


**CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEM AND ITS IMPACT ON  
THE IMPROVEMENT OF PRODUCTIVITY IN THE THULAMELA MUNICIPALITY,  
VHEMBE DISTRICT**

I, Raedani Mphiliseni Meshack, hereby declare that the content of this dissertation for the degree of Master of Public Management is my own work and has not been prepared by me or any other person on my behalf. This is my own work in detail and no part of it has been copied or derived from any other source. I have been duly acknowledged.

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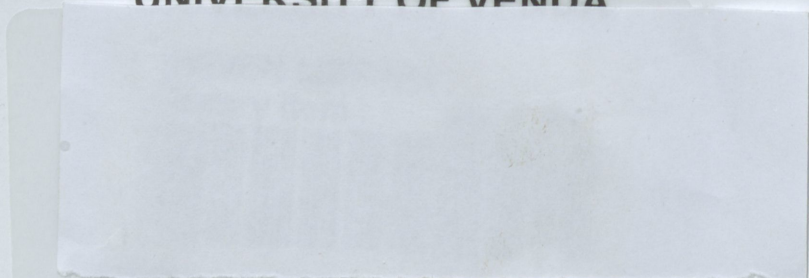
  
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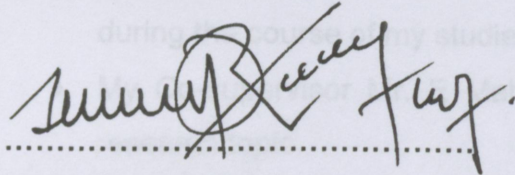
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2014

## DECLARATION

I, **Raedani Mphiliseni Meshack**, hereby declare that the mini-dissertation for the degree of Master in Public Management at University of Venda hereby submitted by me has not been previously submitted for a degree at this or any other university. This is my own work in design and execution, and that all reference material contained therein has been duly acknowledged.



2015/12/04

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achievement. I dedicate this project also to my children. Glory be to God for your support and patience through my studies.

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## DEDICATION

On my personal note, I dedicate this project to my mother, Elinah Phophi, my brother Eric and my wife, Khangweni Raedani for being there for me all the way through this prestigious and life time achievement. I dedicate this project also to my children. Glory be to God for your support and patience through my studies.

During the process of reviewing, assessing performance, managing underperformance, and recognising and rewarding good performance, this study was undertaken as an attempt to investigate whether the PMS of Thulamela Municipality in the Limpopo Province contributes to the improvement in administrative productivity. The literature review undertaken in this study, shows that there is a general poor understanding of PMS in the public service and in the Thulamela Municipality in particular. It (the literature review) further establishes that there are various challenges that hinder the effective implementation of a PMS in the public service.

The study uses both quantitative and qualitative techniques for data collection and analysis. Quantitative techniques were mostly used in that they provide the researcher with an understanding of experiences and challenges of performance management systems and its impact on the improvement of productivity in the Thulamela Municipality, Venda District. Purposive sampling was used for the selection of sample for the study. Both primary and secondary data was used for analysis in this study. Secondary data was obtained from government publications, research publications, and reports. Primary data was obtained through interview and questionnaires.

Findings of the study led to the following conclusions:

1. Many employees who completed the questionnaire indicated that they would improve their understanding of the PMS as adequate.

2. Respondents criticised the submission of performance instruments with an understanding of the PMS. One such respondent alluded to the fact that most

## ABSTRACT

This study investigated the challenges of performance management system and its impact on the improvement of productivity in the Thulamela Municipality, Vhembe District. The Performance Management System (PMS) has been introduced in the South African public service with the intentions of monitoring, reviewing, assessing performance, developing underperformers, and recognising and rewarding good performance. This study was undertaken as an attempt to investigate whether the PMS of Thulamela Municipality in the Limpopo Province contributes to the improvement in departmental productivity. The literature review undertaken in this study, shows that there is a general poor understanding of PMS in the public service and in the Thulamela Municipality in particular. It (the literature review) further establishes that there are several challenges that hinder the effective implementation of a PMS in the public service.

The study uses both quantitative and qualitative techniques for data collection and analysis. Qualitative techniques were mostly used in that they provide the researcher with an understanding of experiences and challenges of performance management system and its impact on the improvement of productivity in the Thulamela Municipality, Vhembe District.. Purposive sampling was used for the selection of sample for the study. Both primary and secondary data was used for analysis in this study. Secondary data were obtained from government publications, research publications, and reports. Primary data was obtained through interview and questionnaires.

