

PERFORMANCE MANAGEMENT AS A MECHANISM FOR EFFECTIVE SERVICE DELIVERY AT EMFULENI LOCAL MUNICIPALITY

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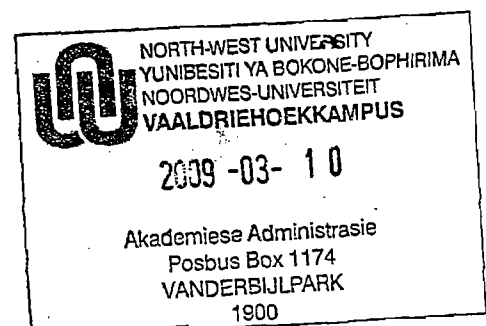
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**MINI-DISSERTATION IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE MAGISTER ARTIUM IN
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DECLARATION

I, Jeany. N. Mkumbeni, hereby declare that this is original and the results of my own work. It is further declared that all information used and quoted have been duly acknowledged by complete reference.

J N Mkumbeni

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ABSTRACT

Section 38 of the Local Government Municipal Systems Act (32 / 2000) tasks municipalities to establish a performance management system that corresponds with resources, circumstances, objectives, indicators and targets as stated in the municipalities integrated development plan. The Act further states that a culture of performance management should be promoted amongst all stakeholders. Thus, the Emfuleni Local Municipality (ELM) has the statutory obligation to provide an effective and efficient people centered administration that will ensure quality and sustainable service delivery. The Emfuleni Local Municipality tends to have a culture of non –performance or low service delivery which is prevalent amongst employee or personnel. Performance Management System (PMS) is the service delivery tool, which in this regard is designed to specifically enhance service delivery among the communities. The objective of this study was to assess the effects of implementation of PMS by officials and employees to ensure whether there is effective, efficient and economic delivery of services at ELM.

For the purpose of this study, the hypothesis was formulated that due to the inability of integrating IDP planning system with performance management and service delivery, Emfuleni Local Municipality is ineffective in successful implementation of the IDP. To test the validity or otherwise of the hypothesis, use was made of theoretical review of literature on PMS as a tool for enhancing service delivery at ELM. Further there was an empirical research methodology of open – ended questionnaire that was used to test attitudes and perceptions of municipal officials and employees and effectiveness of implementation of PMS at ELM.

It was found among others, that:

- There is lack of experience and proper training among municipal officials at ELM.
- ELM employs inexperienced and not well trained employee in the management level.
- Balance scorecard remains a valid instrument at Emfuleni's disposal to influence commitment to the delivery of service.
- Management at ELM did not market PMS effectively to the staff.
- The PMS has positive influence on production.
- The political and administrative accountability in a democratic government cannot be dissociated from each other.

The study ends with recommendations for action to be taken by management of ELM.

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CHAPTER ONE

Key words

Performance management, key performance indicators, service delivery, performance targets, integrated development plan (IDP), Emfuleni Local Municipality.

1. Orientation and problem statement

The purpose of performance management is to establish systems and methods that translate the strategic goals of a municipality into individual performance. A criterion for selecting new personnel in a municipality involves getting the right people; performance improvement and management means getting the people right (Armstrong & Baron 2005:60).

Performance management is regarded by Jones (1993:3) as a goal-orientated or outcome-based management approach with managers helping and motivating their best performance. It is seen by Otley (in Van der Waldt, 2004:36) as a multidimensional construct that includes a variety of factors, including the measurement of performance of functions.

Performance management as a concept is defined in different ways. Davis (1995:165) argues that performance should be defined as the measurement of outcomes of work, because it provides the strongest linkage to the strategic goals of the institution or organization, customer satisfaction and economic contributions. Seemela (2006:26) describes performance as the behaviour of employees and is of the opinion that it should be distinguished from the processes and outcomes of an institution. Van der Waldt (2004:38) is of the opinion that performance management can be defined as integrated techniques and methods meant to achieve improvement in the productivity and quality of the relationship between inputs, activities, outputs and outcomes in public service institutions; and as approach to management which harnesses the endeavours of individual managers and employees towards an organizations strategic goals.

In terms of section 2 of the *Municipal Systems Act* (Act 32 of 2000), a municipality must establish a performance management system that is commensurate with its resource and which is best suited to its circumstances, and in line with the priorities, indicators and targets contained in its IDP. The system must promote a culture of performance management among its political structure, political bearers and councillors and its administration and also administer its affairs in an economic, effective, efficient and accountable manner.

The *White Paper on Local Government* (1998:8-11) emphasizes the new challenges of local government to create a developmental local government system committed to working with citizens and groups within the community and to find sustainable ways to meet social, economic and material needs and improve the quality of life. Yet, Emfuleni local Municipality experiences serious crisis in both financial and institutional arrangement areas to the extent that it warranted immediate intervention from the provincial department of local government and national government. Accounts billing system, for example, are in shambles despite the council being owed millions in debt collection. The situation is exacerbated by skill shortages; and is further compounded by the fact that many of the senior personnel do not seem to have the zest to perform at the high levels expected of them. Notwithstanding the shortfall in outputs, lucrative performance bonuses are awarded managers without reference to what targets were achieved (Emfuleni Local Municipality 2006:56-58).

It is against this background of serious crisis experienced at Emfuleni Local Municipality that necessitate a research into, and recommendations for the implementation of performance management as a tool to be effected to ensure effective service delivery.

2. Research questions

Flowing from the above orientation, the study will attempt to provide answers to the following questions:

- What is meant by performance management?
- What processes and systems exist at Emfuleni Local Municipality in ensuring effective service delivery?

- How effective are the processes and systems of performance measurement at Emfuleni Local Municipality?
- What recommendations can be offered to add value to improve service delivery at Emfuleni Local Municipality?

3. Research objectives

Flowing from the research questions outlined above, the objectives of the research are the following:

- a. To give a theoretical concept of the performance management and service delivery.
- b. To give an overview of the processes and systems of performance management at Emfuleni Local Municipality.
- c. To conduct research into the effectiveness of performance management at Emfuleni Local Municipality.
- d. To provide a set of recommendations based on research findings that may add value for management actions.

4. Hypothesis

A coordinated system of performance management is necessary and urgent to motivate strategic managers to meet IDP targets for improved service delivery at Emfuleni Local Municipality.

5. Research Methodology

The following methods will be utilized for the collection of information during the research process:

Literature review

A theoretical part of this research consisted of comprehensive utilization of available literature on books, journals, legislation, newspapers and electronic database available on existing

approaches and techniques of performance management. Furthermore, existing departmental reports on the systems and procedures to implement performance management were consulted in order to establish and explain the difficulties involved in the implementation process.

Empirical research

The scope of the empirical investigation was limited and analytically descriptive to Emfuleni Local Municipality. The following research strategies were pursued:

Semi-structured interviews: A semi-structured interview, with the use of questionnaire and face-to-face discussion was conducted with Emfuleni Local Municipality's politicians and officials, namely:

- Mrs. Madisa (MMC: Local Economic Development),
- Mr. Khulu Mbongo (MMC: Human Resource Management),
- Mrs. Manana Bakane (Municipal Manager),
- Mrs. Lisa Lourey (Deputy Municipal Manager, Human Resource Management),
- Mr. Chris Steyn (Manager Human Resource Management) to draw their experience and knowledge on the issues relating to the need of effective performance management systems and measures, and the extent to which the current lack of it affects service delivery.

Interviews were conducted with the strategic managers and 15 middle-level employees to determine their views on the need and importance of performance management on service delivery. Finally, 20 members of the Emfuleni Community, randomly selected, were consulted on the views on council service delivery on issues such customer care, refuse collection, water and electricity provision.

6. Preliminary Chapters

Against this background, the organization of the research will be according to the following preliminary chapters:

Chapter 1: Introduction, problem statement and research method.

Chapter 2: Theoretical exposition of concept performance management.

Chapter 3: An overview of performance management and service delivery systems at Emfuleni Local Municipality.

Chapter 4: Empirical study of effects of performance management as a mechanism for effective service delivery at ELM.

Chapter 5: Findings, Recommendations and Conclusions.

CHAPTER 2

THEORETICAL EXPOSITION OF PERFORMANCE MANAGEMENT AND SERVICE DELIVERY

2.1 INTRODUCTION

The White Paper on Local Government (1998) set out a broad vision for establishing developmental local government, calling on municipalities to find means of confronting the legacy of underdevelopment and poverty within their local areas. In this way recognition is given to integrated developmental planning, performance management and community participation as crucial mechanisms to achieve this objective.

It is thus important to explore and to understand the processes surrounding performance management and to also establish how it relates to ensuring quality, efficient and effective service delivery within organizations. The researcher shall therefore give an exposition on the approaches and dimensions of performance management, the relationship it assumes with development, learning, and competence, align performance to organizational needs, the dynamics between performance management and strategy, service delivery and Batho Pele as well as the challenges thereof. All these are necessary conditions to ensure that effective performance take place (Van der Waldt 2004:176).

2.2 LEGISLATION AND POLICIES FRAMEWORK IMPACTING ON PERFORMANCE MANAGEMENT IN MUNICIPALITIES

The public sector at all spheres continues to face changes at a much-accelerated rate. Drivers for change such as the Public Finance Management Act 1999, the Local Government Municipal Finance Act 2003, the Local Government: Municipal Systems Act 2000, and the White Paper on Transforming Public Service Delivery (1997), containing the Batho Pele Principles, are among the most significant pieces of legislation in this regard. The recurring theme of these government initiatives is the need to demonstrate that performance is manageable.

In addition, the Municipal Systems Act (Act 32 of 2000) require municipalities to develop their own performance management systems and to set performance targets and monitor and review their performance based on indicators that are linked to their Integrated Development Plan (IDP). Involving the community in setting indicators, targets and reviewing municipal performance is explicitly required. A critical element in the performance management process is publication of an annual report on achieved performance for distribution to councillors, staff, and the public and other spheres of government. This report needs to incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government. Before tabling report and having it audited by the Auditor-General, municipalities are to conduct an internal audit on performance.

The IDP for the Emfuleni Local Municipality has been adopted for 2007/2012 and it has now become crucial to develop a Performance Management System suitable to the particular and own circumstances prevalent to the Emfuleni Local Municipality in the quest to give effect to the IDP and achieve its goal and objectives.

A very significant aspect of performance management is that it is not a single track activity. It is in fact diverse, more of a life circle of a public organization in the sense that it underpins every business activity of such a public organization. There is always a strong business reason why a public organization has to carry out an activity, mainly to produce outcomes or deliver a particular service – which can be measured against four elements, namely: quality, quantity, cost, or risk factors, and time. For example, a product or service delivered only meet a deadline but which is of poor quality, will leave clients not getting value for money. This view is supported by Van der Walt (2004: 176), who maintains that customer expectations continue to rise, requiring more attention of service and quality.

2.2.1 The Constitution of the Republic of South Africa, 1996

Public administration is one of the primary themes of the Constitution of the Republic of South Africa and in Section 197(1) it is stipulated “within public administration there is a public service for the Republic, which must function and be structured in terms of national legislation, and which must loyally execute the lawful policies of the government of the day”. Section 195(1)

of the 1996 Constitution serves as a reference point, guiding the conduct of all public officials in every sphere of government. The Section also provides that public administration must be governed by the democratic values and principles enshrined in the Constitution.

These values are listed in Section 1 of Constitution as human dignity, the achievement of quality and non-racialism. Section 195(1) further stipulates other principles that should improve public service delivery. Among the more important stipulations are the following: services must be provided impartially, fairly, equitably and without bias. People's needs must be responded to and the public must be encouraged to participate in policy-making: transparency must be fostered by providing the public with timely, accessible, and accurate information and public administration must be development- oriented. These stipulations underline the importance of effective and efficient performance by public officials and a system that will enhance performance management Seemela (2006: 300).

2.2.2 White on Transformation of the Public Service Delivery, 1997

In October 1997, the South African Government, under the Department of Public Service and Administration, produced a White Paper on the Transformation of Public Service Delivery. This White Paper became known as the Batho Pele White Paper. The word "Batho Pele" means people first. This means that consumers or clients of government services should receive first priority when it comes to service delivery Seemela (2006: 301) Van der Waldt and Du Toit (1998: 384-5) highlight the following guidelines emanating from the White Paper on Transformation of the Public Service namely:

- Service orientation and delivery of high quality services;
- Responsiveness to the needs of the public;
- Objective orientedness and productivity;
- Holistic, integrated and well-coordinated service delivery; and
- Honesty and transparency.

2.2.3 Performance Management Regulation, 2001

The Performance Management Regulations stipulate that government institutions should manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organizational effectiveness and accountability for the use of resources and the achievement of results. Performance management process should link to broad and consistent plans for staff development and align with strategic goals. The primary orientation of performance management should be developmental, but should allow for effective response to consistent inadequate performance, and for recognizing outstanding performance.

2.2.3.1 Performance Management Guidelines for Municipalities

Performance Management Guidelines (2001) developed by the Department of Provincial and Local Government (DPLG), seek to assist councillors, managers, officials and municipal stakeholders in developing and implementing a performance management system in terms of the requirement of the legislation. The Municipal Systems Act (no. 32 of 2000) requires municipalities to, develop a performance management system, set targets, monitor and review performance based on indicators linked to their integrated developmental plan (IDP), publish an annual report on performance for the councillors, staff, the public and other spheres of government, incorporate and report on a set of general indicators prescribed nationally by the minister of responsible for local government.

2.3 Performance as a concept

According to Langdon (2000: 13), performance is the actual work that is done to ensure that an organization achieves its mission. In this view, all performance produces an output, tangible work in the form of a product, service, or knowledge. He also regards feedback as an essential element of performance. Feedback in relation to performance tells us: that we have finished an assigned task or work, and how we fared along the way. Firstly, feedback is necessary to tell us that we have arrived at the output and achieved the consequences. The second type of feedback helps us to correct or adjust our actions so that we produce the desired output and achieve the

consequence properly. In summary, performance encompasses inputs, conditions, process elements, outputs consequences, and feedback.

Performance is the outcome of actions on the job, as well as the very actions that produce that outcome (Lefton et al, 1977:4). Performance involves inputs, (the actions people put on the job) and output (the consequences of those actions). Performance is always tied to results and behaviour, with the latter either active or passive. In other words, whether it is through doing something or do-nothing, it can affect results either way.

Fletcher (1993:11-14) reveals two distinct ways in which people obtain results, namely the grind-it-out mode and high-performance mode. He uses an example where people worry about meeting a deadline with regards to the first mode. In the second mode, people take delight in the unexpectedly good results that they achieved and wish the work could have continued. He contends that no one can operate in grind-it-out mode for long without a serious drop in performance. It is simply not a sustainable route to high performance. Fletcher (1993: 11-14) laments that most organizations unwittingly keep employees in the first mode through various pressures, tight deadlines, and management sanctions. This often results in personnel being exhausted and burnout. Employees will respond by putting enormous effort into producing the required results. However, as soon as the goal is reached, productivity declines until the next deadline approaches.

Fletcher (1993:20-26) seems to believe in the second mode that enables organizations to achieve much higher, more sustainable performance with less effort and less stress. It involves helping people find a way to do their work that is consistent with their high performance patterns, that is, their best ways of working. In this understanding, the first mode should be used as the last resort. The second mode recognizes that people have unique abilities and limitations and high performance experiences occur within the realm of the personality plausibility. He contends that people can be managed in order for them to produce outstanding results. In summary, Fletcher (1993:20-26) believes that people will produce results if they are allowed, supported, and encouraged to work in the way that they work best.

Langdon (2000:5-8), Lefton, et al. (1997:40-20) and Fletcher (1993:30-34) recognized that performance should yield results or outputs. The results or outputs should be measurable to determine what was achieved. A distinction would then be made about the quality of the output or result. Through high performance patterns an output or result of high quality should be able to be achieved, sustained and will make people aim for better than expected results as highlighted by Fletcher (1993:34-36).

The following illustration is used by Fletcher (1993:34-35) to demonstrate the grind-it-out mode and high –performance mode:

Table 1. Two ways of getting results

Grind-It-Out Mode	High-Performance Mode
Aims at predetermined results	Aims at better than expected results
Hard grinding effort	Easy and flowing
Exhausted and relieved when its over	Energized and wistful when its over

Source: Fletcher (1993: 11-14)

2.3.1 Understanding Performance Management

Williams (2002: 1) gives a historic background of the era of performance management. In his view, performance management as a philosophy or a system came into performance in the late 1980s and early 1990s. Although he maintains that there is no single approach to performance management, Williams (2002:80) also positions performance management as a system for integrating the management of organizational and employee performance.

Managing performance is a continuous process in which organizations clarify the level of performance required to meet their strategic objectives, convert them into unit and individual objectives and manage them continually in order to ensure, not only that they are being achieved but also that they remain relevant to and consistent with overall strategic objectives (Lockett, 1992:14). He also states that the essence of good performance management is managing the “what”, “where”, and “when” but leaving the “how” to the person doing the work. Through

performance management, it is possible to link individual and organizational performance to strategic goals.

This study shall consider performance management as articulated by Williams (2002:8). In other words performance management includes both organizational and employee performance although, for the purposes of this study more emphasis will be placed on organizational performance to determine the level of service delivery. It has already been highlighted in chapter 1 that the relationship between and the contribution of individual and organization performance cannot be ignored.

It is the researcher's contention that individual performance is a foundation for organizational performance. Hence, for purposes of this study performance management will cover the two aspects invariably. The argument is derived from the fact that an organization cannot on its own, turn strategies into actions or deliverables and strategic goals of an organization can only be achieved by involving individual employees and beyond that, manage their performance in order to realize the strategic intent of the organization.

The ultimate strategic goals of an organization especially in the public sector environment, is to deliver public service. It is this basis that the relationship between performance management and service delivery is apparent. However, there is a need to investigate the extent to which service delivery can improve as a result of performance management. Various theories and models of performance management shall be explored in this chapter to inform the basis for the investigation.

The following table (Table 2) represents Spagenberg's integrated model of performance management as adopted by Williams (2002:21). It assumes that there is a connection between performance at an organizational and individual level. In other words, performance from an organizational perspective has a direct link with the individual aspects of performance.

Table 2 Spagenberg’s integrated model of performance

Organisation	Process/ function	Team/ individual
Vision, Mission, Strategy, Organisational goals set and Communicated.	1. PERFORMANCE PLANNING Goals for key processes linked to Organisational and customer needs.	Team mission, goals values and performance strategies defined. Individual goals, responsibilities and work planning aligned with process/functions goals.
Organisational design ensures structure supports strategy.	2. DESIGN Process design facilitates efficient goal achievement.	Teams are formed to achieve process/ function goals. Job design ensures process requirements reflected in jobs; jobs logically constructed in ergonomically sound environment.
Continual organisation development change efforts. Functional goals (in support of organisational goals) managed reviewed and adapted quarterly. Sufficient resource allocated. Interfaces between functions managed.	3.MANAGING PERFORMANCE (AND IMPROVEMENT) Appropriate sub-goals set; process performance managed and regularly reviewed. Sufficient resources allocated. Interface between process steps managed.	Active team building efforts feedbacks coordination and adjustment. Developing individual understanding and skills, providing feedback. Sufficient resource allocated.
Annual review	4. REVIEWING PERFORMANCE Annual review	Annual review
Financial performance of organisation	5. REWARD PERFORMANCE Function rewards commensurate with value of organisational performance and function contribution.	Rewards commensurate with value of organisation performance, and: for team-function and team contribution; for individual function/team performance and individual contribution.

Table 2 Spagenberg’s integrated model of performance

Adapted from Williams (2002: 21) – Source: Spangenberg (1994 30 -1)

Performance management in practice involves planning in advance as to how well work will be done and how it will be managed. Spangenberg (1994:29) as quoted by Swanepoel et al (1998:29) states that performance management can be regarded as an ongoing process that involves the planning, reviewing, rewarding and development of performance.

