduct a research on the impact of scorecard on performance management and the impact of performance management of employees on delivery of services. The outcome of the research was elaborated in chapter four of this research. The intention was to establish the understanding of city scorecard by managers, employees and community members of City of Johannesburg.

#### **5.5 TESTING THE HYPOTHESIS**

The purpose of this study was to identify the problem statement mentioned in chapter one, namely:

There was a public outcry in the form of complains and protests by civil society in the City of Johannesburg regarding the poor service delivery; lack of commitment by personnel; performance not properly monitored; lack of training; and poor customer care.

Based on the problem statement, the following hypothesis was formulated:

It is argued that the introduction of a city scorecard may lead to the more effective delivery of services through measuring of productivity of employees.

The findings from the literature review and the empirical research conducted support abovementioned hypothesis. The city scorecard is a good tool for effective performance management at COJ.

## **5.6 RECOMMENDATIONS**

Flowing from the empirical study, the following recommendations are provided by the researcher after making a thorough investigation on the Johannesburg City Scorecard. The recommendations may be significant for improving the performance management of city scorecard in the future

- Managers should closely monitor performance of their subordinates for improved service delivery to the communities.
- The evaluation of city scorecard should be done on a monthly basis to update the data regarding performance of employees.
- Training on City Scorecard should be done every quarter to train the managers for effective use of scorecard.
- There should be regular communication between municipality and community on issues relating to service delivery.
- There must be accountability and commitment by employees for improved service delivery to the communities of COJ.
- Employ qualified officials for enhanced performance and improved service delivery at COJ.
- Employees of COJ should be reminded that Batho Pele Principles are not aloof, they are realistic and can be achieved.
- COJ employees should undergo training regarding customer care in order to fulfill the principles of Batho Pele.

- Marketing department should work on uplifting the image of Municipality in order to develop trust and faith amongst community members.

## **5.7 SUGGESTIONS FOR FUTURE RESEARCH**

The research provides following areas for future research in the relevant field:

- The overall objective of zero tolerance on poor performance should be emphasized to curb the growing under performance.
- City scorecard should not only be implemented at high level positions, it should be implemented to all employees.
- Employees and Unions should be given an opportunity to give inputs on city scorecard.
- Lack of motivation by Supervisors create and facilitate under performance of employees.
- Non-recognition of academic qualifications and experience leads to low morale of employees.
- Community should be active participant in ensuring that officials and employees perform the responsibilities as outlined in the city scorecard. Community members are beneficiaries of good performance and municipalities are accountable to the community.
- Internal control measures should be implemented to facilitate good performance management.
  - Key Performance Areas, Key Performance Indicators, Means of verification, and Evidence should be realistic and achievable.
  - Relationship between city scorecard and service delivery should be uphold and protected

## **5.8 CONCLUSION**

This study has been able to reach conclusive findings with regard to fact that city scorecard is an effective tool for performance management at City of Johannesburg. COJ strive to be a world

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class African City. The effective and efficient city scorecard is the vehicle that will drive the COJ to achieve the goal to become a world class African City.

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## **APPENDIXES**

**Appendix A:** Permission to conduct research

**Appendix B:** Questionnaires

Human Resource  
City of Johannesburg (EMS)  
Johannesburg

### **REQUEST FOR APPROVAL FOR EXECUTION OF RESEARCH STUDY**

As part of my studies for the completion of a Masters Degree in Public Development and Management at the University of North West. I am hereby requesting to conduct my research on City Scorecard for effective performance management at City of Johannesburg.

The gist of this project is to determine how to improve the level of performance management using City Scorecard. This will be done by looking at how City Scorecard is used in enhancing performance at City of Johannesburg.

The employees and community members will be requested to participate by completing the questionnaires, interviews and observations.

I would like to assure you that all responses given will be treated with high degree of secrecy and confidentiality and will be used for research purpose only.

Thank you in advanced

**Yours truly,**



Pola Waga Mmapulane.

**Kgotolo ya Mangokgo**

## APPENDIX: B

### QUESTIONNAIRE

Title: The City Scorecard for effective performance management at the City of Johannesburg (COJ).

**Respondent: Member of Mayoral Committee**

#### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Please give answers as comprehensive as possible.

1. What is your understanding of City Scorecard?

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2. How much has COJ committed to Performance Management?

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3. Do you think the objectives of COJ can be achieved due to City Scorecard?

Yes	No
-----	----

4. What measures are in place to enhance Performance in COJ?

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5. Do you think that City Scorecard is necessary?

Yes	No
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6. Do you think the recent protest by Community members is due to poor performance by employees of COJ?

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7. How can academic institutions like University of North West assist to capacitate COJ employees in ensuring management of performance through City scorecard?

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8. What is the responsibility of Mayoral Committee in enhancing Performance management at COJ?

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## QUESTIONNAIRE

Title: The City Scorecard for effective Performance Management at the City of Johannesburg (COJ).

**Respondent: Human Resource Manager**

### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Please give answers as comprehensive as possible.

1. Why do you think that the COJ needs a City Scorecard?

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2. Does the COJ offer training to its employees regarding the City Scorecard?