### Findings of the study led to the following conclusions:

- Majority employees who completed the questionnaire indicated that they would describe their understanding of the PMS as adequate.
- Respondents confuse the submission of performance instruments with an understanding of the PMS. One such respondent alluded to the fact that most

employees understand the PMS well since they submit performance instruments regularly on time.

- Majority respondent also concurred that it motivates for better performance if you know that you will be rewarded for good work done; one would want to reach one's goals and work harder thus increasing productivity.

**The following recommendations based on the findings of the study are made:**

- There should be regular and thorough training of municipal officials about the PMS in the public service and how it impacts on productivity. Such training could improve the understanding of the PMS by municipal officials.
- After concluding that the PMS has not contributed to improvement of productivity, the Thulamela Local Municipality should ensure that employees understand how their individual performance impacts on the overall productivity of the municipality. Officials should understand that low individual performance may lead to a low departmental performance and productivity
- The PMS division, Training division and Employee Awareness Programme division should work together to address the lack of skills and other problems associated with underperformance. Performance targets of both the individual employees and the Department should be clearly defined.

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## LIST OF ACRONYMS

IDP	Integrated Development Programme
SDBIP	Service Delivery Budget Improvement Plan
MTSF	Medium Term Strategic Framework
LGTS	Local Government Turnaround Strategy
OPM	Organisational Performance Management (OPM)
SALGA	South African Local Government Association (SALGA)
NCOP	National Council of Provinces (NCOP)
PESH	Performance Evaluation System of Hangzhou (PESH)
M&E	Monitoring and Evaluation (M&E)
UFE	Utility focused evaluation (UFE)
FGE	Fourth generation evaluation (FGE)

## CHAPTER 1: ORIENTATION OF THE STUDY

### 1.1 Introduction

This chapter will focus on the rationale, the context, the problem statement and the purpose of this study. The background and legal grounding on which the research is conducted will also receive attention. The study's paradigmatic perspective will be discussed, together with the clarification of the key concepts. This introductory chapter sets out the background for this study. It clarifies its main research problem, the aims of the research, the main research question and the subsidiary research questions. It further explains the purpose and objectives of the research, and it provides an introduction to the succeeding chapters.

### 1.2 Background to the study

Municipal performance is presently dominated by the delivery of results on the Integrated Development Programme (IDP), specified in the Municipal Systems Act, 2000 (No. 32 of 2000) and the Service Delivery Budget Improvement Plan (SDBIP), specified in the White Paper on Local Government, 1998. Municipalities are obliged to integrate public participation into all their programmes, policy and projects planning. After the introduction of the Framework on Public Service Management, 1999 (hereafter referred to as the Public Service Management Framework), the Public Management and Development System Policy was adopted, and it intended to inculcate the culture of performance and improved productivity in the public service. The reasons for introducing the PMS in the public sector included monitoring, reviewing and assessing performance, training and developing underperformers, promoting and encouraging a sense of responsibility in staff, and also being able to identify and manage underperformance (Amos, Ristow, Ristow & Pearse, 2008:286).

The appraisal of performance for municipal employees has been partially implemented at many municipalities and is currently applicable to senior managers only. Thus, the municipal manager is referred to as “Section 57 manager” in terms of Section 57 of the Municipal Systems Act 2000, (No. 32 of 2000), and is compelled to sign a performance agreement. The municipalities of Drakenstein and Stellenbosch are at the threshold of introducing OPM, in order to measure and report on the effective utilisation of resources, efficiency in planning and overall performance of the organisation. With OPM and senior managers’ individual performance appraisal in place, the individual appraisal (IA) of all employees would be likely to be implemented.

Since communities constantly draw attention to service delivery needs, the focus has shifted to benchmark service delivery outputs for excellence, quality and relevance. Focus has also shifted to measure outcomes of programmes. Municipalities are compelled by national policies to focus on the Medium Term Strategic Framework (MTSF), 2009, “ten priorities”, as well as the recent addition of the Local Government Turnaround Strategy (LGTS, 2009). These responsibilities are in addition to what municipalities are already required to deliver on infrastructure, amenities, basic services, housing and local economic development. It is well known that smaller municipalities in South Africa have limited resources to affect their mandates on service delivery and performance management.