Whittaker (2001: 149) states that performance management should be looked at three perspectives, namely employee, customer, and business perspective. Employee perspective focuses its attention on the performance of the key internal process driving the organization. Employee buy-in is important to maximize the organization's achievements. Customer perspective considers the organization's performance through the eyes of customer, so that the organization retains a careful focus on customer needs and satisfaction. The business perspective has two separate sets of measures, namely the outcome, social or political impacts, and the business process needed for organizational efficiency and effectiveness. It is clear that one cannot measure organizational performance while overlooking individual performance. The latter has a role in contributing towards organizational effectiveness.

In general, performance management involves planning, that is - role clarification and objective setting, development of organizational assets that is, employees, and monitoring performance progress through quarterly reviews and annual performance appraisals. Employee's performance should be managed to get the best output possible, which should help in attaining the organizational strategic objectives. This will then make it possible to recognize and reward excellent performance through performance appraisals. A distinction is then made on the different phases of performance management, as categorized by Plachy and Plachy (1988:10) namely: performance planning, performance review and performance appraisal.

2.3.2 The relationship between Development, Learning, and Performance

Mathis in Jain (2004:64) contends that development can be thought of as bringing about capacities that go beyond those required by the current job; it represents efforts to improve an employee's ability to handle variety of assignments. As such, it can benefit the organization and the individual career. Employees and managers with appropriate experiences and abilities

enhance the abilities of an organization to compete and adapt to a changing competitive environment.

Development is associated with a long term and more complex arrangement for learning (Pepper, 1992:5). According to Fogg (1999:286), developing skills is an essential requirement to meeting growing and ever changing demands which must become management priority. Gutteridge, Shore, and Leibowitz (1993:30) indicate that the development process links current job performance and future development. It begins with the current job, then relates to future goals, and plans for reaching the goals.

Development is normally two-fold, focusing on imparting new skills and on the other hand addressing improvement of current skills level. Development should not focus only on peoples' skills, but developing their attitudes and approaches as well (Kourdi, 1999:264). The arguments presented by Jain (2004:14-16), Pepper (1992:21), Fogg (1999:89-91) and Gutteridge *et al.* (1993:64-75) centre around two aspects, mainly the benefits development brings to the employee's career and the organizational competitiveness. The focus is on job requirement and future capabilities.

Once training needs or performance gap has been identified, it is important to compile individual development plan. Development plans can be informed by performance assessments done either on a quarterly basis or as part of annual appraisals. The type of intervention to be offered should thus be linked to functional areas of employees and business strategy. Hodges (2002:20) focuses on return on investment and return on expectations. The following are the different components for a programme evaluation (Hodges, 2002:2).

- A needs assessments with a clear definition of a programme addressing the question 'what do they need?' In the same context, Buckley and Capple (1991:14) see the process of identifying training needs as vital to establishing whether there are any mismatches between the job demands and the knowledge, skills, attitudes and experience of the job holder.
- Formative evaluation asking the question "will it work" that is, the programme. It is the researcher's opinion that misdirected training will result in more confusion to employees and

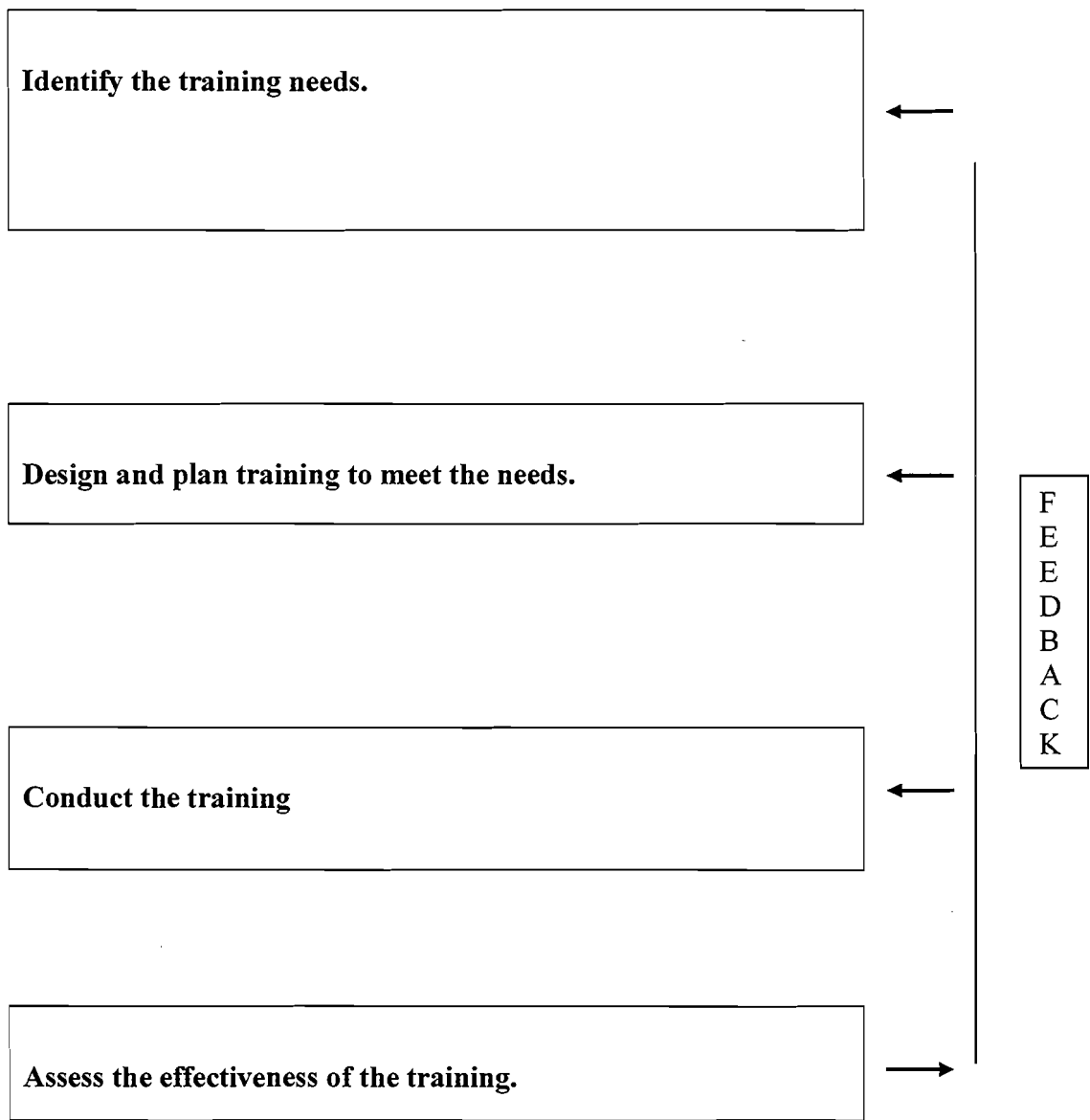
a waste of resources. It is important to use appropriate techniques and also ensure that the training programme is aligned to appropriate unit standards.

- Reaction evaluation from participants of a programme to determine if they were satisfied with the learning event. Often they asked if they expect that they will be able to successfully use the knowledge or skill taught.
- Learning evaluation to determine the extent to which the program has met its learning objectives. “The evaluator tests the student to determine the extent to which they acquired knowledge or skills specified in the programme objectives”.
- Performance evaluation to determine the extent to which the programme has met its performance objectives. The evaluations will determine the extent to which programme participants have been able to apply or transfer the knowledge gained and skills acquired, to the job.
- Impact evaluation to determine the extent to which the programme has met its business objectives and expectations of the clients. Things to look at can vary from measuring output increases, cost savings, time savings, quality improvement, and return on investment and return on expectations. This can form part of quarterly performance progress reviews to determine the impact of training and performance improvement as a result of training interventions (Hodges, 2002:2).

The question is what if performance is not happening after attending the training programme. The last two components above are critical evaluation measures to determine Return on Investment and Return on Expectation. Hodges (2002:11-13) attributes the possibility for poor performance to lack of reinforcement from supervisors, and a lack of proper systems or other resources they need to do the job. It is thus important that supervisors and line managers enforce the last two components to ensure performance improvements are effective. One of such intervention is training.

Buckley and Capple (1991: 24) use the following illustration for a systematic approach to training:

Table 3. Systematic Approach to Training



Source: Buckley & Capple (1991)

According to Buckley and Capple (1991:13), the first block makes a distinction between the “nice to know” and the “need to know” type of training intervention. This is where emphasis has to be made that only training that is linked to functional areas of individuals agreed in terms of performance agreements can be accorded. The second block looks into the training content of the plan. It should be designed in such a way that it addresses the needs identified through the first block.

The third block is the implementation of the plan designed to address the training needs identified. Afterwards, it will be possible to determine how effective the training has been. In comparison, the approach by Buckley and Capple (1991:16) and Hodges (2002:33-34) is not entirely different in the sense that they both focus on providing training that will address needs identified and will eventually seek to establish if the training provided was beneficial.

2.3.3 The relationship between performance and competence

Lockett (1992:19-20) indicates that an individual’s measurable performance cannot exceed their competence. He further argues that lack of competence (i.e. applied skill and knowledge) is a barrier which may prevent people from reaching a higher level of performance. People cannot perform well in areas where they have little ability or potential as they can in areas where they have higher levels of skill and knowledge. Competence forms part of a person’s capacity to perform.

Effective managers and effective organizations balance the need to maximize current performance with the need to develop capability for the future. “Performance management therefore, needs to apply to two concepts- performance i.e. the achievement of agreed targets, and competence, the development of the skills and knowledge required to survive in the current and future business environment.”

Plachy and Plachy (1988; xiii) indicate that employees who do not perform to expectations are not necessarily “bad” employees who intend to cause trouble, more often than not, they are employees who do not understand job requirements or who do not know how to fulfil them. The importance of competence amongst employees must therefore not be underscored.

The contention by Lockett (1992:29) as indicated above highlights the need to address skills development to avoid obsolescence and to discourage complacency by employees. The future competitiveness of the organization and its ability to deliver quantity services to its clients, therefore depend on the level of competence exhibited by its employees. It is therefore the researcher's opinion that project management becomes essential in promoting the competitiveness of the organization. The relationship between project management and performance management is discussed in the following section

Van der Waldt and Knipe (1998:74) describe project management as a set of principles, methods, tools, and techniques for the effective management of objective-oriented work in the context of a specific and unique organizational environment. While performance management has already been explored extensively in the previous section above, the focus shall be on the relationship it assumes with project management. Project management techniques are useful in order to minimize setting ambitious deadlines, which are unrealistic and detrimental with regard to performance achievements. The most useful techniques in estimating deadlines and targets that have a scientific basis is the Programme Evaluation and Review Technique. According to van der Waldt and Knipe (1998:84-85), Performance Evaluation Review makes constant evaluation possible because it is always visible and can be illustrated in graphs. Furthermore, also a useful method produces measurable results.

It measures both tangible, physical results such as financial statements, as well as the degree of change in attitudes and perceptions, e.g. the transformation process. Other aspects which can also be measured using Performance Evaluation Review Techniques, include cost effectiveness, organizational capacity and operational systems, as well as determining whether work has been completed with existing policy guidelines and regulations.

Table 4 Steps followed to estimate uncertain activities

Step 1. Make three estimates:	Step 2. Use the following formula to calculate E (estimate duration).
M = most likely duration (e.g. 3 weeks)	E = O + P + (4 x M) / 6, i.e. where 4 represents the average number of weeks in a month
O = most optimist duration, 5 % deviation (e.g. 1 week)	E = 1 +11 + (4 x 3) /6
P = most pessimistic duration, 5% deviation (e.g. 11 weeks)	E = 12 + (12) /6 E = 24 / 6, which amount to 4 weeks

2.3.4 Approaches on Performance Management

Lockett (1992:31-35) gives his perspective on performance management practices which in his opinion, sources on one aspect of a performance management process (normally performance appraisal) and then claim to operate a full performance management system. He states that the Performance Management Indicators and Indicators Measurement Systems highlight the main thrust in the area of performance management for most organizations and has been in performance related remuneration, an increasingly important trend in the 1980s and 1990s. A government department has, however in the last few years taken an initiative towards “a competence based approach to performance and development”.

These two approaches are explained by Lockett (1992) as follows:

2.3.5. Remuneration driven Performance management system

Lockett (1992: 31-35) outlines the merit and of abovementioned system as well as preconditions for this system to work effectively. According to him, there must be effective measures of performance- qualitative and quantitative – as well as clear statements about the behaviour required influencing those measures. There must also be a clear sense of organizational mission

with a set of critical success factors underpinning it and what performance it requires before it can design the necessary incentive to achieve it. The remuneration driven system has both advantages and disadvantages as outlined below:

Advantages of remuneration driven performance management system

- Involves measurement and is likely to be less ambiguous than other processes.
- Provides clear incentives to employees to achieve results and thus enhances motivation levels;
- The potential for directing individuals towards business objectives is high; and
- Is effective in ensuring that appraisals are carried out promptly, (Lockett, 1992: 31-35).

Disadvantages of remuneration driven performance management system are that:

- It focuses on short-term business issues at the expense of long term capability issues.
- Individuals often focus their attention on their own set of accountabilities to the exclusion of the work of others, thus working against effective team building. As such, if the system is not well designed, it could bring about unforeseen consequences as people work hard to maximize their income.
- It can be expensive if it is not designed correctly, organizations need to ensure that they are not just more for an unspecified benefit – otherwise the return on the performance remuneration programme may not equal to costs of implementing the programme (Lockett, 1992; 31-35).

Plachy and Plachy (1998:50-54) contend that traditionally reward systems have failed to improve work performance. This is mainly because employees receive nearly automatic pay increase to the maximum of their pay range so long as they do not get fired". It is clear that the remuneration-based system can become the downfall of organizations if not well designed and managed in the long run. Lockett (1992:45-37) points out that there are cost implications and this is supported by Plachy and Plachy (1998:50-54).

Organizations must therefore consider it important to reward excellent performance in line with achievements that contribute towards strategic objectives. The focus should be on the value

added in the course of fulfilling an organizations mandate. In this way, the balance is kept between the cost incurred in maintaining the well-being of staff members and the return on expectations such as maximum productivity levels, high level of service and improved customer satisfaction. Organizations must aim for long-term benefits to remain competitive and sustainable in the labour market without disadvantaging themselves.

2.3.6. Development based performance management system

The central aim of performance management is to develop the potential of staff, improve their performance and through linking an employee's individual objective to business strategy, improve the company's performance, (Income Data Services in Williams 2002:19). Lockett (1992:35-38) maintains that over the last decades, this approach has been encouraged through various government initiatives, and bodies such as Management Charter Initiatives have used the approach as a basis for training, assessment and appraisal. A distinction should be made between competence and competency.

Competence 'relates to what people need to do to perform effectively in their current role', while competency "relates to the potential to transfer those skills to other areas". In his view, both factors are critical in relation to management of performance. Competence is a necessary condition of performance. People can only perform well if they have the necessary skills and knowledge to do the job.

Competency is a key capability factor. People can only develop new skills if they possess the personal characteristics which can be transferred into higher quality work. It is clear from the argument presented by Lockett (1992:39-45) that over years organizations have battled with the holistic implementation of performance management. If only performance appraisal is given priority, then the purpose of performance management and development systems is defected.

A balanced approach is ideal in a sense that driving performance appraisals "the rating errors" will be minimized or avoided. Swanepoel, et al. (1998:70-77) advocates "total objectivity" during performance appraisals. This implies the practice of conducting performance appraisals

with little or no influence on factors not directly related to the employee's actual performance or work related behaviour.

2.4. Why the concept Performance Management

In order to understand the concept of performance management, especially in the public service, it is important to trace its origin and how it links with service delivery. According to Future Watch (2004:52) legislation, policy, and regulations drive the delivery of public services. Inappropriate policies and regulations can produce red tape that severely hampers public service delivery.

The following are key aspects to be considered in the study

2.4.1 Mandatory requirements regulating Performance management and service delivery

The Public Service Management Framework (1997) provides for a number of legislations or Acts that make it possible to regulate the business activities of government departments and other statutory bodies responsible for public service delivery. The following are important with regards to performance management and service delivery:

2.4.2 White Paper on Transformation of Public Service, 1997

Van der Walt and Du Toit (1998: 384 -5) highlight the following guidelines emanating from White Paper on Transformation of Public Service, namely service orientation and delivery of high quality services, responsiveness to the needs of the public, objective orientated and productivity, holistic integrated and well-coordinated service delivery, and honesty and transparency.

2.4.3 Public Service Regulations 2001

According to Chapter 1 (Part viii the Public Service Regulations 2001) as amended, it is required that the Executive Authority should determine in consultation with their department, a system that links individual performance to organizational goals.

The Department of Public Service Administration later decided that in order to allow compliance by departments, the implementation date be shifted to 1 April 2001.

Chapter 1 Part V.A.1 (a) of the PSA indicates that remuneration in the public service shall aim, within financial constraints, to support efficient and effective service delivery and provide appropriate incentives for employees. Furthermore, Part V.A. 2(d) requires that in determining an employee's salary an executive authority shall take into account the employee's performance.

2.4.4 Skills Development Act, 1998

In relation to Skills Development Act, emphasis should be placed on employee development. The key feature of performance management is that it is developmentally oriented and hence provision is made for employees to have Personal Development Plans to help them improve current skills level or acquire new skills in order to be competitively sustainable. Skills Audits to determine gaps between the job requirements and the incumbent links up developmental requirements of performance management system by Williams (2002:35-37), Lockett (1992:46-47) as well as Plachy and Plachy (1988:70-72).

2.4.5 Labour Relations Act, 1995

The Labour Relations Act, 1995 schedule 8 makes provision for dealing with incapacity and poor performance by employees. In a way it is not possible to solely dismiss an employee based on work plan or performance agreement but it may be used as a proof of incompetence. In general, management of poor performance shall be informed by the Labour Relations Act and other relevant Collective Agreements.

The connection is made between what happens if training interventions are unsuccessful and the level of competence of employees does not improve. It has already been indicated that competence is a necessary condition for performance. If all possible avenues of remedying underperformance have been undertaken, it is only fair for employers to invoke incapacity procedures as contemplated in the Labor Relation Act.

2.4.6 Batho-Pele White Paper on Transformation of Public Service

The Batho-Pele lays down the norms to ensure that the eight Principles of Batho-Pele are put into practice. The Batho Pele concept and all its principles should be considered here.

2.4.6.1 Linking Performance management to Batho-Pele principles

A Batho Pele principle is an initiative adopted in the public service through the Department of Public Service and Administration in 1997. It is a Sesotho adage meaning “People First” WPTPS (1997:33-34). According to Du Toit (2001: 105), the principles of Batho Pele provide very specific guidelines to public servants in terms of which they must have regard for the rights of those whom they serve.

Batho Pele is a deliberate strategy to instil a culture of accountability and caring by public servants (Rapea, 2004: 98). The emphasis is on the needs of clients, especially the general public as recipients of public services. Underpinning this legitimate right is the fact that taxpayers’ money is involved and thus the client has to receive value for money in return in terms of the quality of services rendered.

According to Du Toit (2001: 9), it is essential to have guiding principles for public officials on how to conduct their work within a particular framework or environment in which they work. Rapea (2004: 98) maintains that the driving force behind Batho Pele is to ensure that public servants become service oriented, strive for service excellence, and commit to continuous service delivery improvement.

The White Paper on Transforming Public service Delivery (Batho Pele) puts forward eight principles for good public service. Emfuleni Local Municipality is duty bound to uphold these principles; namely:

2.4.7 Batho-Pele Principles

- **Consultation:**

Communities should be consulted about the level and quality of public service they receives, and where possible should be given a choice about the services which are provided.