Yes	No
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3. If yes how often is training being offered?

Sometimes	Seldom	Often
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4. Is the training relevant to their levels of job?

Yes	No
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5. What is the relationship between City Scorecard and Performance Management System at COJ?

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6. What is the impact of City's Scorecard in enhancing Performance Management of employees within the COJ?

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7. What is the link between individual Performance and the City's performance at COJ?

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8. What are the individual benefits of the City Scorecard?

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## QUESTIONNAIRE

Title: The City Scorecard for effective Performance Management at the City of Johannesburg (COJ).

**Respondent: Director: Corporate Services and Training**

### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Please give answers as comprehensive as possible.

- 1 Does the COJ offer training to its employees regarding City Scorecard?

Yes	No
-----	----

- 2 Is the training relevant to their level of job?

Yes	No
-----	----

- 3 Does the training improve their understanding of City Scorecard?

Yes	No
-----	----

- 4 Do you think this training is necessary?

Yes	No
-----	----

- 5 How often is the training being offered?

Sometimes	Seldom	Often
-----------	--------	-------

- 6 Can COJ render quality service through effective performance management system?

Yes	No
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## QUESTIONNAIRE

Title: The City Scorecard for effective Performance Management at the City of Johannesburg (COJ).

### **Respondent: Project Manager**

#### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Please give answers as comprehensive as possible.

- 1 How do you implement City Scorecard at COJ?

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- 2 How do you get the support of the Union regarding the implementation of City Scorecard at COJ?

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- 3 How do you deal with disputes when the employee does not agree with his/her Supervisor of key performance areas, key performance indicators and performance ratings?

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- 4 At what level does the City Scorecard implemented?

Senior	Middle	Lower
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- 5 How do you monitor performance of lower level employees?

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6 What is the relationship between City Scorecard and service delivery at COJ?

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7 What challenges do you encounter regarding implementation the City Scorecard?

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## QUESTIONNAIRE

Title: The City Scorecard for effective Performance Management at the City of Johannesburg (COJ).

### **Respondents: Managers and Employees**

#### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Pleas give answers as comprehensive as possible.

1. Do you have adequate resources

Yes	No
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2. How often COJ offers training on City Scorecard

Regularly	Seldom
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## QUESTIONNAIRE

Title: The City Scorecard for effective Performance Management at the City of Johannesburg (COJ).

### **Respondents: Officials and Community**

#### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Pleas give answers as comprehensive as possible.

1. Can COJ render quality service through implementation of City Scorecard?

Yes	No
-----	----

2. How do you rate performance of COJ in terms of service delivery?

Very good	
Good	
Average	
Poor	

3. Introduction of City Scorecard improved service delivery?

Yes	No
-----	----

4. Does City Scorecard improve productivity of employees?

Yes	No
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5. Are you satisfied with performance of employees of COJ in terms of service delivery



## QUESTIONNAIRE

Title: The City Scorecard for effective Performance Management at the City of Johannesburg (COJ).

Respondent: members of Community/ Public

### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Please give answers as comprehensive as possible.

1. Gender

Male	Female
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2. Race Group

Black	White	Coloured	Indian
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3. Home Language

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4. Social economic Status

Employed	Unemployed	Self-Employed	Student
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5. How would you rate the quality of service delivered by COJ to the Community?

6. Introduction of City Scorecard improves service delivery?

Yes	No
-----	----

7. In your interaction with the employees of the COJ how will you rate customer care?

Friendly	Lazy	Racist	Unfriendly	Disrespectful	Rude
----------	------	--------	------------	---------------	------

8. Does City Scorecard improve productivity of services at COJ?

Yes	No
-----	----

9. Are you satisfied with performance of employees of COJ in terms of service delivery ?

Yes	No
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## QUESTIONNAIRE

Title: The City Scorecard for effective Performance Management at the City of Johannesburg (COJ).

### Respondent: Employees

#### Introduction

The student who authored this questionnaire is pursuing a Masters degree in Public Development and Management and will therefore appreciate your assistance in completing the questionnaire as frankly as you possibly can.

Please give answers as comprehensive as possible.

1. Gender

Male	Female
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2. Position

Top Management	
Middle Management	
Other	

3. Does COJ offer training on Performance Scorecard?

Yes	No
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4. If yes how often is the training offered?

Sometimes	Seldom	Always	Often
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5. Are you benefiting from these training?

Yes	No
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6. Are you happy with City Scorecard?

Yes	No
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7. Do you think the levels of implementation of City Scorecard are fair?

Yes	No
-----	----

8. Do you understand the Key Performance Areas and Key Performance Indicators that are in the City Scorecard?

Yes	No
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9. Are these KPA's and KPI's achievable?

Yes	No
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10. How do you rate the performance of COJ?

Very good	
Good	
Average	
Poor	
Unsure	


11. Do you believe Performance is properly managed at COJ?

Yes	No
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12. Do you believe the Performance reward is fair?

Yes	No
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NORTHWEST UNIVERSITY  
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 NOORDWES UNIVERSITEIT  
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