This was done with the particular aim of improving service delivery. Curtis (1999:263) defines performance management as “an approach to management which harness the endeavours of individual managers and workers to an organisation’s strategic goals”. OPM sets the goals, outputs and outcomes needed to achieve continuous successes in the improvement of the material conditions of people. Municipalities are thus required to instil a culture of performance management to bring about a favourable context for OPM. Value creation, economic use of resources, regard for stakeholder demands and effective communication with them, coupled with timeous delivery of quality services and products, are known responsibilities of OPM.

A well designed local government performance management system is one that is synchronised with the legislative framework, strategic framework, municipal administrative capacity, material and financial resources. A realistic vision, open policy, and accountable practices, stringent standards and quality are necessary elements for effective and efficient management of organisational performance. Given the foregoing, the Green Paper on National Strategic Planning (2009:29) states that “performance monitoring and evaluation will assess progress, identify constraints, weaknesses and failures in implementation” at national, provincial and local level. COGTA and the NPC offer guidance to municipalities in stabilizing their planning and reporting functions.

Municipal performance is presently dominated by the delivery of results on the Integrated Development Programme (IDP), specified in the Municipal Systems Act, 2000 (No. 32 of 200) and the Service Delivery Budget Improvement Plan (SDBIP), specified in the White Paper on Local Government, 1998. Municipalities are obliged to integrate public participation into all their programmes, policy and projects planning.

### 1.3 Statement of the problem

Aspects of the legislation pertaining to the implementation of an OPM function at municipal level will be dealt with in this section. All legislations and policy provisions should at all times be informed by the 1996 Constitution as the supreme law of the land. The section highlights, among others, the principle of good human resource management and career development practices in order to cultivate and maximise human potential. The maximizing of human potential in the performance of responsibilities also has to do with the efficient, economic and effective use of resources as provided for by Section 195 (1) (b) of the 1996 Constitution. Accountability which is also paramount in the management of performance has been stipulated as one of the principles of public administration by section 195 (1) (f). Van der Waldt and Du Toit (1999: 384) also believe that the 1996 Constitution makes provision for the effective performance of administrative functions in this regard. It may also be argued that the 1996 Constitution is one of the founding legal prescripts from which the PMS emanated.

Despite the Performance Management policy being applied throughout the Thulamela Local Municipality in the Limpopo Province, results in the Municipal branches often differ. The question becomes whether the Performance Management System contributes to improved productivity with particular reference to the Thulamela Municipality. If underperformers are trained and developed on the competencies or skills that they lack so that they perform better, it should be established why some officials continue to underperform. Thulamela Municipality have difficulty in implementing Performance Management in a sustainable way in terms of organisational performance objectives, managerial capacity to effect Organisation Performance Management, availability of resources to equip the Organisation Performance Management function, the effectiveness and efficiency of the performance instrument to measure organisational performance and formulating a normative view for Performance Management system.

#### 1.4 General objective

The general objective of the study is to investigate the challenges of performance management system and its impact on the improvement of productivity in the Thulamela Municipality, Vhembe District

#### 1.5 Specific objectives

- To identify challenges facing the Performance Management System in the Thulamela Municipality Limpopo Province
- To assess managerial capacity to implement the organisation performance management function at the Thulamela municipality
- To assess the choice of performance management and measurement instrument used by the municipality
- To determine availability and quality of resources in effecting the performance management functions at the municipality.

## 1.6 Research Questions

- What are the challenges facing the Performance Management System in the Thulamela Municipality?
- What is the managerial capacity to implement the organisation performance management function at the municipality?
- What is the choice of performance management and measurement instrument used by the municipality?
- How to determine availability and quality of resources in effecting the performance management functions at the municipality?

## 1.7 Significance of the study

The study will draw on international experience (and praxis) to bring value to the municipal Performance Management function. The study, in addition to stated benefits, intends to increase the sustainability of the OPM function to assess municipal programmes in terms of theory and utility. Performance standards for the effective delivery of municipal services and products and the synergy required for performance excellence, accountability and transparency with all stakeholders, would emanate from the assessment of programme theory and utility, thereby adding value and credibility to the OPM function.

In relation to the literature perused, the employment of an effective and efficient Performance Management function at a municipality would mean that strategy is likely to be aligned to departmental plans, organisational and individual performance scorecards. Assessments of Organizational Performance Management (OPM) would point to the weather strategic objectives have been cascaded to all departments and where synergy is present or lacking. OPM at municipalities has developed in importance over the years and universal practices in performance management are gradually being adopted by municipalities. Bless & Higson-Smith (2004:142) states that it is necessary to give attention to the relevance of problems "in terms of its theoretical and practical

implications” and thereby pursuing methods that would ameliorate performance problems.