- **Service standards:**

Communities should know what standard or service to expect, the level and quality of public services to be received so that departments can be held accountable for promises they make.

- **Access:**

Communities should be guaranteed equal access to services provided by the public service.

- **Courtesy :**

Communities should be treated with courtesy, respect and consideration.

- **Information:**

Communities should be given full and accurate information about the public services they are entitled to receive.

- **Redress:**

If the promised standards of service is not delivered communities should be offered an apology, a full explanation and a speedy and effective remedy, and when complaints are made communities should receive a sympathetic positive response.

- **Openness and transparency:**

Communities should know how departments are run, how resources are spent, and who is in charge of particular services (Van der Waldt, 2004: 89-90).

- **Value for money:**

Public services should be provided economically and efficiently in order to give communities the best possible value for money.

Importantly, the Batho Pele White Paper notes that the development of a service oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service users if they are to improve their operations. Local partners can be mobilized to assist in building a service culture. “ For example, local business or non-governmental organizations may assist with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer surveys” - The White Paper on Local Government (1998).

According to Rapea (2004: 98), the starting point is to integrate Batho Pele into departmental strategic plan as the driver of strategy. Furthermore, he states that the best link between performance management and Batho Pele is the development of realistic, measurable performance indicators. Furthermore, it involves the allocation of responsibilities to teams and individuals for development of their performance contract (Rapea, 2004:99).

The manner in which Batho Pele principles can be integrated into operational plans has been simplified through a tangible belief set that guides behaviour, namely:

- We belong,
- We care,
- We serve.

Additional efforts to mainstream and institutionalize Batho Pele have been documented in the DPSA Report (2004: 75-76).

Emphasis is placed on the need to close the gap between individual and organizational performance and as a result, the process of developing a Batho Pele Service Excellence model has been reported to be underway.

The following is a brief summary outlines of the new belief set:

We belong

Focus on people who deliver services to clients. The departmental strategy must articulate, for example, how it is going to improve the skills of its employees, how excellent performance will be rewarded, and how poor performance will be dealt with. In this case, employees like to feel that they valued (Rapea, 2004:99).

We care

Focus is on internal and external customers. It is about caring for the people we render services to and treating them with dignity and respect.

We serve

The focus is on anticipating customer needs, offering integrated service delivery, and going beyond the call of duty that is, putting people first. The expectations are that service levels have to be improved. It also important to harness the benefits that comes with a good performance management system in an organization. This provides a good measure of what the process involves of enabling all stakeholders to identify with the bigger picture.

2.4.8 Benefits of effective Performance Management

Lockett (1992: 15-16) indicates that effective performance management has the following benefits: In as far as top management is concerned, they would be able to get on with their job if

setting objectives for the organization whilst managing relationship with external bodies, that is customers, politicians, regulatory bodies and shareholders and translating their requirements into objectives for the organizations.

With regard to managers, it will help them gain full understanding of the organization's mission, set targets and standards for their team and delegate work, freeing themselves to concentrate on strategic planning and the continuous improvement and development of their operations and teamwork. For other people within the organization-improved management of performance should result in clearer targets and the freedom to work autonomously to achieve these targets, with the right level of support from management.

For support functions, objectives which came from a centrally agreed business plan are more likely to give an alternative *raison d'etre* rather than the pursuit of their own specialized agenda. Most line staff conflicts can be traced to lack of shared objectives. These relationships need to be managed by a form of performance contract, so that professional competence can be focused on agreed business objectives and not dissipated on other side issues (Lockett, 1992: 15-16). In as far as customers are concerned, clear performance management should enable the organization to deliver its customer promise more consistently by converting customer needs into workable plans of action.

It is all fine to develop strategies, but without a workforce that is competent and able to translate the mission of the organization into action and measurable results, the organization cannot be competitive and sustainable and the continued existence of such organization is questionable.

In order for such organization to become competitively sustainable, people employed within the organization should be developed – in terms of existing competencies and future needs, and performance should be managed and monitored against the objectives of the organization.

In short, all the planning efforts by any organization should be translated into action and the best way of ensuring that this happens, is to manage performance of its workforce and to maintain strategic focus. A well managed performance management and development system ensures that all stakeholders in and around an organization benefit immensely as highlighted by Lockett (1992)

2.5. Aligning Performance with Organizational needs

De Waal and Fourman (2002: 44-145) contends that to make organization, departments and teams to work effectively managers have to align and coordinate their activities. They state that the reality is usually that different people within the same organization are pulling in the same directions. The result is that there is synergy because efforts cancel each other. In contrast, there is maximum synergy when "everyone's actions are aligned".

To align an organization with strategy it takes clear articulation and communication of vision and strategy. It also takes an efficient infrastructure, consisting of a performance process and an information system that monitors performance against the strategy and that keeps everyone informed at all times. This contention can be compared with an example of a soccer team with eleven players who have to compete with one goal in mind (i.e. to get a result by winning a match). This can only happen through a collective effort and any act of selfishness may not yield the expected results. The same applies to any organization, its employees, and its business activities. Without proper co-ordination, their efforts will cancel each other, hence the need for alignment of activities.

There are four performance levels, namely:

- Business unit
- Core process
- Individual (jobs) and work groups as identified by work groups are sets of individuals with administratively organized to work in common process-related disciplines to produce outputs (Langdon, 2000: 20)

In order to align the performance of the business, the output must link from the business unit to the other levels (Langdon, 2000: 12). Alignment refers to ensuring that all work in the organization is direct, measurable, and in obvious support of the corporate strategy. Fogg, 1999:273). Normally, a top-bottom approach is followed. From the top of any given organization to the bottom, workers' strategic and operational activities must be aligned with the organizations' strategic plan.

De Waal and Fourman (2000), Langdon (2000) and Fogg (1999) take cognizance of the power of alignment. They contend that there is a direct “interchangeability” of roles by an organization, its business processes or activities as well as its employees. Each one of them has an input to make while together an output is generated, and a value chain is created. It is the researcher’s view that understanding how four performance level work, contributes to the strengthening and coordination of business decisions and activities. It is also necessary to consider various dimensions which can have an extreme influence on performance management processes within an organization.

According to Locket(2004: 4-7), business units are administered by chief executives whose jobs is to run the business and to ensure that all level of performance that follows is aligned to the business unit. The business units provide the link between customers and their needs and the people whose work it is to meet those needs.

To achieve these business needs, a second level of performance is needed, namely: core process.

- **Core process**

If the business units represent the “What” of business and performance alignment, then the core process is the “How “of performance from the business perspective. The core process demonstrates the interdependency among the many level of performance – namely people and their systems and resources. When the interdependency is not understood, work is fragmented, resulting in wasted time and money, and worst of all, a forgotten customer. To achieve the core process, we need individual, who are assigned “jobs” - the performance based on the core process, which in turn is based on business unit. Locket (2004:29-32).

All jobs must be aligned to business unit and core process. Work groups are needed in business because individuals need to pool their individual work productions to satisfy the need of a client. Resources are always limited and need to be shared as well. This is important to ensure that an enabling environment exist in an organization in order to promote effective performance management and service delivery. Locket (2004:16-20)

2.5.1 Dimension of performance management

Effective performance management in an organization depends on numerous factors. It is important to give an exposition of value drivers necessary to lay a solid foundation for the performance management process. It is the researcher's observation that the process will be disorientated and incomplete if the following aspects receive inadequate attention.

2.5.1.1 Organizational culture and organizational performance

Williams (2002: 40-41) highlights the importance of organizational culture and organizational performance. In his opinion, "organizational culture affects organizational performance" and a strong corporate culture facilitates goal alignment. To emphasize this argument, he quotes Martin (1995: 377) to highlights the characteristics that characterize a strong culture, namely:

- Consistency
- Organizational –wide consensus and
- Clarity

The three characteristics are embraced within what is called the integrated perspective on organizational culture and revolve around a set of values. The meaning attributed thereto, to consistency is one of the values that should be practiced by people at the higher level in carrying their mission statement. The organizational wide consensus is presumably generated by a variety of cultural manifestation. Clarity is seen within the context of what the organizational values are and should be, and what behaviours are preferable (Williams 2002: 40-41).

The researcher thus support the arguments presented by Williams (2002: 41-46), as quoted by Martins (1992: 20-22). The rationale is that strategic direction starts at the top and filters down to the last layer of ranking officials. This is attributed to corporate culture school argument that "it is the responsibility of senior management to change them" (i.e. culture).

According to the research by Kottler and Heskett Williams (2002:44), a culture is only good if it "fits" its context. Williams (2002: 45-47) further states that more research done in the UK shows

some measure of consistency with the Kotter and Heskett findings in that cultures which are ready to meet new challenges tend to be strongly associated with organizational performance.

The work of Kotter and Hackett (1992) is also held in high regard by (William, 2002:46). He articulated the argument that “the multi-faceted nature of performance is given greater emphasis today”. It is also the researcher’s opinion that the exposition and argument presented by (Williams 2002:46) correlates with the statement in the introduction of chapter that performance management is not a single track activity.

2.5.1.2 The four critical layers of performance

Performances have several layers to it, which also must be aligned with business (Langdon, 2002: 8-9). There are four critical layers of performance, namely:

- Behaviour
- Standards
- Support and
- Human relations

According to Langdon (2000: 8-9), all these are found in, and influence each of the four performance levels highlighted above highlighted and “each of these levels and layers must be aligned.

Langdon (2000: 8-9) describe behaviour as act of doing things and it is deemed the first layer of performance. Individuals’ should behave in a certain way to achieve their duties. They are expected to produce quality work and use the resources effectively and follow guidelines and processes to achieve desired results. All behaviour should rise to certain standards. The work produced can also be measured according to a certain amount, completed within a given time frame and according to a specified level of customer satisfaction.

Standards exist for a number of reasons: They protect the organization and its people. They project activity level, cycle time, cost, and volume needed to keep the organization in business. Standards are an integral part of performance and should be aligned throughout the organization.

Thus the behaviour of employees in an organization has a direct impact on its service standards. For example, employees who lack drive, passion, commitment to their work may lack initiative, fail to meet target dates and show very little regard for the importance of value contribution in whatever they do. Thus, the connection between the first two layers is clear.

The researchers firmly support the view by Langdon (2000: 12-14) that the next layer is the support provided by the business. He maintains that without adequate support, desired behaviour and standards are difficult to achieve. Every kind of performance needs support. Amongst the examples used by Langdon (2000: 12-16) is that process needs adequate and timely resources, and that business units need methods to keep on top of demographics, technologies, and shifting marketplaces. Bearing in mind the three levels of performance indicated above, the final layer which has a high impact on performance is human relations.

In his assertion, Langdon (2000: 14-16) argues that executives, managers and co-workers can affect performance behaviour by their attributes, temperament, and prejudices. They may keep desired behaviour from occurring, prevent standards from being reached, and circumvent the support in place.

From the above, the researcher's position is that it takes more than just conforming to daily or routine instructions and carrying out operational activities to guarantee the achievement of the strategic objectives of an organization. Behaviour, standards, support, and human relations are essentially as important as a well documented strategic plan.

2.5.2 Strategic planning and performance management

It is important to understand the connection between strategic planning and performance management. A strategic plan provides a framework for the organization's focus on achieving set objectives over a specified period. In order to influence the organizational success or failure in achieving these objectives, a performance management system is necessary to provide management with a degree of measurement with which to establish how well the objectives have been attained. It is researchers' view that this can be done by identified key milestones or

performance indicators to measure progress, and a responsible person should be tasked with this responsibility. Williams (2002: 13-14)

It will now be possible to convert this into an individual performance agreement and work plan. This means that an organizational strategy is matched with the competency level of individual employees in order to realize its objectives. Castello (1994: 3) as quoted by Williams (2002:15) indicates that performance management supports a company or organization's overall business and goals by linking the work of each individual employee or manager to the overall mission of the work unit.

2.5.3 Strategy as a concept

A strategy is a shared understanding about how a goal is to be reached (Whittaker, 2001:149). The management of organizational performance must relate to achieving today's targets to ensure survival whilst also making plans to prepare for tomorrow's challenges. Lockett (1992:19) and Kourdi (1999:247) indicate that strategy goes right to the central vision and aspirations of the organization guiding its future.

A strategy is one of the emerging business trends today. Organizations are able to examine where they are currently, and preview how the future will affect their existence or whether they can sustain their competitiveness. In summary, Whittaker (2001: 30-35) sees a goal in a strategy, whilst Lockett (1992: 19) believes that survival can be maintained by planning to deal with tomorrow's challenges and Kourdi (1999: 248) sees a strategy taking us to the future.

2.5.4 The essence of strategic planning process

Kourdi (1999:251) indicates that the purpose of the strategic plan is to produce results that realize the vision of the organization. This means continuous improvement and development of the organization, and continuous measurement of progress against the business plan. It is a live process where an attempt is made to improve things the organization has control over. A manager's key responsibility within an organization is the conversion of corporate strategy,

strategy, customer requirements, shareholders needs, and all the other strategic issues into achievable action plans for their team (Lockett, 1992:20).

Strategic planning is normally done by the top management in order to ensure the long term survival of the organization. Managers from various levels of the organization will then give input in the form of tactical and operational plans to carry out the objectives of the organization as outlined in the strategic plan. Since the strategic plan is future oriented, it must be clear to all layers of the organization and they must be able to understand it so as to focus their energies towards the realization of this plan.(Lockett, 1992: 20)

In short, it focuses on the future and how to change the present, by seeking innovative ways, new technology, systems and processes which are relevant for the future. It is the researcher's argument that the following critical elements are essential to a good strategic management and planning process, and this is supported by van der Waldt and Du Toit (1998:281-286), as well as van der Waldt and Knipe (1998: 15 -23) namely:

- Clarify the institutional mandate in order to formulate a vision and mission statement
- Perform an environmental analysis, which entails scanning the internal environment for strengths and weakness as well as external environment for opportunities and threats, commonly referred to a the SWOT analysis
- Formulate long-term goals and choose strategies that will lead to achievement of those goals.

In retrospect, all municipalities have to use the above pointers as reasonable guidelines in their strategic planning exercises. It is therefore, important to look at how local government departments are affected by this process in general terms.

2.5.5 Government Integrated Strategic Planning Process and Performance management

This process centres on multiple pillars, which eventually inform performance at the individual level. According to Rapea (2004:99), management of performance begins with departmental

strategy, which is informed by government programme of action set out by Cabinet. Central to the whole process is the President's annual state of address in February each year, followed by the Premier's state of the province address. For example, the President made the nation's address on 8 February 2007. This is the basis for other provincial and local government leaders to prioritize service delivery areas to support the presidential mandate.

The state of the nation or provinces address set out the programme of action which becomes a mandate for various national, provincial, and local municipal departments. It is on this basis that the departmental strategic plans are built around, eventually culminating into individual performance agreement, and work plans. The stage is then set for service delivery and performance to be managed in line with the overall departmental strategic objectives.

2.5.6 Understanding strategic management holistically

According to Hussey (1999: 10) strategic management is the process by which the long term aims, strategy and its implementation are managed. It is thus as much concerned with the human aspects of management as it is with markets, factories and finances. It captures both strategy and strategic planning and the way in which strategy becomes the driving force of the organization.

Sometimes a strategy will deliver good results in the short-term, but will leave the organization weaker thereafter (Hussey, 1996:6). Hussey (1996:6) indicates that a strategy should not be expected to last forever. There is a point where a strategy has to be fundamentally changed or even abandoned. That is why the monitoring and evaluation of performance progress against strategic objectives must be prioritized. In this way, strategic plans are reviewed to make them relevant to key political or strategic goals of departments.

2.5.7. Strategic implementation difficulties

Dr Manana Bakane-Tuoane, (IDP. 2006-7) Head of Strategy at Emfuleni Local Municipality indicates the following aspects which contribute towards strategy implementation difficulties:

- People cannot implement what they don't know

- People don't implement properly what they don't understand
- People don't implement what they are not committed to
- People give up strategy of which the implications have not been anticipated.

In order to counter the above, Bakane-Tuoane (IDP 2006-7:11-20) indicates that employees should be partners in implementing strategy and that implementation must be addressed at the beginning of strategic planning and not later on. Flaws in the planning process such as failure to specify in detail the work required to execute strategic planning result in downstream problems with the implementations. This assertion is supported by Hussey (199:1) when he asserts that a strategy which is formulated without any thought about how it can be implemented is unlikely to succeed.

In addition, Nel (2004: 18) highlights that often projects fail because strategic issues are overlooked or poorly analyzed. Central to this is identifying the business issues that need to be addressed with a performance improvement strategy and what the underlying performance problems are. According to Nel (2004:18), a distinction has to be made between whether problems to be solved are at societal, process or people based level.

2.5.8 Critical Elements for Strategic Success

Hussey (1999:11-15) emphasizes that there are five elements that an organization must have if it is to achieve lasting strategic success, namely:

- Analysis - information is collected and analyzed at various strategic management processes, and if this is neglected or done badly, the strategic decisions may be flawed. Hussey (1999) identifies four distinguishable points where analysis is required, namely: (I) as a basis for strategy formulation (II) the evaluation of strategic options, i.e. how this option will fit in with the rest of the corporate strategy, the assessment of expected results and the financial analysis option, (III) development of an implementation plan for the strategy and (IV) reassessment of the option in the light of its outcome.
- Creative strategic thinking – an input towards excellence and setting a good strategy.

- Strategic decision process - looks at the process by which strategic decisions are reached which may be influenced by environmental factors and culture of the organization.
- Implementation - this might be a carefully thought out strategy in place but if it is not implemented properly, management cannot identify shortcomings towards success. Implementation requires an intensive monitoring and control approach so that it is possible to know whether the organization is on track or on course towards realizing its objectives.
- Capabilities of decision leaders – if management is poor or inadequate, the strategic management is likely to disappoint, even if attention appears to be given to each of the four elements above. In essence, it is the researcher's opinion that the process of managing strategy is incomplete unless the leadership of the organization is decisive on matters. Capabilities of decisive leaders should contribute towards minimizing turnaround times of services to be delivered (Hussey 199:11 -15).

2.6 The Integrated Development Plan (IDP) and the Performance Management System (PMS)

Municipalities are required to produce an integrated development plan (IDP) which has an integrated approach to the delivery of services, which focuses on the development of the communities they serve and which has a process or plan that shows how these objectives can be achieved (Sewell, 2000 :123).

The IDP entails the assessment of the local community's needs, the identification of developmental outcomes that will address those needs, the prioritization of services that will deliver those outcomes with limited resources, and good governance and public participation. In addition, it is essential that the process of IDP is effectively managed, in order to deliver on the strategic objectives. The IDP is at the centre of performance management for local government, as it is a discipline which entails an ongoing cycle for 3-5 years of strategic planning. Thus, the IDP is a developmental tool to assist municipalities to fulfil the developmental role that they need to play (Moodley, 2003:56 and Sewell, 2000: 123).

The municipality's integrated developmental plan identifies and states the needs of local community, as well as the vision, priorities, objectives and strategies necessary to achieve those objectives, in order to adhere to the needs of, and to develop the community as part of a long term vision and plan.

The local community should be involved and should have a say in both the content and the process by which their Integrated Development Plan is drafted. The IDP should provide the framework to determine the budget of a municipality. A PMS describes and presents the process of performance planning, monitoring, measurement, review, and reporting of a municipality and its relevant role-players.

The municipality's performance management system should be used as a strategy for the local community to evaluate and monitor the municipality's progress performance towards its achievement of the objectives as stated in the IDP. The IDP and PMS are both strategic instruments and should be used. The IDP should be an important tool for the implementation of cooperative governance in practice (Jansen, 2003: 60) Jansen (2003) provides guidelines on how a municipality can become an IDP-guided organization and maximize performance.

- It should focus on developmental outputs in which the municipality engages, such as the alleviation of poverty, community and infrastructural projects and the promotion of investment.
- By employing the high level of developmental staff with appropriate qualifications and experience in development and project or programme management, the municipality would be more developmentally driven. Project managers should be identified and spatially distributed in the case of an amalgamated municipality. This ensure that products that will be community sustainable.
- The financial, administration and technical departments in a municipality would primarily be responsible for the support of developmental functions.
- Coordination of activities and cooperation between the different departments in the municipality are necessary for the implementation of development projects. Mutual adjustment of priorities and coordination should be reviewed and monitored regularly. Key

functions in the municipality should be investigated, as these can play a more effective guiding role in development of programmes which are IDP guided. The municipality manager should be constantly and efficiently informed about the progress of projects.

2.6.1 Concepts used in Service Delivery and Performance Management

Whilst performance management has been widely scrutinized in this chapter, it is also crucial to have a good understanding of what service delivery entails. This section will give an exposition of how service delivery links with performance management.

2.6.1.1 Service(s) as a concept

In order to understand the concept clearly, the meaning of the words service and delivery will be discussed. The Collins Paperback English Dictionary (1993) articulates the meaning service in a number of ways, namely: an act of help or assistance, an organization or system that provides something needed by the public: telescopic phone, available for the use by the public.

The same dictionary defines services as work performed in a job: your service is no longer required and a system of providing the public with something it needs, such as gas or water. Practical examples in the public are health services such as Emergency Medical Services, health care services etc. However, this study will not elaborate much on the details relating to services rendered by the municipalities. It is the researcher's assertion that for these services to be rendered, the performance of employees has to be properly managed and improved.

2.6.1.2 Deliverable(s) as a concept

Langdon (2000: 12) describes output as synonymous with deliverables of performance. Furthermore, he contends that outputs are the reason for the existence of a business or organization. He further states that all output has a consequence, the result of the output being that which is delivered. He explains that to produce output and consequence we need reason and resources, called input such as materials, ideas, knowledge and equipment.

Both reason and resources are inputs because they are used to produce the output and achieve the consequence. First, we need the reason for doing the performance, which comes in the form of a request of some kind. For example, the business unit identifies a customer need. An order initiates a core process to deliver what the customer wants or a work group receives its assignment to meet the need. A manager asks individuals to do their part to produce the output. These are all (internal or external) client request to start the performance.

2.6.1.3 Service delivery as a concept

Service delivery as a public service management issue has taken centre stage as the country and its state organizations strive towards providing a better life for all. More emphasis is put on the quality services delivered to the general public and other clients receiving any form of service from government organizations continue to rise, requiring more attention to service and quality.

2.6.1.4 Service standards as a principle

The White Paper on Transformation of the Public Service (1997) requires that service standards must be relevant and meaningful to the individual user. Service standards should be informed by consultation process so that they must be expressed in terms which are relevant and easily understood. Furthermore, standards must also be precise and measurable, so that users can judge for themselves whether or not they are receiving what was promoted. Service standards must be set at a level which is demanding but realistic.

This should be a central point in using performance management. In other words, organizations must aim for level of service which is higher than that currently offered. This entails adopting a more dedicated, efficient and customer focused working culture. As standards are met, they should be progressively raised on an annual basis and reflected as an organization's performance through annual reports. If not met, reasons should be given as to why it is not possible and new target date be set in line with the principle of redress (i.e. Batho Pele).

2.6.2 An exposition on the linking between service delivery and performance management

It is the researcher's argument that service delivery is dependent on how employee performance is managed. The basis for this argument rests on the articulation of the meaning of services and deliverables. In the researcher's opinion a service delivered is an outcome resulting from actions directed at making available tangible products for disposal purposes.

Since public service is collectively rendered through government machinery commonly known as departments collective units (comprised of employees), within this machinery have to be managed effectively, efficiently and economically.

It is on this is basis that the collective units are expected to perform against the recipient's expectations. The level of performance by collective units will ultimately represent the level of service delivery.

2.7 Challenges on Performance Management

Firstly, there is a need to change the view that management of performance is an annual event (Lockett, 1992:37-39). He laments that performance needs to be managed more closely and some people need to have more regular reviews than others. The less experienced or those who need considerable support for example should be reviewed more regularly. This is the elementary aspect of individual performance and if not adequately addressed, it may cripple performance at an organizational level because the latter depends on collective contributions made by individual employees.

The second part which Lockett (1992:37-39) finds equally unsatisfactory is the day-to-day crisis management where targets are set daily and feedback given in the manner of a Roman Emperor appraising gladiators – thumbs up or thumbs down. This means employees are distracted and begin to focus on urgent and operational issues with less value added towards strategic issues. It becomes clear that line managers cannot afford to separate performance from strategic management in the day-to-day fulfilment of their functional responsibilities.

The third challenge that may be attributed to Lockett (1992:37-39) is to ensure that everyone's performance is managed in all areas of their work. He states that in his experience, the traditional management approaches have focused on two sets of performers, namely:

- High fliers (whose career development needs must be fulfilled);
- Poor performers (where the performance gap needs to be reduced).

The more or less standard / mainstream performers representing the majority of people gain very little at all apart from insincere thanks and the possibility of a training course as a reward for loyal service.

High fliers, who meet their targets with ease, are immediately re-targeted with more challenging set of problem-solving exercise and an overall review of the reasons for the apparent performance gap. The mainstream performers who are meeting their performance contract are treated to a little or both – support for those areas of their work that they find more difficult, raised targets for those areas that they accomplish with ease.

According to Ammons (2001:18) some factors can constitute a drawback for the implementation of performance management. He states that several employees regard performance management as a threat to their status. Some employees may feel that it is the beginning of a process leading towards quicker work process, tougher standards and that it may eventually lead to the lay-off of workers who cannot keep up the pace or are no longer needed in the organization.

The most critical and frequently experienced challenges in the development, implementation and maintenance of performance management system within a municipality would probably be the organizational culture and performance information. The traditional organizational culture of local government is a significant obstacle to effective performance management. Performance management requires a fundamental change to the culture of a municipality, where measuring increases the accountability of service delivered and resources need. Thus, councillors must play a leading role in the municipality regarding the performance management system and they should ensure that it is implemented in such a way that it is useful to all stakeholders (Moodley, 2003:75).

Within a municipality there is often also a lack of useful management information. This information is needed by management for planning purposes as well as to manage their employees and resources successfully. Traditionally it is known that municipalities were either not collecting information about their community, or they were collecting the wrong information. In most cases they also did not know how to analyze the collected information, and thus they could not use it. Most of municipalities are a product of the amalgamation process in local government, where several municipalities were amalgamated into one, and the information that was collected by the different municipalities was not integrated into a single system.

It is the researcher's argument that organizational performance suffers because of this traditional approach to managing performance. The collective efforts of each and every employee must be nurtured and redirected towards better service delivery in the interest of the general public and strategic objectives of the organization. This is where the fourth challenge is derived, i.e. the human relations part of managers, starting with the issue of reinforcement, rehabilitating their attitudes, temperament and prejudices in order not to affect performance behaviour of employees and that of the organization negatively.

2.8 CONCLUSION

It becomes clear that effective performance management and efficient service delivery can be achieved through monitoring and evaluation of performance. Performance goals should be measurable, clear, and achievable and aligned to individual careers, organizational objectives, and legislative requirements. Performance measures should be quantified and include but not limited to quantity, quality, time, cost, and risk in order to facilitate performance evaluation. Performance progress should be monitored and assessed on an ongoing basis against individual and organizational basis.

Performance management therefore consists of an organized approach towards the management of employees. It uses performance targets, objectives, measures, responses, and acknowledgement as a way of encouraging employees to recognize their highest potential and to develop the capabilities of the organization towards achieving its objectives.

Performance management is a means of accomplishing improved results in the organization, project teams, and employees. To achieve enhanced delivery of products and or service, performance must be managed within an approved plan key performance area (KPA), targeted objectives, and key performance indicators (KPI).

Performance management is a general system used to enhance dedication and employee and organization effectiveness, efficiency and economy. Performance management is an integrated approach which summarizes a joint series of processes which form a logical plan for the accumulation of value and improved outputs. Performance management is an uninterrupted procedure shared among managers and their employees. Employees should be sure about their priorities and how these fit into the KPA of the organization and the project teams, what they should be aiming for and how will they add to both departmental and organizational performance. Performance management systems develop from open, optimistic, and productive discussions between managers, employees, and project teams.

Performance management will provide feedback to managers regarding which techniques and strategies are working and which aren't, and it will help to motivate employees to sustain their efforts. It also ensures the alignment of employees' actions with organizational goals and objectives, and it is regarded as a tool to measure the desired outcomes identified programmes and to redesign certain business processes if targets will not be met. Performance management is thus a process that will affect the municipality's success by forcing managers and employees to work together to achieve expectations, review results and reward performance (Sefala, 2003: 13, Jansen, 2003:4).

A performance management system consists of financial and non-financial measures which are used to measure organizational, departmental or individual employee performance. Traditional organizations were primarily just relying on financial measures, but that does not give a true reflection of the performance that are being measured, and thus, non-financial measures are also taken into account during performance evaluation.

CHAPTER 3

AN OVERVIEW OF PERFORMANCE MANAGEMENT AND SERVICE DELIVERY SYSTEMS AT EMFULENI LOCAL MUNICIPALITY

3.1 INTRODUCTION

The legal prescription from the national treasury on the implementation of performance management system does not define a specific model to be used by municipalities. Municipalities, are however, provided with a set of requirements which can be used as the basis for the development systems (Moodley, 2003:13).

A performance management system should be linked to the performance expectations of that organization, which in a municipality's case would be the Integrated Development Plan (IDP). Each priority area and objective as stated in the IDP must have performance measures and targeted performance, as well as key performance indication (KPI) as required by the National Treasury. Those measures and targets should cover inputs, outputs, and outcomes. Key stakeholders must be involved in the planning of the IDP as well as the monitoring, measuring and evaluating of performance.

The main aim of this chapter is to give an overview of the performance management system in the ELM. The emphasis is on PMS and service delivery in the ELM.

3.2 INSTRUMENT FOR MEASURING PERFORMANCE IN EMFULENI MUNICIPALITY.

After an extensive exploration of variety of instruments available to measure organisational performance in the South African market, Emfuleni Municipality decided to make use of the balance scorecard approach as a performance management tool.

According to Eagle (2004: 50-51) Emfuleni Municipality is known for setting standards of performance management system in local government and is characterised by continuous

improvement. Emfuleni Municipality's mission is to be more result orientated, decentralised, competitive and innovative to focus more on customers. Emfuleni Municipality developed a balance scorecard, namely their business intelligence system as a tool to provide data on efficiency and effectiveness and to be more mission-driven. Emfuleni used their strategic plan as the basis for the scorecard which consists of objectives linked to their focus areas, council's priorities as well as the key business units. This business intelligence system was integrated into all levels within the municipality and proved to be useful for defining strategic targets and to promote the necessary cooperation to achieve their strategic plan. Emfuleni's business units' activities are now in line with the council's priorities (Eagle, 2004: 50-51).

Emfuleni's business intelligence system objectives are as follows (Eagle, 2004):

- Serve the customer (customer perspective):
- Reduce crime
- Increase perception of safety
- Promotes economic opportunity
- Poverty alleviation

Run the business (Integrated business process):

- Develop collaborative solution
- Enhance customer service
- Improve technology efficiencies

Manage resources (Financial perspective):

- Maintain rating of excellence
- Invest in infrastructure
- Deliver competitive services
- Expand tax base and revenue

Develop employees (Learning and growth perspective)

- Achieve positive employee climate
- Promote learning and growth
- Recruit and retain skilled, diverse workforce

Eagle (2004: 10-11) further states that the three keys for a balanced scorecard to work in a government setting are that the strategy must be supported by all levels within the organization, the strategy must be put into an action and the strategy must be communicated. It is important to give exploration of the BSC because it is the foundation for the measuring instrument to be used in this study.

3.2.1 The balanced scorecard as a measuring instrument at Emfuleni

The balanced scorecard was introduced by Kaplan and Norton in 1996. The intention was to measure both the short and long term objectives of the organization and provide a holistic view of how organizations are performing (Kaplan & Norton, 1996: VIII). According to Whittaker (2001:149), a balanced approach allows one to consider all the important operational measures at the same time, enabling one to see whether improvement in one is achieved at the expense of another.

Arveson (1998: 60-65) defines the balanced scorecard (BSC) as not only a measurement system but also a management system that helps organizations to understand their vision and strategy clearer, and translates it into actions; “when fully deployed, the balance scorecard transforms strategic planning from an academic exercise into the nerve centre of an enterprise.” Drury (2004:1001) defines the balance scorecard as an integrated set of performance measures derived from a company’s strategy that gives top management a fast but a comprehensive view of the organizational unit.

Rohm (2005: 14-16) sees the balanced scorecard as a performance management system that can be used in any organization to align vision and mission with customer requirements and day- to-day work, manage and evaluate business strategy, monitor operations efficiency, improvements, build organization capacity, and communicate progress to all employees.

The BSC draws both on the excellence and best value models, but translates the two dimensions into a set of linked perspective that should be taken into account when managing performance. It

does not use the linear system view that assumes fixed causes and effects and fixed beginning and end points. The BSC assumes that the whole picture is necessary all the time in order to get a strategic sense of how one is doing from all perspectives simultaneously, thus assisting strategic management. It is based on cyclical and iterative view (DPLG, 2002:75).

Performance managers use the BSC approach to translate the organizational vision and strategic into simple performance measure that can be easily understood by the different employees responsible for achieving different goals. These measures include financial and as well as non – financial measures, because what gets measured gets managed. The BSC is not only use to implement an organizational strategy, but also to communicate and manage strategy. It provides a set of measures that addresses several important aspects regarding the organization and it gives a comprehensive top – down view of the organization’s performance(Jansen,2003:44-56) The organisation as a whole will have a balanced scorecard and each department and employee will have their own balanced scorecard with performance measures that are related to the projects for which that department or individual is responsible and over which he or she has control (Garrison et al, 2006:451).

The BSC is a dynamic system and the different performance measures need to change every time the organisation’s strategy changes. Those performance measures provide framework for implementing the organisation’s strategy. Every organisation’s BSC will be unique to that specific organisation’s, since different organisations have different strategies. The BSC stresses the importance of being able to assess the organisation from all perspective at the same time. It is an aid in the creation of balance among various development factors (Moodley, 2003:57 -61).

The BSC allows the organisations to determine what the value drives or right things are towards achieving its mandate. Key performance indicators should be used as a service for establishing how the organisation is doing at any specific time. The BSc translate the mission and strategy into a comprehensive set of performance measures against which performance progress can be monitored. It can be used to identify processes to be performed exceptionally well for an organisational strategy to succeed (Kaplan & Norton, 1996:5). Thus, it is model for clarifying, communication and managing an organisations strategy. It focuses on high impact measures (Kaplan & Norton, 1996:181).

Fogg (1999:6) indicates that strategic objectives are variables of the scorecard that measure one success in fulfilling one's intent on items such as shareholder values, quality, service and innovation. The objectives of the organisations are broken down into four perspectives, namely, financial, customer, internal business process, and learning and growth perspective. The four perspectives provide management with a broader view of how an organisation is performing, instead of looking at financial measures only.

De Waal and Fourman (2000: 66) use an example where an organisation is able to measure itself on the value created by people working on and in processes in order to satisfy customers and produce financial results. The following is a brief explanation of each four perspectives:

- **FINANCIAL PERSPECTIVE**

Atkinson, et al (1997:150-154) states that the present focus on financial measures is the reason for the unbalanced situation and that there is a need for additional financial information such as cost – benefit and risk assessment. Financial performance measures should measure whether the organisational financial performance has been improved. To translate an organisational strategy into measurable performance measures, performance managers need to understand what the financial goals of that organisation are. They should focus on the organisation's operating income and return on capital that will improve by following a specific strategy. Senior managers should ask how their organisations look to stakeholders before they can decide on performance measures for this perspective.

The performance measures of the financial perspective will provide feedback on whether enhanced operational performance is indeed translated into enhanced financial performance.

The efficiency of the organisation's strategy is evaluated by this perspective (Atkinson, et al, 1997:140, Kaplan and Norton, 1996:47 -62). Examples of financial performance measures are:

- Operational income from productivity gain
- Operational income from growth
- Operational income from revenue growth

- Cost reduction in key areas
- Return on investment
- Cash flow
- **CUSTOMER PERSPECTIVE.**

Included under customer perspective will be items that measure whether the organisation is delivering more value. The organisation will need to identify who the customers are, to whom they want to deliver the service, the different customer groups (Atkinson, 1997:106). The goal is to make the entire organisation more customers – focused and to reduce delays. Thus, this perspective identifies the different targeted customer groups and measures the organisation's success in those customer groups. Managers must first ask how customer sees the organisation in order to develop performance measures for this perspective (Van der Waldt, 2004:136)

Examples of customer performance measures are as follows:

- Customer satisfaction as measured by survey results, to give feedback on how well the company is doing.
- Number of customer complaints
- Customer profitability
- Market share
- On – time delivery
- **INTERNAL BUSINESS PERSPECTIVE**

Internal business processes are the processes that the organisation follows in order to fulfil customer needs. The organisation needs to identify the internal business processes which they should improve upon before they can add value to those business processes to measure if they have improved on these (Drury, 2004:109). This perspective, according to Horngren et al (2003:449), focuses on internal operations that further the customer perspective by adding value for customers. It comprises three sub – processes namely innovation, operation and post – sale service.

- **LEARNING GROWTH PERSPECTIVE**

Learning, growth and development of employees are necessary for the organisation to constantly improve its internal business units and to continue satisfying its customers by adding more value to its services. Performance managers will need performance measures that can measure the organisation's ability to keep on changing and improving (Kaplan & Atkinson, 1998:578).