### 1.8 Delimitation of the study

The research will focus on the Thulamela Municipality of Vhembe District, in Limpopo Province, South Africa. Its coordinates are 22°30`S and 29°30`S latitude and 30°30`E and 24°30`E longitude. Vhembe District Municipality is situated at the foot of the densely forested Soutpansberg mountain range near the Zimbabwean, Botswana and Mozambiquean borders.

### 1.9 Limitation of the study

Funds were a limiting factor as the study required a lot of funds for travelling, typing, binding and photocopying. Due to the sensitivity of the topic, some people felt uncomfortable to answer research questions because they are not sure where the information will be taken to. Important limitations are inherent in a survey of this kind. In addition, because the survey instrument used was a self-reporting measure, the information presented by participants is based upon their subjective perceptions hence although participants were assured of confidentiality, it is therefore possible that they either over- or under-reported their level of performance management.

### 1.10 Definition of the concepts

- **Policy** is a body of rules and regulations which are usually found in acts, ordinances and by-laws. The aim of policy is to provide guidelines to managers on how to manage performance (Amos et al. 2008: 289).
- **Performance management** is a holistic approach and process towards the effective management of individuals and groups to ensure that their shared goals and institutional objectives are achieved (Nel, Welner, Haasbroek, Poisat, Sono,

& Schults 2008: 493). Amos et al.(2008: 285) refer to performance management as an approach to managing people which comprises a set of practices used by managers to plan, direct and improve performance of employees in a particular institution in order to achieve overall strategic objectives. Section 2.3 provides a detailed discussion of performance management.

- **Performance Management System** is a system which ensures maximum performance in the institution in order to reach desired results (improved productivity) (Simeka Management Consulting, 2004: 11).
- **Effectiveness** is the ability to achieve set goals and objectives. It also has to do with the actual impact of service and the quality of service rendered. Effectiveness also explains the commitment that is premised on a work ethos and the will to achieve, as well as a sense of self-efficacy, motivation and initiative (Productivity SA, 2007: 27).
- **Efficiency** is the ability to accomplish a task with minimum expenditure of time and effort (Reed & Swain, 1997: 321).
- **Productivity** is the state of achieving institutional goals and objectives by transforming inputs (human, financial and material resources) into outputs (services or service delivery tangibles) at the lowest cost (Robbins & Judge, 2011: 58). It relates to the conversion of inputs into outputs efficiently and effectively for the benefit of the society, economy and environment. The definition of productivity contains key elements which include continuous improvement of performance, measurability of improvement, efficiency and effectiveness (Productivity SA, 2007: 8).

## 1.11 Organisation of the Study and Recommendations

### Chapter 1: Orientation of the Study

Chapter 1 of the dissertation provides an introduction to the study. It includes background on the PMS as a strategy of enhancing performance in the public service for improved productivity, a problem statement of the research, research questions; research objectives, significance of the study, limitation of the study, definition of terms and organisation of the study.

### Chapter 2: Literature Review

Chapter 2 mainly deals with the literature review based on distinguished opinions and views from various sources, different researchers and authors whose work is significant and relevant to the study. The literature review is often a separate chapter in a research report in which the researcher synthesises the literature on the topic and engages critically with it. Any literature relevant to the description of a PMS and improved productivity in the public sector with focus on the Thulamela Municipality is scrutinised.

### Chapter 3: Research Design and Methodology

Chapter 3 discusses the research design and methodology as used to collect data and how such data is analysed. The most appropriate research methods and the research strategy within which data is collected and analysed are discussed. The other aim of the chapter is to establish a golden thread for the data analysis chapter.

### Chapter 4: Data Interpretation, Presentation and Analysis

Chapter 4 presents data analysis of the study. In the process of analysing data, the chapter explores whether the PMS in the Thulamela contributes to the improvement of productivity. The chapter identifies and analyses challenges facing the PMS in the Thulamela in the Limpopo Province. The analysis is based on the data collected through various methods that are established in Chapter 3.

## Chapter 5: Findings, Conclusion and Recommendations

Chapter 5 outlines the conclusion and recommendations of the research study. This section begins with a summary of the main findings. The agreement or disagreement with the findings of previous researchers is discussed. The concluding chapter contains recommendations as to how shortcomings (if any) can be rectified, gives pointers to areas where action of some kind should be undertaken, and provides an indication of areas for further research in the particular field.