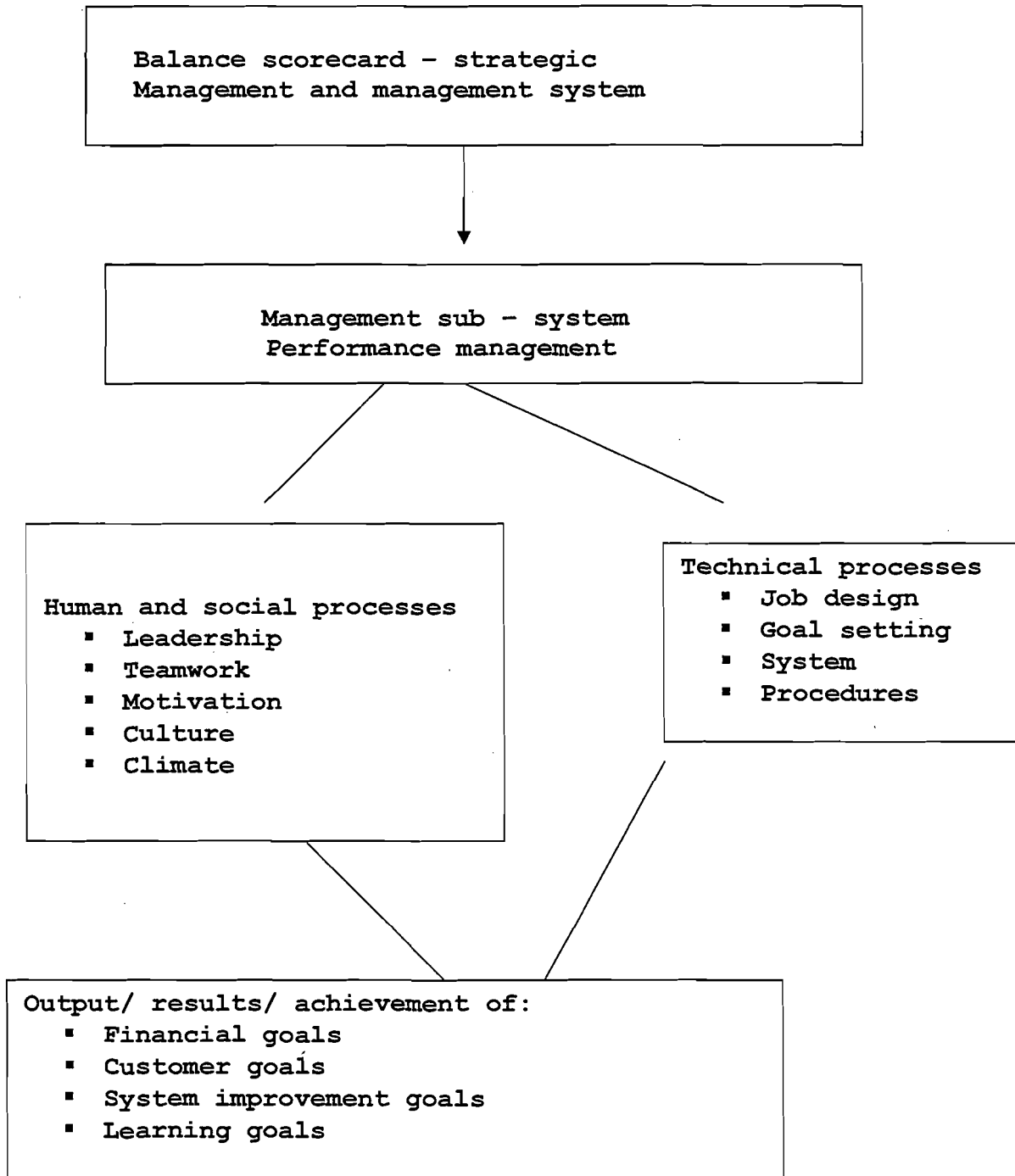
Thus, this perspective identifies whether the organisation is capable of achieving improved internal business processes that can create more value to products and services. Performance managers will need to evaluate the skills of the organisation's employees as well as the competence of the system that they are using (Kaplan & Atkinson, 1998:567-578). Managers can assess the skill levels of employees by using questionnaires on which employees can indicate where they feel that they need some more education or guidance, how to improve their skills or make better use of their time or the different processes.

3.2.2 The relationship between the BSC and the PMS

Kaplan and Norton (1996:10 – 11) state that performance management is one of the sub-system of management that is directly influenced by the balanced scorecard process.

Performance management is thus the functioning driver of short – term performance that is used to achieve the long term goals of a municipality. The municipality's human and social processes are linked to the technical processes by this short term performance management of employees that produces the financial, customer, systems improvement and learning goals of the municipality. Kaplan and Norton illustrate the relationship between the BSC and the PMS as follows:

Figure 3.1. The relationship between the BSC and the PMS



(Kaplan & Norton, 1996)

3.2.3 Operationalising the balanced scorecard.

To implement the BSC successfully (Business Intelligence System of Emfuleni Municipality), top management will need to give their commitment and leadership to the process. The financial perspective will be a reflection of previous organisational performance, the customer and internal business process perspective will reflect the performance of the current employees and processes, and the learning and growth perspective will be reflection of expected future performance. Since performance management is a new concept in the public sector, a municipality tends to depend on consultants and their proposals for the implementation of a performance management system. These proposals are often made on the basis of systems that have been used in the private sector, irrespective of their appropriateness to the public sector (Hornogen et al, 2003:451).

According to Kaplan and Norton (1996:10 – 11), the score card process starts with the senior executive management team working together to translate its business units strategy into specific strategic objectives. Furthermore, the BSC gives a clear distinction between the various processes that are most critical towards achieving a breakthrough performance to the satisfaction of the customer or stakeholder. It also makes it possible for high level measures to be translated into specific operational measures to promote alignment of business and organizational processes also create a value chain leading towards organisational performance success.

Whittaker (2001:10) indicates that a successful balanced scorecard (BSC) is one that communicates a strategy through an integrated set measurement that includes both financial and non financial items. Therefore, it is critically important for an organizational strategy to outline what an organization is trying to achieve and then develop the most appropriate and effective measures and indicators for measuring what was achieved. Performance progress must be monitored constantly through reports to measure achievements towards the set objects.

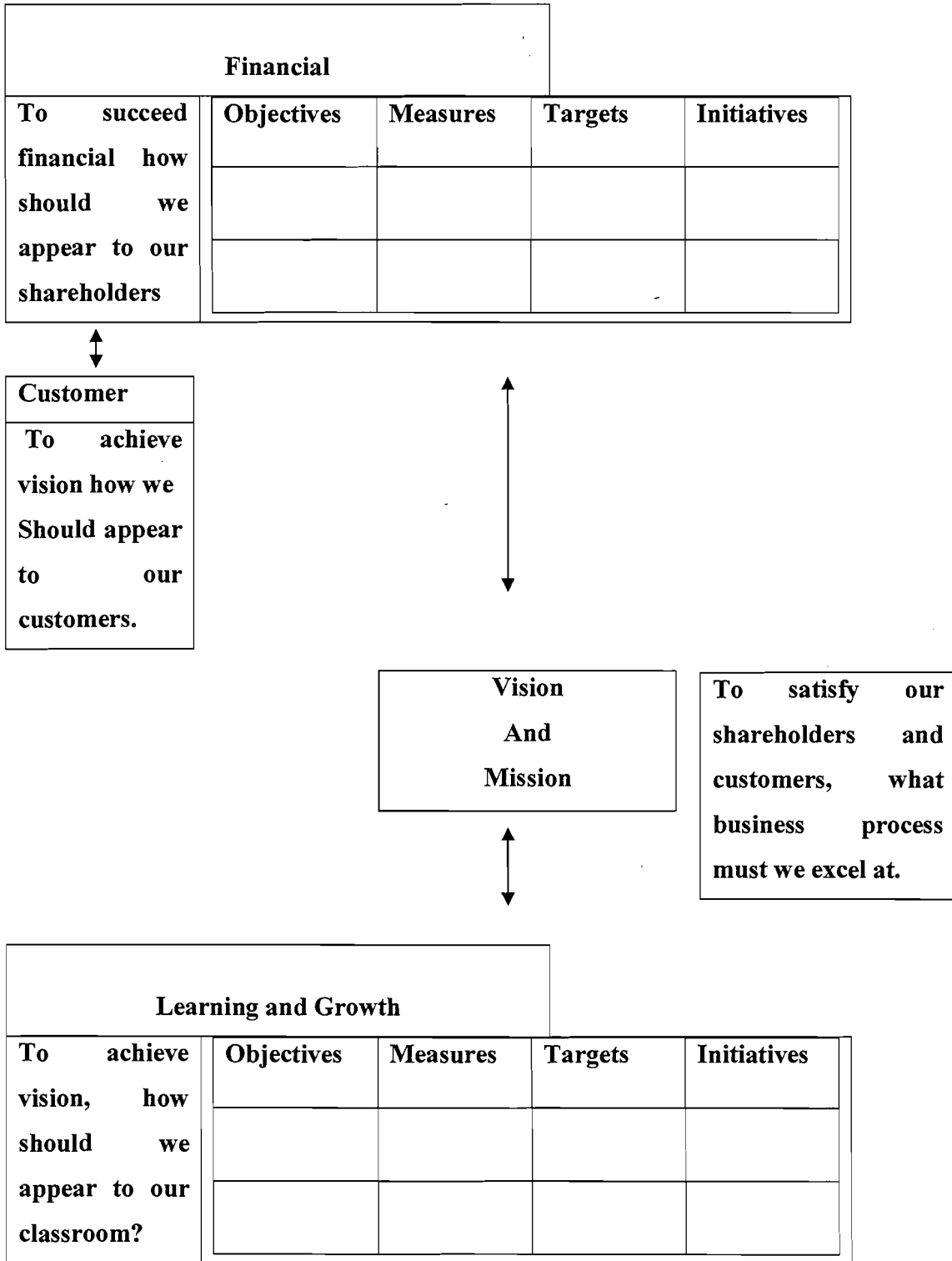
In utilizing the BSC approach, organizations can begin the process by identifying customers or clients. In a case where competition is desirable, the segment in which the organisation intends to complete can also be outlined in order to understand what financial results should be attained

to sustain future survival. The value proposition to be offered to customers must also be outlined. This could range from customer satisfaction by providing functional and quality services, building strong customer relationship by responding to their needs, as well as maintaining a good corporate image. A direct link can be maintained between two of the Batho Pele belief sets, namely: We care and we belong. It is the view of Emfuleni strategic planning decision or resolution that the former set focuses on both internal and external customers whilst the latter focus on anticipating customer needs and the way they are served.

Whittaker (2001:7) indicates that organisation starts with analysing customer needs as part of an internal value chain analysis. This will ensure that they are able to develop new products, services and solutions aimed at satisfying those needs identified. The focus now shifts to internal operating processes that will maximise delivery of products and services in the customer or client's needs. Internal business objectives and measures must be used to drive an organisation's operations effectively and efficiently such as getting rid of assets that provide inadequate returns (Whittaker, 2001:6). The other consideration is ensuring that the budget allocations appropriated are spent as approved.

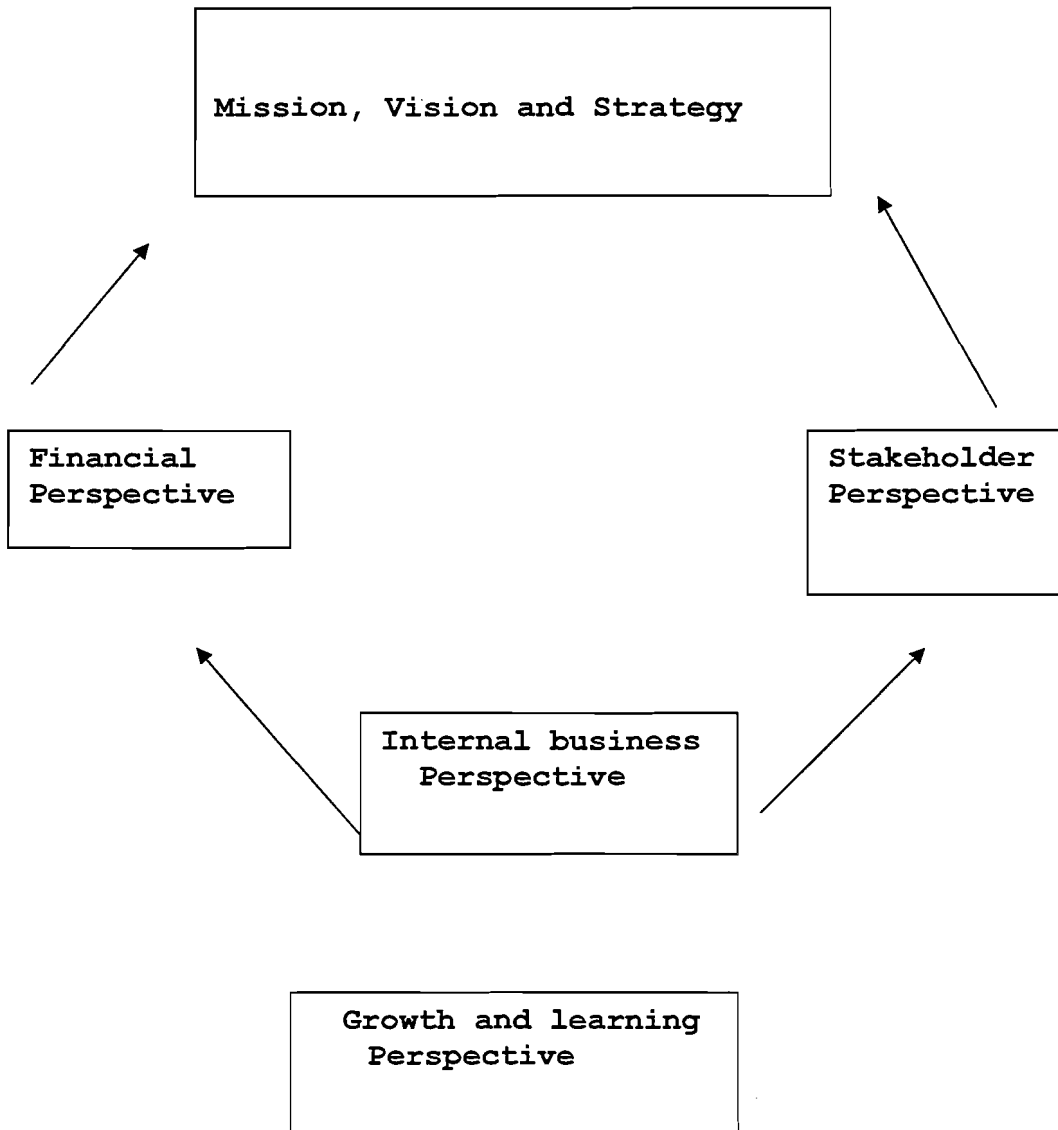
The shifts away from traditional systems have led to the need for performance improvement of organisations in totality instead of focusing on financial or internal perspectives only. It is clear that the BSC can serve two purposes, that is, as a strategic management system and a performance measurement system. Kaplan and Norton (1996:10-11), however, revised the BSc to better reflect the objectives of the public sector. They acknowledge the fact that the financial perspective at the top is not appropriate for the public sector, since the primary objective of these organisations is the provision of services to the community, and not financial success. The vision, mission and strategy of a municipality are now reflected at the top of the scorecard and the internal business process and the growth and learning perspective work together to improve the financial and customer perspective, which in turn work towards the achievement of the municipality's strategy (Chan, 2004: 30-33).

Figure: 3.2 Practical development of the BSC



(Kaplan&Norton, 1996)

Figure 3.3: A municipality's Balance Scorecard.



In application of the above – mentioned theory of the BSC, the following model (Table 3.1.) can be constructed (representing only the main issues) in Emfuleni municipality by redefining its vision and strategy with an overall objectives set at the top of the scorecard. Then high – level objectives for each perspective as well as measures and targets will be developed to achieve those high – level objectives.

Table 3.1: A BSC at Emfuleni Municipality

Financial Objective	Indications	Target Performance	Actual performance
Compliance with Legislation	Budget, Financial statement and Reports submitted on time	100% of Documentation to be submitted on time as stated in the MFMA	
Compliance with legislation Increase revenue	Remain within Budget Revenue	0% overspending on budget Increase revenue with 10%	
Internal business process objectives	Indicators	Target Performance	Actual Performance
Promote time Management for Staff	Percentage of time which is used efficiently, effective and economically	95%	
Improve service	Percentage of	Advanced controls	
Capability	Services with advanced Controls.	Must be Implemented with 5% of services	
Elimination of Bucket system	Percentage of activities which we value adding activities	100%	
Providing quality services for cheaper	Decrease in expenses for some quality services	Decrease expenses by at least 1% each year	
Improve quality and productivity of Services	Percentage increase in quality and productivity of Services	20% increase	
Learning and growth Objectives	Indicators	Target Performance	Actual performance
Promotion of a learning environment	Motivation for training and study support	Employee satisfaction ratings of 100% regarding skills empowerment	
Develop strategic Skills	Cross-training	Every staff member must teach at least staff member one skill per year	
Enhance information System	Improve data gathering	New data to be updated daily.	
Capabilities			

Source Emfuleni IDP 2006\7

Most of municipality's high – level strategic goals are intangible and thus difficult to measure, but managers should see this as a challenge and decide on the best possible ways to measure performance in those difficult areas. This scorecard can now be cascaded to the different directorates as well as to the different employees within a directorate.

Objectives should provide the framework for planning, because they need to be achieved. They communicate the activities and projects for which managers as well as the level and type of output required. Objectives must be internally consistent and should ensure goal congruence between the different managers. The objectives should cover all areas of the mission and vision of the municipality, since managers will be motivated to reach their objectives. Senior management can control the organisation by evaluating the performance of the managers which are responsible for achieving different objectives.

3.3 A MODEL FOR EVALUATING PERFORMANCE

The Municipal System Act (2000) requires a municipality to annually evaluate its performance management system. It is proposed that after the full cycle of the annual review is complete, the performance management team will initiate an evaluation report annually, taking into account the impact provided by different departments. This report will then be discussed by the management team and finally submitted to the mayoral committee for discussion and approval.

The following key factors in the evaluation and management of performance are identified by Locket (1992:49-52):

- **STRATEGIC OBJECTIVES** - used by Locket (1992: 78-98) as synonymous to a mission, they are collectively known as statement of an organisation's basic purpose. This mission statement summarises the direction in which a municipality wishes to go and sets out the priorities when strategic decisions are being made.
- **INPUTS** - are what an organisation needs in order to produce the products or services which are highlighted in the strategic objectives. They are assets, systems, people, organisational structures and information. Inputs are capability factors in the organisation, the infrastructure in a country, and competence in relation to the individual. William (2002:52) defines input as all the resources, employees, raw material, energy, buildings, equipment, etc, that are required to manufacture a product or deliver service.

- **OUTPUTS** – are the services and products which the organisation produces. Outputs are purposive and therefore controllable within an organisation which attract revenue and are the basis of the municipality offer to their consumers and thus are particularly measurable for the municipality and the managers within it. William (2002:53) holds the same view as Locket (1992: 100), namely, that output represents that which an organisation produces or the service it delivers.

- **PROCESSES** – are the systems and procedures which convert inputs into outputs. An awareness of the importance of process within an organisation is critical and all processes need to be subjected to critical review to ensure that they remain in line with the strategic objectives and mission of the municipality.

- **OUTCOMES** – are distinct from outputs in a particularly important way. Whilst outputs are purposive and controllable, outcomes are consequential, the result of performance, and are outside the direct contract of the organisation.

It is evident from the above, which blocks are necessary to manage performance. It is Emfuleni's contention that inputs, outputs, and processes are the distinct blocks that enable the organisation to realise its strategic objectives. This is made possible by identifying what the organisation needs (assets, systems, and people) to produce specified outputs (services, products, or information) and putting the necessary processes in place. Organisational performance is affected by efficiency, quality, responsiveness, cost effectiveness and overall effectiveness (Locket 1992:50).

3.4 CONCLUSION

The BSC as an instrument for measuring performance at Emfuleni Municipality as well as an exposition of how the BSC can be used to align performance management with strategy was given. In order to operationalise the BSC an illustration was given of the Emfuleni scorecard. The focus areas have been matched against the following perspectives that constitute the variables of the traditional BSC, namely: customer perspective, financial perspective, internal business perspective and learning and growth perspective. Furthermore, a model for evaluating

performance was also discussed to incorporate other qualitative aspects essential in performance management.

The BSC concept can only be successfully developed and implemented if top management is committed and supportive. All the employees must participate, and must be educated and trained where necessary. Senior managers must reach consensus and clarity regarding the vision and strategy of the organisation. The system must be simple, easy to use and understandable, and there must be sufficient resources to implement it.

A well balanced scorecard aims to consume outcome measures with performance drive. It is therefore important that the scorecard is regarded not only as a record of results achieved, but also equally important that is used to indicate expected results Williams (2002:68).

CHAPTER 4

EMPIRICAL STUDY OF PERFORMANCE MANAGEMENT AS A MECHANISM FOR EFFECTIVE SERVICE DELIVERY AT EMFULENI LOCAL MUNICIPALITY

4.1 INTRODUCTION

In the previous chapter, an overview of performance management and service delivery at Emfuleni Local Municipality was explored from a theoretical perspective. This was done through a literature study of both local and international sources. The literature study and the experience of the researcher showed that performance management plays an important role in ensuring services delivery at Emfuleni Local Municipality.

The objectives of the empirical study are to gather information about developing a performance management policy and to measure the extent of the implementation of the Emfuleni Local Municipality's integrated development plan. In this chapter the empirical study undertaken by the researcher is described. This chapter represents the research design with regard to the research problem, interviews, data analysis, interpretation of the data and conclusion.