### 2.2 Legislative and regulatory framework

Aspect of the legislation pertaining to the implementation of an OPM function at municipal level will be dealt with in this section.

#### 2.2.1 The Constitution of the Republic of South Africa, 1996 (No. 108 of 1996)

The Constitution is the basis for a democratic South Africa. Chapter 7 of the Constitution sets out the legal bases for municipal structures. The Constitution sets forth the statutory elements which constitutes subsequent legislation that mandates, guide and govern municipalities. Organisational performance is the sum total of performance across of every aspect of the organisation's operation; hence the Constitution provides the areas of municipal operations that are measurable in terms of its (services and products) outputs and developmental outcomes.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents a review of local government organisational performance management (OPM) literature. The aim of the literature survey will be to examine the challenges, problems and models used in the successful application of OPM at local government. The information presented in this review would assist in the study of the design and implementation of an OPM function, particularly when managing and measuring performance at local government is growing in importance. The literature review aims to present the theoretical and practical elements of OPM, the content, context, latest trends and strategic implications required for improved processes, management and reporting. The literature will explore the use of the Balanced Scorecard in government settings and end with a brief view of the normative theory for OPM at local government.

### **2.2 Legislative and regulatory framework**

Aspects of the legislation pertaining to the implementation of an OPM function at municipal level will be dealt with in this section.

#### **2.2.1 The Constitution of the Republic of South Africa, 1996 (No. 108 of 1996)**

The Constitution is the basis for a democratic South Africa. Chapter 7 of the Constitution sets out the legal bases for municipal structures. The Constitution sets forth the precursory elements which constitutes subsequent legislation that mandates, guide and informs municipalities. Organisational performance is the sum total of performance outcomes, of every aspect of the organisation's operation; hence the Constitution identifies the areas of municipal operations that are measurable in terms of its (services and products) outputs and developmental outcomes.

Section 151 of the Constitution provides for the independence of municipalities from the national and provincial governments, in terms of exercising its “own initiative”. Provision is made for the executive and the legislative functions to reside with the municipal council. Municipalities are engaged in constant debate on the interpretation and application of Section 151, concerning (i) the notion of municipal autonomy which does not exonerate them from ties with national and provincial regulations and (ii) the separation of the executive and the legislative and its effect on and subsequent impact on the performance of the municipality. Linked to Section 151, Section 154 states that local government must maintain cooperative government and intergovernmental relations with other government spheres in terms of broader legislation.

The Constitution (Section 152) sets forth the “objects of local government” which imbed five key measurable areas (key performance areas) for municipal success in its performance. Municipal performance may be measured and managed in terms of (i) its democratic and accountable values and culture, (ii) its services to communities, (iii) socio-economic development, (iv) safety and environmental health and (v) community involvement in the affairs of the municipality. These key performance areas, (KPA's) guide municipalities in structuring their strategic and performance objectives.

#### 2.2.1 The White Paper on local government (1998)

#### 2.2.2 The White Paper on transforming public service delivery (1997)

The White Paper advocates that municipalities should be developmental bodies with The White Paper extends the principles of developmental local government, as stated in Section 152 of the Constitution. The White Paper advocates that municipalities are the “focal point of public service delivery”. Eight principles, for the transformation of service delivery and public participation, are stated; (i) efficient monitoring (ii) rating of employees at the point of service to customers, (iii) adoption of key output indicators, (iv) cost efficiency, (v) cost effectiveness, (vi) adoption of standards of service outputs, (vii) annual performance reports and (viii) public involvement in holding departments accountable. The White Paper does not specify directives for the existence of a performance management function; however the eight principles stated therein may be municipalities. The purpose of the IDP is to integrate municipal planning and to

regarded as objectives for the OPM function from which performance measures may be constructed (Van der Waldt 2007:40).

### **2.2.3 The Organised Local Government Act, 1997 (No. 52 of 1997)**

Section 163 of the Constitution makes provision for the Act, which establishes a representative body for municipalities in South Africa. The South African Local Government Association (SALGA) came into existence in 2001. The Act states that national and provincial representatives for municipalities occupy seats on the Financial and Fiscal Commissions and the National Council of Provinces (NCOP). SALGA is an advocacy and advisory body, and have no powers over municipalities; however SALGA has a core intergovernmental focus which is divided into six strategic areas, or key performance areas, namely; Intergovernmental Relations, Economic Development, Municipal Infrastructure and Services, Local Economic Development, Social Development and Municipal Finance. Municipalities are expected to show improvement in performance in each one of the six strategic focus areas listed and to report quarterly to the SALGA working groups.