4.2 RESEARCH METHODOLOGY

As mentioned in chapter 1 the researcher envisaged applying qualitative research methods.

4.2.1 EMPIRICAL SURVEY

The empirical study was conducted at Emfuleni Local Municipality. The questionnaire (Addendum A) consisted of 22 closed and 3 open-ended questions regarding the use and application of performance management and measurement within the municipality. The total number of participants involved in the survey was 60. The participants were selected out of the entire population and they all answered a standard questionnaire. The 60 were selected from various levels, different genders as well as different years of experience within the municipality

in order to obtain the most accurate reflection of employees' opinions in the municipality regarding performance management.

Out of the 60 questionnaires that were distributed, 50 respondents were received, Thus a percentage of 83%. The data that was collected from the different respondents will be analysed in order to arrive at an interpretation in relation to entire population. Responses were with the strictest confidence by the researcher.

4.2.2 A DESCRIPTION OF A QUALITATIVE RESEARCH APPROACH

According to Sowden and Keeves (1988:513) qualitative research entails the educational processes in the form of published documents, transcripts of interviews, observations of practice, field notes, tape recording of oral presentations and written statements. Meyer (2002:111) regards qualitative research approach as a research investigation that involves an intensive study of personal experience of individuals. These types of research deal with people's lives, emotions, feelings, and about the functions of the organisations, social movements, cultural phenomena, and interactions between nations.

4.2.3 THE AIM OF THE QUALITATIVE RESEARCH APPROACH

Sherman et al (in Meyer 2002:111) regarded the aims of qualitative research approach as follows:

- It describes the essential qualities of phenomena.
- It interprets the meaning of, and relationships among, those qualities, and
- It gives support judgement as to the significance and values of those qualities.

4.2.4 THE ADVANTAGES OF THE QUALITATIVE APPROACH

Borg and Gall (1979:309), Sowden and Keeves (1988:513) and Ary, Jacobs and Razaviel (1990-447-450) in Meyer (2002:112) laid down the following advantages of qualitative research approach:

- The qualitative approach is a context-bound approach. The human attitudes and preference are appraised in the context in which they occur.

- The qualitative approach occurs in a natural environment, on in the field, where the subject of research is found.
- The qualitative inquire studies human experience holist, where all factors and influences in a given situation are taken into account.
- It regards human being as a data gathering instrument through talking to people in a specific setting and relying on fieldwork methods, e.g. interviews
- The qualitative approach deals data in the form of words and by keeping a personal journal in which records accounts of the participants' ideas and feelings.
- It is rich, personal, close to the real world, and contains a depth of meaning.
- The setting in the qualitative approach depends on the researchers and the interaction between the researcher and the respondents, and this make the researcher quiet sure what the outcomes of a particular setting will be
- The qualitative approach follows a variety of procedure to check the credibility of the data being gathered and to confirm resulting insights.
- Both the inductive and deductive analysis are used in collecting and analysing data. The interview method is the most suitable way of collecting information in order to reach the aim of this study.

4.3 POPULATION

All employees in the different clusters or departments serving in the Emfuleni Local Municipality were considered as the study target population. After consultation with the study supervisor, the researcher decided to limit the study population to 50 members of the management teams and of the municipal council. The respondents who are involved in this study were from the different clusters or departments in the Emfuleni Local Municipality.

4.4 RESEARCH INSTRUMENTS

The objectives of the empirical study was to obtain information from the members of the municipality, strategic managers and the different managers with regard to performance management as a mechanism for affective service delivery at Emfuleni local Municipality.

4.5 THE USE OF THE INTERVIEWS

According to Locket (1992: 10-11) the objectives of interview can be stated as follows:

- Identifying possible changes,
- Assisting in the formulation of hypothesis,
- Providing direction in further phases of the research,
- Collecting data, and,
- Supplementing other method of data collecting.

According to Cohen and Manion (1980:243) an interviews has the following on purposes.

- It is the means of gathering information having the direct bearing on the research objectives,
- To test hypothesis or to support new ones, that is to help identify variables and their relationship, and
- Used to follow up unexpected results, to validate other methods and to go deeper into their reasons for responding as they do.

4.5.1 Advantages of the use of the interviews.

According to Vermuelen (1998:63) the interview, have the following advantages over the questionnaire:

- It allows flexibility of approach.

- It provides the interviewer with the opportunity to clarify misunderstandings.
- It permits the interviewer to observe the respondent for signs of evasiveness, and no co-operation

4.6 STRUCTURED INTERVIEWS

Interviews were ranged as a continuum highly structured interviews. A structured interview usually contains a serves of specific questions that were read to the respondent, along with a set of predetermined response categories. The structured interviews were best suited for more specific hypothesis testing and for qualifications of results. This format also assumes extensive information about the subject and about the respondents.

According to Vermeulen (1998:63) structured interviews has the following characteristic:

- The questions and their order are planned.
- The formations of the questions are standardized.
- Clear directions are given for the formulating of questions.
- The insets of different interviewers are standardized by the adoption of a uniform approach.
- The structured interviews can be considered as an oral questionnaire

The researcher relied on the structured interviews with the members of the municipal council, strategic managers and managers who are not directly involved with daily running of the municipality. The structured interview with the content and procedures that were organised that were organised in advance was employed in this regard. These types of interviews were characterised by being a closed situation (Cohen and Manion, 1980:243).

The aim of this study was to highlight the importance of performance management as a mechanism for effective service delivery at the Emfuleni Local Municipality. The information that members of the municipal council, strategic managers and managers shared helped to provide an understanding of the:

- The demographics of the respondents,
- The performance management questionnaires.

Approval from the Emfuleni Local Municipality through the Management Support Services was obtained to conduct interviews with members of the municipal council, strategic managers and managers. These interviews were conducted with the permission of the members of the municipal council, strategic managers and managers after prior appointments were made. Personal briefings and guidelines were made to ensure standardisation and effective administration of the interview checklist as well as to secure respondents' guarantee of confidentiality.

4.7 THE RESEARCH PROCESS

A covering letter and the personal briefings guidelines were enclosed to ensure a standardized administration of the checklist and for securing respondents' guarantee of confidentiality and anonymity. The aim of the research and specific procedures were thoroughly explained to the different participants.

4.8 DATA ANALYSIS AND INTERPRETATION

4.8.1 Introduction

This section entails the next step in the research process, which, is data processing and reporting of the results. The reporting results follow the format of the questionnaire administered.

The relevance of these findings to the performance management as a mechanism for effective service delivery will also be discussed at the relevant point in this section and brought together as a final recommendation in chapter five.

4.8.2 DESCRIPTION OF THE SAMPLE

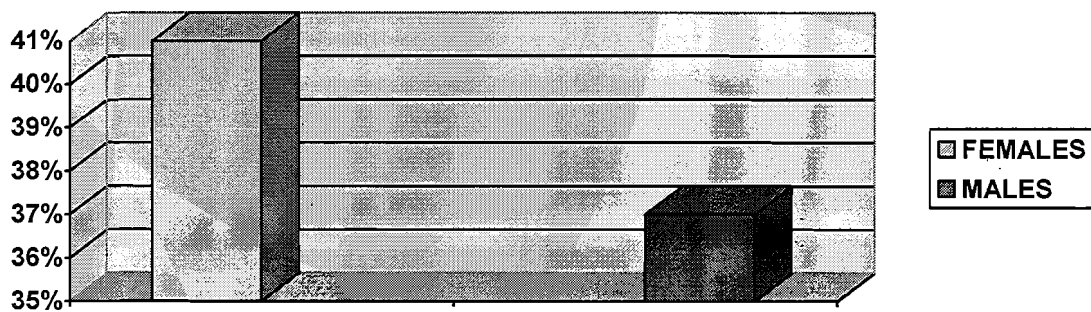
As stated in the first section of this chapter, the respondents completed a questionnaire that consisted of two parts namely:

- Demographics questionnaire, and,
- The performance management questionnaire

4.8.3 PERSONAL INFORMATION

In question 1 of the questionnaire (Appendix A) regarding the participants personnel information, in terms of their gender, the results were as follows:

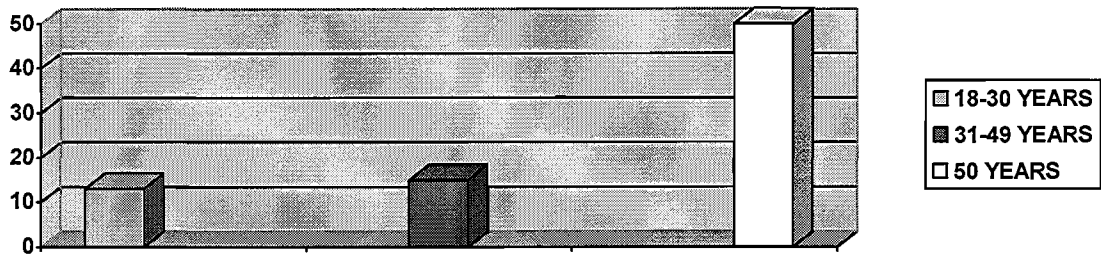
Figure 4.1: Gender of the respondents



47.44% of the respondents were male and the majority, namely 52.56% of the respondents were female.

In question 1 on the questionnaire (Appendix A) concerning the age of the respondents, the outcome was as follows:

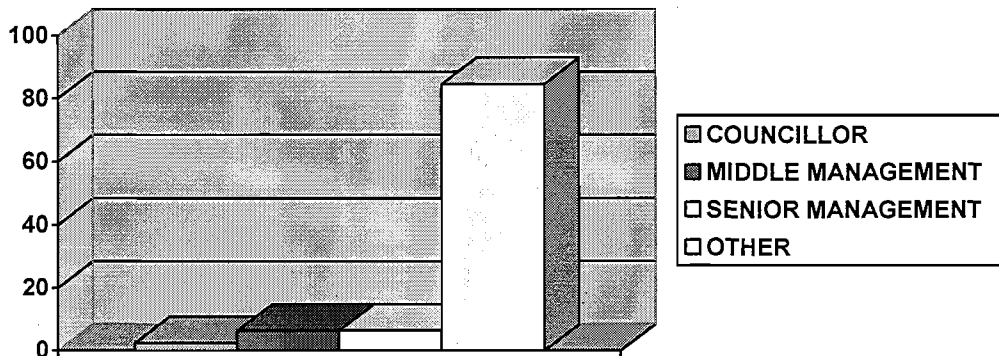
Figure 4.2: The age of the participants



16.67% of the respondents were between the ages of 18 and 30 years, 64.19% of them were between the ages of 31 and 49 years 19.23% 50 years and older.

In question 1 of the questionnaire (Appendix A) regarding the level of the respondents, results were as follows:

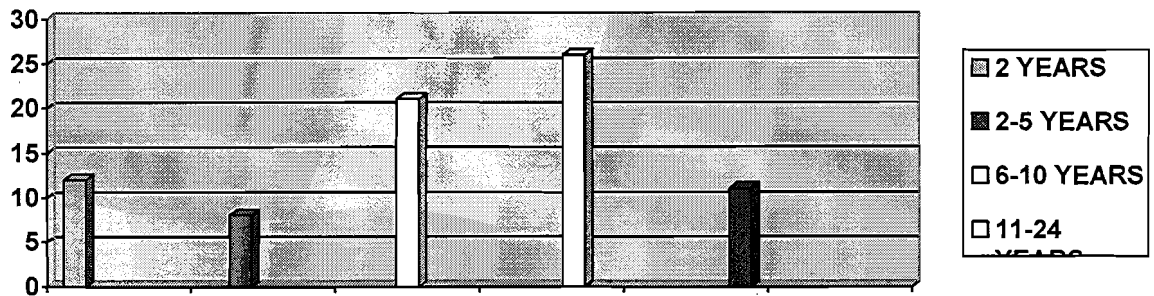
Figure 4.3: The post levels of the participants



2.5% of the respondents were councillors, 6.41% from the senior management level, 6.41% from the middle management levels and the majority 84.62% of the respondents were from various other levels within the municipality.

In question 1 of the questionnaire (Appendix A), concerning the respondent's years of experience within the municipality, the outcome was as follows:

Figure 4.4: Respondent's years experience within the municipality

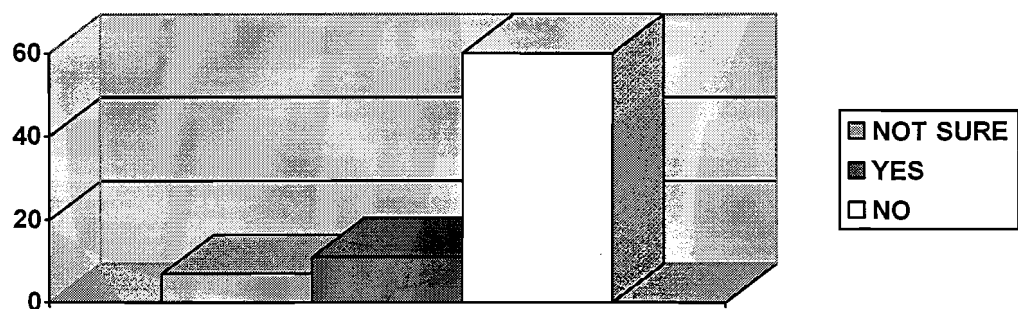


15.38% of the respondents have working experience of less than 2 years within the municipality, 10.26% have 2 to 5 years experience, 26.92% of the respondents have 6 to 10 years experience within the Municipality, 33.33% have between 11 and 24 years of experience and 14.10% have 25 or more year's experience.

4.8.4 Knowledge and understanding of the mission statement

In question 2 of the questionnaire (Appendix A) the question was asked whether the respondents knew and understood the mission statement, the results were as follows:

Figure 4.5: Understanding of mission statement

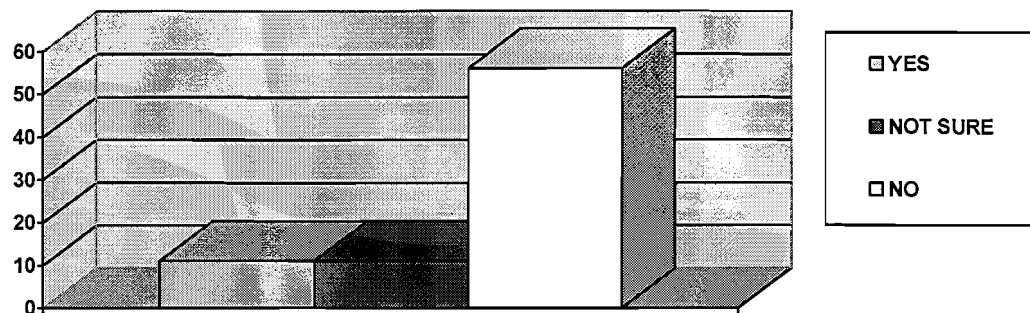


Only 14.10% of the respondents knew and understood the mission statement of the municipality, 8.97% indicated that they were not sure about the municipality's mission statement and 76.92% indicated that they did not have any idea of the mission statement and were not even really sure where to find it.

4.8.5 The link between the strategic goals of the development and individual performance goals

In question 3 of the questionnaire (Appendix A) concerning the link between the goals of the department and individual goals, the outcome was as follows:

Figure 4.6: Link between goals

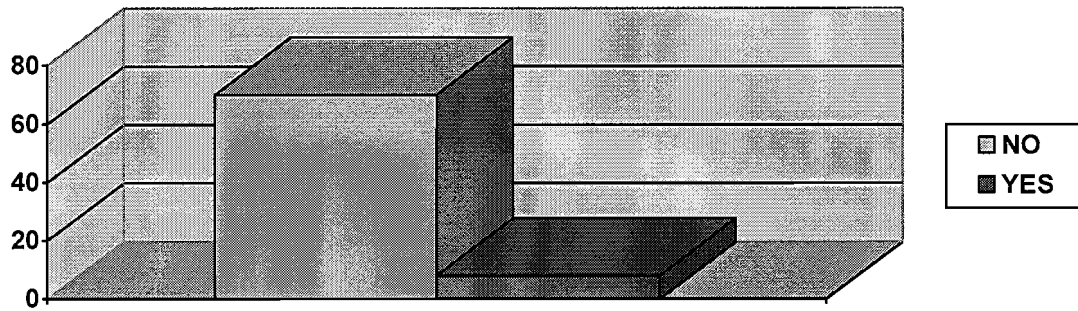


71.79% of the respondents indicated that there was no link between their individual performance goals and the goals of the department, 14.10% were not sure about the link and other 14.10% indicated that there was indeed a link between their own goals and the goals of the department. Out of the above, it is clear that there needs to be more goal congruence between individual employees and the different departments in which they are working, as well as between the departmental goals and the goals of the municipality as a whole.

4.8.6 Participation in the setting of personal goals in the workplace.

In question 4 of the questionnaire (Appendix A) regarding participation during goal setting, the results were as follows:

Figure 4.7: Participation in the setting of personal goals in the workplace

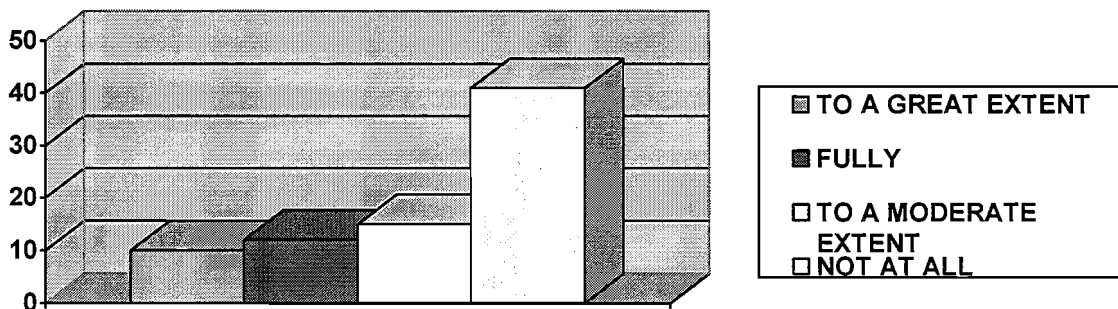


The majority of the respondents, namely 89.74% stated that they did not participate in the setting of their individual goals, while only 10.26% of respondents felt that they participated when their goals were set.

4.8.7 The extent to which performance depends on other factors

In question 5 of the questionnaire (Appendix A) regarding the dependence of the respondents' performance on other factors, the outcome was as follows:

Figure 4.8: Dependence on other factors



The majority of respondents 52.26% indicated that their performance did not depend on other factors than themselves, 19% indicated that their performance was only dependent on other factors, while a moderate percentage, namely 12.82% felt that their performance was dependent on other factors to a significant extent, and 15.38% said that their performance was fully dependent on other factors. Dependence usually entailed obtaining a signature of approval from

superiors on the waiting time when work is moving through the different work stations or stages of completion.

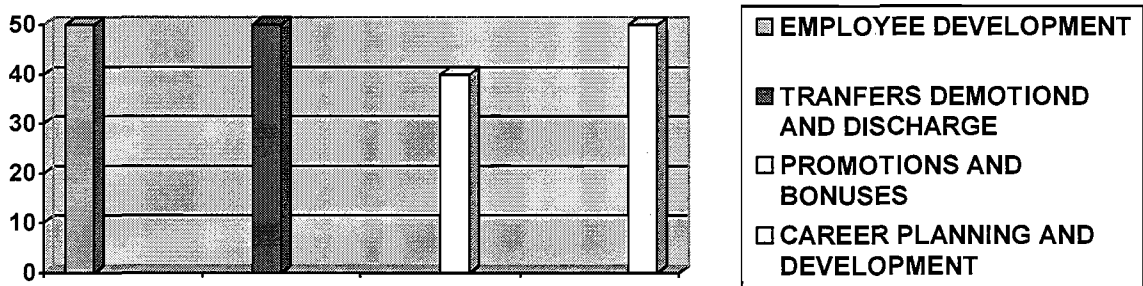
4.8.8 The degree of performance evaluation utilisation

In question 6 of the questionnaire, participants were asked to what degree they thought that performance evaluation was utilised, and the results were as follows:

Table 4.1 Performance evaluation utilisation degree

Table 4.1 Performance evaluation utilisation degree	Never	Seldom	Most of the time	Always	Total
4.3.6.1 Employee development	50	0	0	0	50
4.3.6.2 Transfers, demotions & discharges	50	0	0	0	50
4.3.6.3 Promotions & bonuses	10	40	0	0	50
4.3.6.4 Career planning & development	50	0	0	0	50

Figure 4.9: Performance evaluation utilisation degree



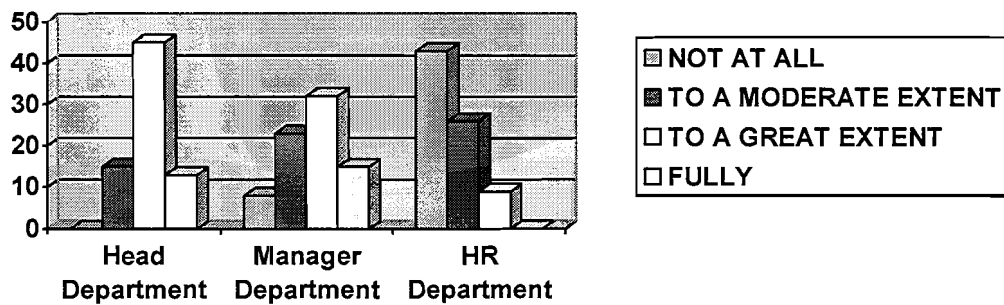
100% of all respondents felt that performance evaluation was not utilised for employee development, transfers, demotions and discharges and career planning and development 15.38% indicated that performance evaluation was never used for promotions and bonuses while 84.62% indicated that performance evaluation was seldom used for promotions and bonuses. This 84.62% of respondents referred to senior management, where senior managers receive a performance bonus at the end of each financial year.

4.8.9 The extent of different role-players' knowledge and expertise to conduct performance evaluation.

In question 7 of the questionnaire (Appendix A) regarding role players disposed of the necessary knowledge and expertise to conduct performance evaluation, the outcome was as follows:

Table 4.2 role-players ability to conduct evaluations	Not at all	To a moderate extent	To a great extent	Fully	Total
4.3.7.1 Department Head	0	15	45	13	50
4.3.7.2 Department Management	8	23	32	15	50
4.3.7.3 HR Department	43	26	9	0	50

Figure 4.10: Role players' ability to conduct evaluation



The respondents indicated the knowledge and expertise of the different role players as follows:

HEAD OF DEPARTMENT: 19.23 % to a moderate extent and 64.10% to a great extent and 16.66% fully.

Managers of department: 10.25%, not at all to a moderate extent, 41.02% to a great extent and 19.23% fully.

HR DEPARTMENT: 55.12% not at all, 33.33% to a moderate 11.54% to a great extent.

The majority of respondents felt that the head of the department was the most appropriate person to perform the evaluation since he or she knew exactly what was going on in that department, the department managers were not always aware of the day-to-day problems that existed and the HR

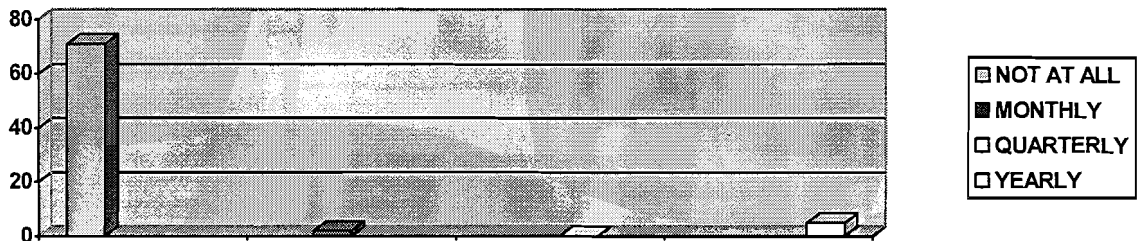
Department knew very little about all the department and thus would not be able to make an informed decision.

4.8.10 The regularity of performance evaluation

In question 8 of the questionnaire (Appendix B) regarding the regularity of evaluation, the results were as follows:

Not at all	Monthly	Quarterly	Yearly	Total
43	2	0	5	50

Figure 4.11: The regularity of performance evaluation

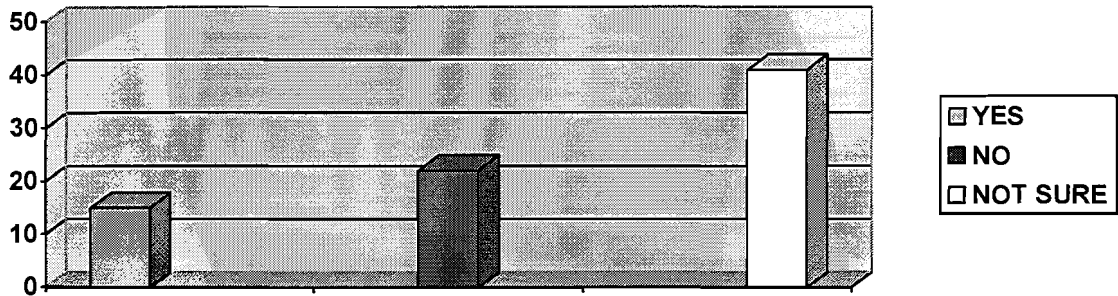


91.02% of all respondents indicated that their performances were not evaluated at all. Only 2.56% indicated that their performance was evaluated on a monthly basis while only 6.41% felt that their performance was evaluated on a yearly basis. No respondents indicated on a quarterly basis.

4.8.11 The uniformity in the evaluation of performance between different departments.

In question 9 of the questionnaire (Appendix B) concerning the uniformity of performance evaluation between departments, the outcome was as follows:

Figure 4.12 Uniformity in evaluation between departments

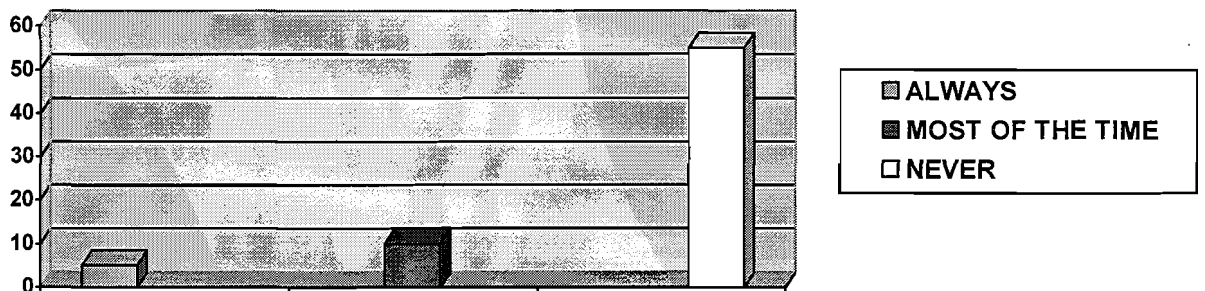


28.21% of the respondents indicated that there was no uniformity in the evaluation of performance between the different departments, 19.23% indicated that there was indeed uniformity in the evaluation process between the different departments while 52.26% were not sure about uniformity with regard to performance evaluation between the different departments.

4.8.12 The degree of discussion on standards against which performance is evaluated.

In question 10 of the questionnaire (Appendix B) regarding the degree of discussion of the standards against which performance was being evaluated, the results were as follows

Figure 4.13: Performance evaluation standards

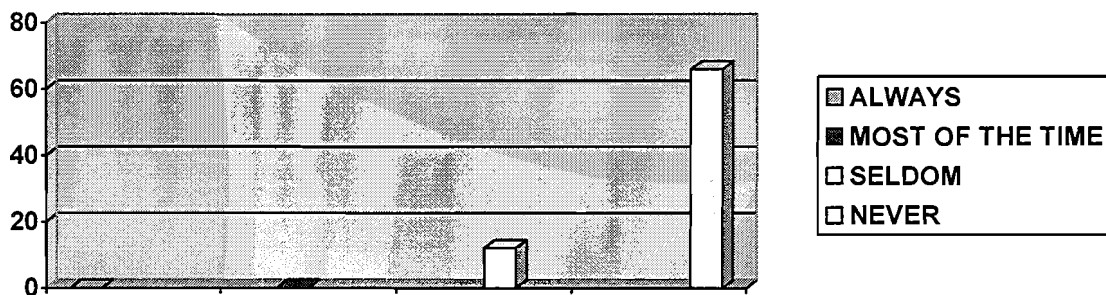


70.51% of the respondents stated that the standards against which their performance was evaluated had never been discussed with them, 10.25% felt that they were seldom informed about the standards, 12.82% indicated that they were informed most of the time and only 6.41% of the indicated that they were always aware of the standards on which they should perform.

4.8.13 The degree of mutual acceptance of self-evaluation results

In question 11 of the questionnaire (Appendix A) concerning the degree to which the employee as well as the evaluator accepted the results of the evaluation, the outcome was as follows:

Figure 4.14: Self-evaluation results acceptance

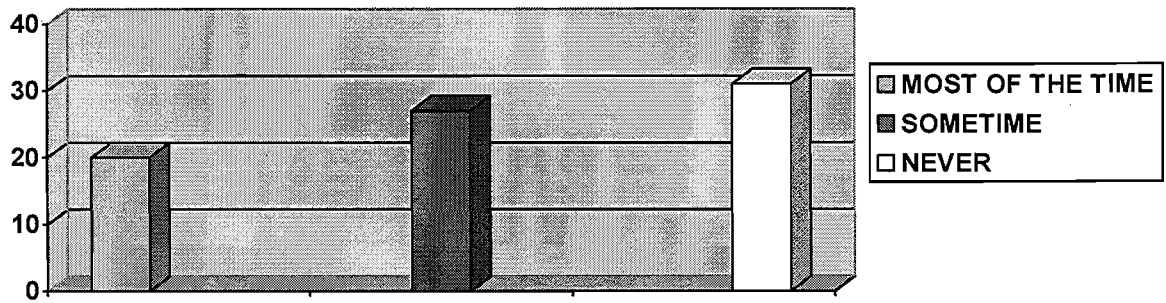


84.62% of all respondents indicated that self-evaluation would never result in the employee accepting the results, and the same held true for the manager who evaluated the performance. The other 15.38% of the respondents felt that both could seldom accept the result of self-evaluation.

4.8.14 The degree of attendance of training courses

In question 12 of the questionnaire (Appendix A) regarding the attendance of training courses, results were as follows:

Figure 4.15 Training course attendance

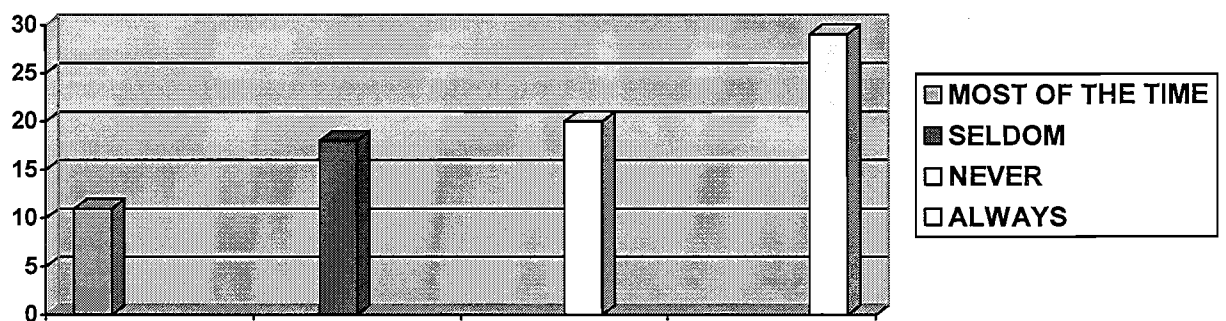


39.74% of the respondents indicated that they had never attended any training courses, 34.61% indicated that they had sometimes attended training courses while 25.64% indicated that they attended training courses most of the time.

4.8.15 The degree of necessity to undergo specific training

In question 13 of the questionnaire (Appendix A) concerning the necessity for employees to undergo certain training, the outcome was as follows:

Figure 4.16 Necessity for training

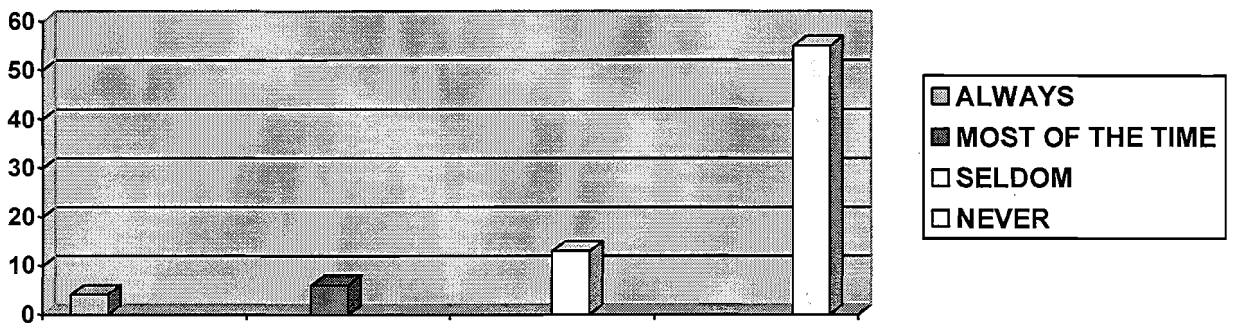


25.64% of the respondents who did attend training courses felt that it was never really necessary for them to attend that courses, 23.07% of the respondents who attended courses felt that it was seldom necessary for them to attend, 14.10% said that it was necessary to attend training courses most of the time and the majority of 37.17% felt that it was always necessary for them to attend.

4.8.16 Compiling personal career objectives

In question 14 of the questionnaire (Appendix A) where respondents were asked to what extent the employee and his or her manager were consulted together to compile the employees' personal career objectives, the results were as follows:

Figure 4.17: Compilation of career objectives

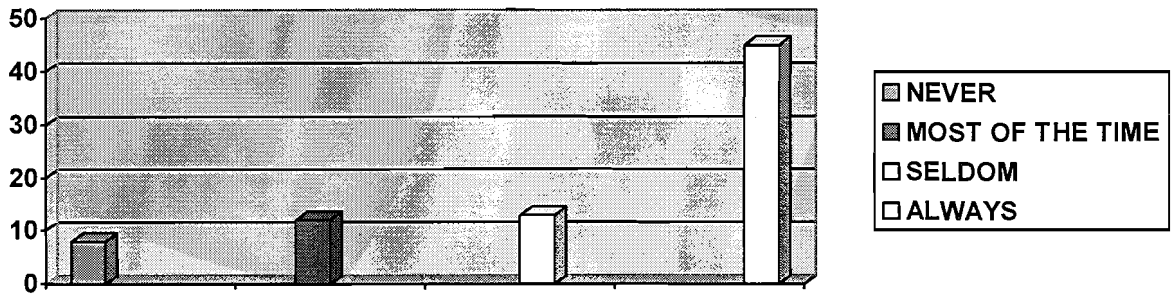


70.51% of individual respondents answered that their managers never consulted with them to compile their personal career objectives. 16.66% indicated that they seldom discussed their personal career objectives with their managers and 7.69% compiled their career objectives with their managers. Only 5.12% felt that managers always worked with them to compile their personal career objectives. Some of the respondents stated that their managers did not care about them as individuals, and were only concerned about them getting the job done.

4.8.17 Promotion decision

In question 15 of the questionnaire (Appendix A) regarding the perception of promotion among respondents, the outcome was as follows:

Figure 4.18: Bias in promotion decisions

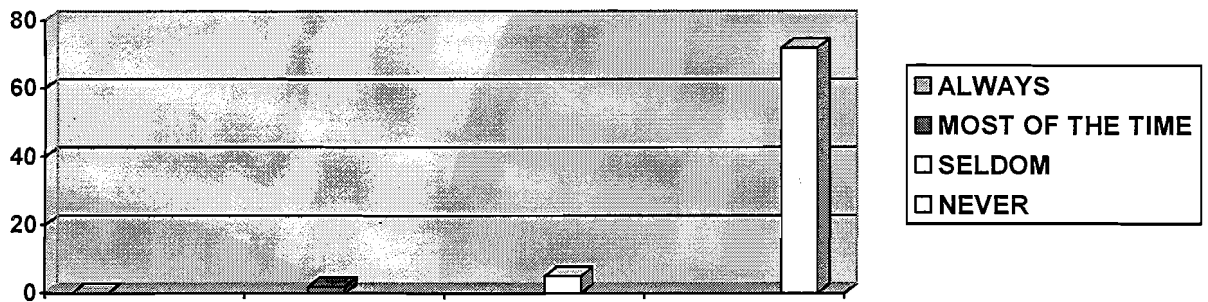


10.25% of all respondents felt that there was no bias when promotion decision were made, 16.66% felt that bias was seldom a problem, 15.38% said they thought that bias did exist most of the time and 57.69% felt that there was always a problem with bias when promotions were at stake.

4.8.18 Relation of bonuses to excellence in job performance

In question 16 of the questionnaire (Appendix A), the relation between bonuses and excellent performance were addressed, and the results were as follows:

Figure 4.19: Relation between bonus and performance

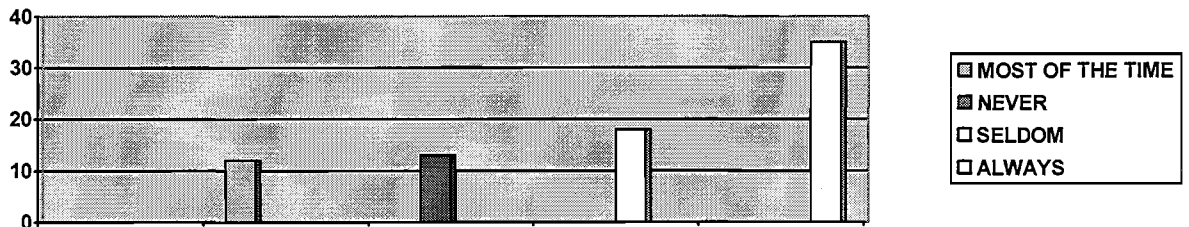


91.02% of all respondents indicated that bonuses were never related to outstanding job performance since everybody gets a 13th cheque (bonus) and only senior management receive a performance bonus, 6.4% thought that bonuses were seldom related to the way that the job was done. Only 2.56% said that bonuses were related to job performance most of the time.

4.8.19 The impact of job performance to future promotion

In question 17 of the questionnaire (Appendix A) concerning the degree to which performance will affect future promotion, the outcome was as follows:

Figure 4.20 Performances and Promotion

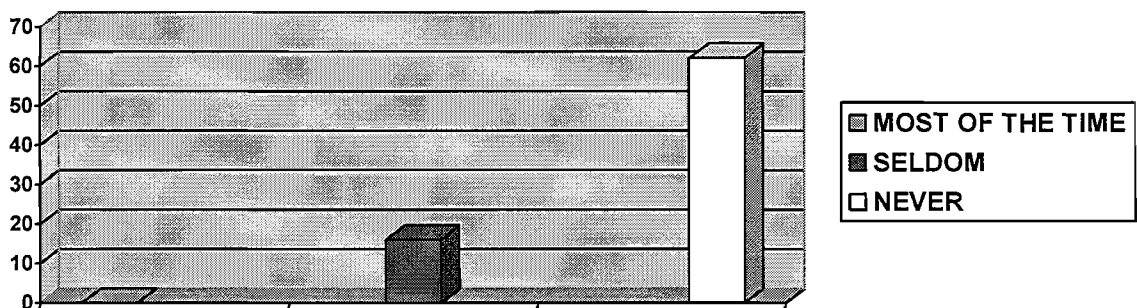


16.66% of the respondents indicated that job performance would never affect promotions, 23.07% felt that their job performance would seldom lead to promotions and 15.38% said that job performance would lead to promotions most of the time, while 44.87% indicated that their job performance would always affect promotions. Some of the respondents indicated that job performance would rather be a reason not to be promoted than a reason to be promoted. They felt that management concentrated too much on the negative side and that employees never get a ‘pat on the back’

4.8.20 Frequency of feedback

In question 18 of the questionnaire (Appendix A) regarding the frequency of employee feedback on performance, the result was as follows:

Figure 4.21 Performance Feedback

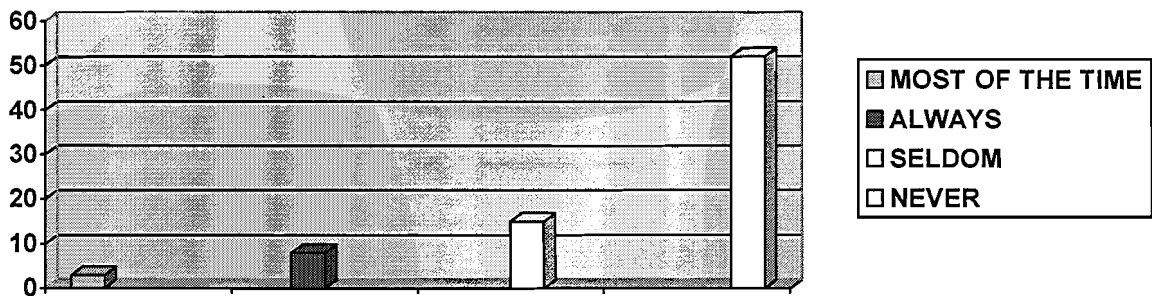


The majority, namely 79, 48% of the respondents indicated that they have never received any feedback on their performance and the other 20.51% indicated that they have seldom received feedback. Some of the respondents stated that they only received negative feedback or received feedback when things were not going according to plan.

4.8.21 The frequency of remedial training for improving performance

In question 19 of the questionnaire (Appendix A) regarding remedial training for performance improvement, the outcome was as follows:

Figure 4.22: Remedial training

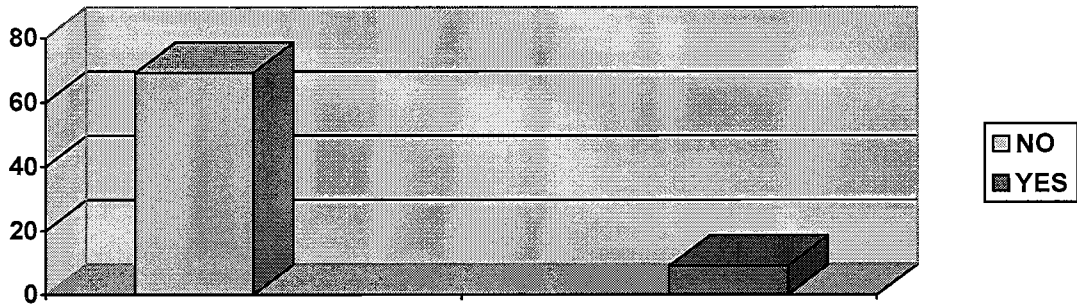


66.66% of the respondents felt that they were never provided with remedial training to improve their performance. 19.23% said that they were provided with remedial training most of the time, and 10.25% indicated that they always received remedial training which enabled them to improve their performance.

4.8.22 Employee's knowledge on performance management.

Question 20 of the questionnaire (Appendix A) aimed to determine whether employees were informed about performance management, and the outcomes were as follows:

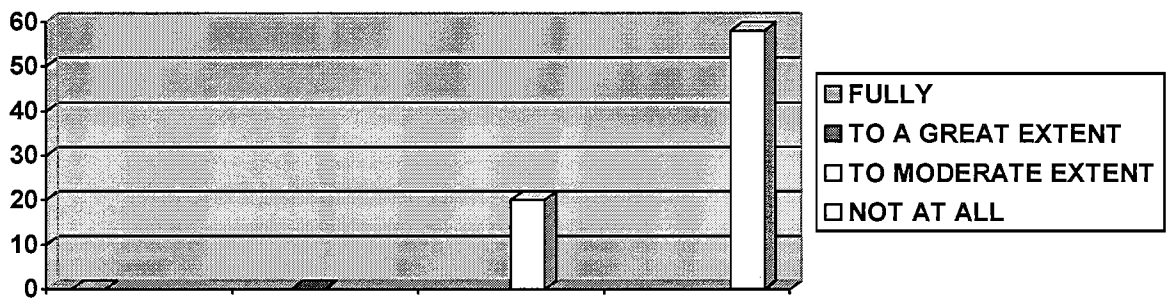
Figure 4.23: Performance management knowledge



4.8.23 The extent of relating the relatively importance of performance goals to individuals

In question 21 of the questionnaire (Appendix A) regarding the importance of performance goals, the outcome was as follows:

Figure 4.24: Important of goals

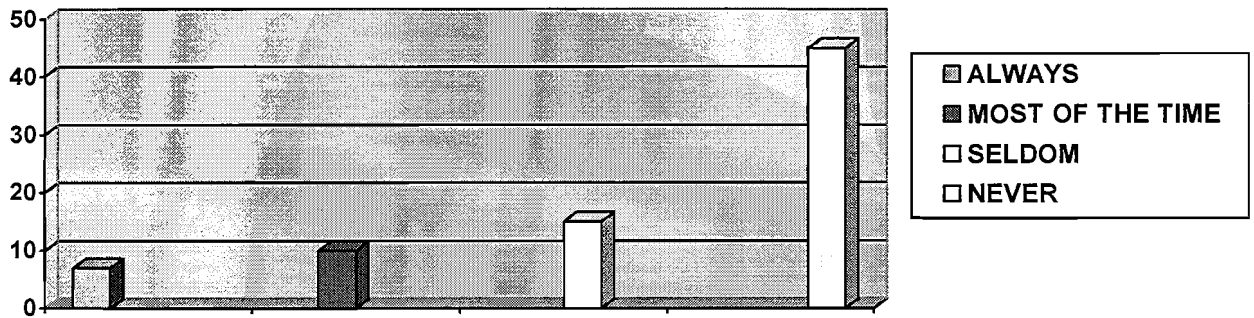


74.36% of the respondents indicated that the relative importance of their performance goals was not discussed with them at all. 25.64% of the respondents said that the relative importance was discussed with them to a moderate extent.

4.8.24 Expectation of performance goals

In question 22 of the questionnaire (Appendix A) regarding the degree to which performance expectations were too high, the results were as follows:

Figure 4.25: Goal Expectations



Only 12.82% of the respondents felt that managers' expectations of them were always too high. 20.51% of the expectations were seldom too high, while 8.97% indicated that expectation were too high most of the time and the majority, namely 57.69% of them thought that managers expectation were never too high.

4.8.25 Understanding performance management

In question 23 of the questionnaire (Appendix A) the participants were asked what they understood under performance management. A summary of their response follows below:
From the various answers of respondents, it is evident that most of the employees did not have any idea of what performance management entails.

Some respondents mentioned the performance bonuses, which senior managers receive by the end of each financial year. One mentioned that PM is about constantly delivering more and more services to the public. Some of them stated that they have never heard of PM before. The closest answer was that PM is used to improve service delivery to the community.

4.8.26 Motivation by means of reward system.

In question 24 of questionnaire (Appendix A) participants were asked which type of a reward system would motivate individuals to perform in achieving the goals. They answer as follows:
The majority of respondents stated that money would be their main motivator. Some indicated that if they had the necessary resources to perform in their job.

4.8.27 Mechanisms regarding accountability

In question 25 of the questionnaire (Appendix A) respondents were asked to determine which mechanisms were in place to hold different role players accountable. Responses are summarised below.

The respondents indicated that they thought the mechanisms for the public to hold the municipality accountable were the municipality's IDP, the council and the elections.

The mechanisms for the councillors to hold the municipality accountable were legislation and the different acts, and the mechanisms for the employer to hold the employee accountable were the employee's job description.

4.9 CONCLUSION

In this chapter a detailed explanation was given of the aims and objectives of the empirical research, the methodology used for the compilation of the data instruments and data collection process, and provide the analysis and interpretation of data collected during the empirical research.

The next chapter deals with the summary, findings, recommendations and the final conclusions of the study.

Appendix A: Practical examples of the excellence model source

11. Organisation Results. 72 points 14%

7. Social Responsibility.
33 points 7%

8. Community
Customer
Satisfaction.
84 points 17%

9. People
Satisfaction.
42 points 8%

10. Supplier &
Partnership
Performance.
13 points 3%

2. Policy &
Strategy.
36 points 7%

3. Communication
& Customer
Focus.
32 points 6%

4. People
Management.
48 points 10%

5. Resource &
information
Management.
30 points 18%

1. Leadership. 50 points 10%

CHAPTER FIVE

SUMMARY, FINDINGS AND RECOMMENDATIONS

5.1 INTRODUCTION

This study has presented the challenge to implement performance management as a mechanism to effective service delivery at Emfuleni Local Municipality. Through the data received and processed from carefully selected questionnaires completed by 50 respondents, it can be stated that the aim has been realized. The purpose of this final chapter is to summarize the findings of this study and to bring forward the recommendations to be implemented in improving service delivery in line with the four objectives as identified in Chapter One, namely:

- To give a theoretical exposition of the concept performance management as a mechanism to effective service delivery.
- To describe an overview of the processes and system of performance management at ELM.
- To conduct research into the success or failure at Emfuleni Local Municipality which contributed to the decline of service delivery
- To provide a set of recommendations that may add value for management action on service delivery.

5.2 SUMMARY

Chapter one stated that the local municipalities are faced with challenge of managing viable and environmentally sustainable urban and rural systems. Emfuleni Local Municipality is to provide an effective and an efficient people centre administration that will ensure quality and sustainable service delivery.

Each municipality is required by legislation to establish a performance management system (PMS) that, amongst other things, allows stakeholders to participate and ensure that municipalities are rendering high quality services to the communities they serve.

The Emfuleni Local Municipality tends to have a culture of low performance which is prevalent amongst employees or personnel.

Chapter two placed the theme of the study in context by focusing on the theoretical exposition of performance management in the work place. In this chapter, the historical background of performance management was given as being to ensure that management and employees focus their energies on service delivery.

The legislative framework of Chapter six of the Local Municipality System Act requires municipalities to develop performance-monitoring systems that are intended as strategic management tools to enable municipalities to:

- Monitor their own performance in the implementation of IDP
- Improve efficiency, effectiveness, quality and accountability in delivery of services.
- Enable communities to hold municipalities accountable for performance.

Chapter three examined the overview of performance management in the Emfuleni Local Municipality which has two cities, large peri-urban townships and a smallholding settlement. The challenges faced by the Emfuleni Local Municipality in addressing the needs of these different settlements were also discussed. It was also emphasised that the vision, mission and objectives of the Emfuleni Local Municipality on their own bring about many challenges for the municipality as well as its employees to perform beyond themselves in as far as the delivery of services is concerned.

The Management Support Services through the Human Resources Services is the one division that is tasked with creating conducive conditions which are aimed at enabling and entrenching a culture of continuous performance through the performance management systems.

The Emfuleni Local Municipality has developed its own performance management systems to address the issue of service delivery. The implementation and the monitoring of such systems are however not effective.

Chapter four focused on the empirical study on the impact of performance management systems at Emfuleni Local Municipality. The study was designed with regards to the research problems, research approach, research methods and interviews. Data regarding the performance management as a mechanism for enhancing effective service delivery at Emfuleni Local Municipality was obtained from members of municipal council, strategic managers, councillors, and managers in different clusters through structured interviews and questionnaires.

5.3 FINDINGS

From the analysis of the questionnaires, it is evident that the municipality is not currently using a performance management or measurement system and that there is definitely a need for such a system. It can be stated that lack of experience and proper training is one of the causes of poor performance of many members of the management team in service delivery at the Emfuleni Local Municipality. The local government transformation also contributed to this problem because it allowed relatively inexperienced personnel to be employed and promoted to management positions without the necessary expertise required in local government management.

Emfuleni Local Municipality has clear performance indicators, which are updated, regularly in line with customer satisfaction surveys and areas of strategic improvement are annually intensified. Some of the key findings of this study are the following:-

- It is clear that the employees of the municipality will need to be informed about the mission statement and actually need to participate in the development of the mission statement.

- It is clear that there needs to be more goal congruence between individual employees and the different departments in which they are working, as well as between the departmental goals and the goals of the municipality as a whole.
- Managers will therefore need to start taking employees opinion and inputs into account when they are setting performance goals for those employees.
- Management can implement a performance bonus system whereby employees who perform well during the year will receive a bonus, which is something that can be used as motivation for employees to perform well and achieve their goals.
- Work was not flowing fluently through the different working stations and a greater deal of time was wasted that way.
- Performance evaluations system was not used for employee's development, bonuses, promotions and career planning.
- Employees are not aware of the standards against which their performance is evaluated.
- Employees' skill levels were never evaluated to assist in decisions regarding necessary training courses for employee development.
- Managers were not consulting with their employees to compile their personal career objectives.
- Employees barely ever received feedback on their performance or previous work done.
- A significant communication existed between management and lower level employees.

5.4 RECOMMENDATIONS

The following recommendations are offered for management action at ELM:

- Employees must be informed and need to be part of the development of the mission statement.
- Performance measure can be used to monitor strategic initiatives to guide the budget process and to allocate resources.
- Performance management can indicate possible problem areas at an early stage to implement corrective action.
- Performance management is the general system used to enhance dedication and employee and organisational efficiency, effectiveness and economy.

- The PMS should be based on the IDP, and the system can be used to monitor if the municipality is achieving its goals.
- The Emfuleni Local Municipality employs in-experienced and not well-trained employees in the management level. Therefore, it is recommended that the municipality develop a vigorous training programme.
- There is a need to deploy resources to monitor and oversee the implementation of promised services. Departments should be encouraged to assign strategic business analysts to review the quarterly reports against strategic plans in order to advise departments about performance progress.
- The respective Annual Reports must be released before performance recognition of heads of departments and also subjected to customer satisfaction surveys. In this way, departments can get some insight into what stakeholders consider as significant improvement on service delivery.
- Balanced scorecard remains a valid instrument at Emfuleni's disposal to influence commitment to the delivery of promised services but becomes blunt when not properly used, with potentially unintended consequences.
- The councillors (as political heads of departments) must be assigned the responsibility of monitoring progress based on feedback reports and inform the BSC on issues pertaining to compliance.
- It was found that most of the respondents agree that the management did not market performance management system effectively to staff and they are not aware of negative perceptions of members of staff about the performance management measures system. Therefore, the author recommends that there must be an awareness campaign at Emfuleni Local Municipality so that employees can be educated and made aware of its importance towards service delivery.

- It is clear that organisational performance and service delivery are influenced by a number of factors. Thus, a performance analysis matrix is necessary with a distinct clarification of areas of underperformance. This should be strengthened in terms of institutional arrangements to monitor and evaluate performance progress and the impact thereof towards service delivery.

5.5 CONCLUSION

The above given recommendations conclude this study. It is envisaged that they will stimulate a further discussion and research on performance management as a mechanism for effective service delivery at the Emfuleni Local Municipality

The political and administrative accountability in a democratic government cannot be dissociated from each other. Further research must explore the role of political heads in managing performance of their accounting officers. The findings should inform the scope of responsibility by political heads influencing performance by organisation which are entrusted to their political leadership.

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APPENDIX A

QUESTIONNAIRE

INTRODUCTION

The researcher is pursuing studies for the Masters degree in Development and Management and would want to solicit your assistance in completing the questions below as frankly as possible as you can. The purpose hereof is purely academic.

Participation is voluntary, and please note that the information will be used for research purposes only. All the information will be treated as confidential and no identity of participants will be revealed.

After each question there is a “comments” line where a participant should feel free to give his/ her comments, motivation and/or opinion on the stated question. Please mark the appropriate block with an “X”.

- 1. The following personal information is necessary for statistical purposes, to summarise the conclusions of the study in a proper manner and to reflect the opinions of employees on all post-levels, ages and gender in the municipality.**

GENDER:	Male	Females
----------------	-------------	----------------

AGE:	18-30	31-50	50+
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LEVEL:	Other	Middle Management	Senior Management	Councillor
---------------	--------------	--------------------------	--------------------------	-------------------

EXPERIENCE in this municipality	<2yrs	2-5yrs	6-10yrs	11-24 yrs	25+ yrs
--	-----------------	---------------	----------------	------------------	----------------

2. Do you really and understand the mission statement of the municipality?

No	Not sure	Yes
-----------	-----------------	------------

3. Is there a link between the strategic goals of the department and your individual performance goals?

No	Not sure	Yes
-----------	-----------------	------------

4. Are you participating in the setting of yours goals in your workplace?

No	Yes
-----------	------------

5. To what extent does your performance dependent on other factors than yourself?

Not at all	To a moderate extent	To a great extent	Fully
-------------------	-----------------------------	--------------------------	--------------

6. To what degree do you think performance evaluation is being utilised for:

6.1 Employee development?	Never	Seldom	Most of the time	Always
6.2 Transfers, demotions and discharge?	Never	Seldom	Most of the time	Always
6.3 Promotions and bonuses?	Never	Seldom	Most of the time	Always
6.4 Career planning and development?	Never	Seldom	Most of the time	Always

7. To what extent do the following role-players have the necessary knowledge and expertise to conduct performance evaluations?

7.1 Head of department?	Not at all	To a moderate extent	To a great extent	Fully
7.2 Manager of department?	Not at all	To a moderate extent	To a great extent	Fully
7.3 HR department?	Not at all	To a moderate extent	To a great extent	Fully

8. How regular is your performance being evaluated?

Not at all	Monthly	Quarterly	Yearly
------------	---------	-----------	--------

9. Is there uniformity in the evaluation of performance between different departments?

No	Not sure	Yes
----	----------	-----

10. To what degree was the standards against which your performance id evaluated discussed with you?

No	Seldom	Most of the time	Always
----	--------	---------------------	--------

11. To what degree do self-evaluation results an employee accepting the results as well as the manager who?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

12. To what degree have you attended any training courses?

Never	Sometimes	Most of the time
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13. To what degree was it necessary for you to undergo that training?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

14. To what degree do you and your manager compile your personal career objectives?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

15. To what degree do you believe bias exists when promotion decision are made?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

16. To what degree are bonuses related to excellence in job performance?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

17. To what degree will your job performance affect future promotion?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

18. How frequently do you receive feedback on how you are doing the job?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

19. How frequently are you provided with remedial training to enable you to improve performance?

Never	Seldom	Most of the time	Always
-------	--------	---------------------	--------

20. Are all employees sufficiently informed about performance management?

No	Yes
----	-----

21. To what extent was the relative importance of your performance goals pointed out to you?

Not a all	To a moderate extent	To a great extent	Totally
-----------	----------------------	-------------------	---------

22. To what degree do you feel you were given too many performance goals? (Expectations too high?)

Never	Seldom	Most of the time	Always
-------	--------	------------------	--------

23. What do you understand under performance management?

24. What reward system will motivate you to perform in achieving your goals?

25. What mechanisms are in place for the public to hold the municipality accountable; for councillors to hold the administration accountable; and for the employer to hold the employee accountable?

THANK YOU for you contribution towards the study!!!