### **2.2.4 The White Paper on local government (1998)**

The White Paper advocates that municipalities should be developmental bodies with developmental objectives; that municipalities require a performance management function, with the involvement of communities (Van der Waldt 2007:41). The White Paper states that municipalities must act responsibly in the efficient use of resources and should ensure that the intended users benefit from expended resources. The White Paper provides for the SDBIP which is the strategic budgeting instrument with a core focus of allocating resources where it is most needed. The SDBIP is currently being integrated into municipal performance planning and reporting. The IDP was introduced in the White Paper and is a key strategic planning instrument in the implementation of “developmental local government” which aims to entrench “participatory democracy” at municipalities. The purpose of the IDP is to integrate municipal planning and to

consolidate departmental plans in the execution of delivering uniform services and products to communities. In the execution of the IDP, the White Paper demands the incorporation of the criteria for “developmental local government”, in four key areas; (i) “social development, (ii) economic growth, (iii) integration, coordination and democratic development, and (iv) leading and learning”. These criteria are simultaneously key performance areas (KPA’s) applicable in the implementation of the IDP (The White Paper 1998:23).

Ward Committees are referred to in the White Paper as “partners in resource mobilisation for the development of the municipal area” (Van der Waldt 2007:41). Ward Committees, while having no powers or resources, are representative of the community and have a role to play as an advisory body. Municipalities have the discretion to set up ward committees. Ward Committees may; (i) serve as a “stakeholder” voice in that community, (ii) stimulate public involvement in municipal programmes and projects and (iii) be instrumental in the evaluation process of municipal performance on programmes and projects and (iv) the “establishment of Ward Committees should go hand in hand with strengthening support to ward councillors and building accountable and effective local political leadership”, (v) monitor the allocation of resources. Ward committees may participate in the performance appraisal of the municipality as per legal prescription on public participation, with the discretion of the municipal council.

The White Paper (1998) advocates and provides a mandate for the establishment of a performance management function as it offers the basic principles for such a function to be instituted, which are, (i) to ensure that plans are implemented, (ii) setting down measures or key performance indicators (KPI’s), (iii) community involvement in the design of KPI’s, (iv) setting down monitoring indicators, (v) consideration for the goals and unique circumstances of local municipalities (The White Paper 1998:32).

### **2.2.5 The Local Government Municipal Structures Act, 1998 (No. 117 of 1998)**

The Act has significance for the bases of the institutionalisation of OPM as it clarifies the structures, functions, objectives and responsibilities of the municipal council in performance management. The division of powers and functions of the district and local municipalities, as set out in the Act, has significance for the performance of the municipalities in relation to its particular process of transformation.

The preamble to the Act states the purpose and mechanisms for the establishment of a municipality in terms of type and category best suited to its geographic and economic environment. The Act emphasises the need for the transformation process of nation building through representative, developmental and democratic local government. The structures of the municipal councils, the provision and election procedures of office bearers such as the Executive Committees, the Executive Mayors, the metropolitan sub councils or ward committees as the case may be and the election and role of the Speaker (the Chairperson of the Municipal Council) are specified. The decision making powers of these structures bears evidence on municipal performance.

### **2.2.6 The Municipal Finance Management Act, 2003 (No. 56 of 2003)**

The Act provides principles and procedures for government financial planning, financial and managerial accounting, budgeting control and reporting. Performance management and measurement draws on this Act to provide and maintain the high standards required for performance reporting. The Act therefore strengthens the core of OPM as it supports performance monitoring and evaluation of all municipal resources. The purpose of the Act is to implement and sustain sound financial management at the municipality. The Act may be read in conjunction with The Public Finance Management Act, 1999 (No. 1 of 1999) in order to obtain substantiation on financial matters, disputes and cases of unethical practices by politicians or administrators.

Section 53 of the Act specifies the role and responsibility of the mayor in providing political guidance to councillors in terms of annual municipal planning on issues such as the budget, service delivery, and annual performance agreements for senior managers; the mayor has the added responsibility of implementing the “measurable performance objectives” specified in the municipalities’ SDBIP and IDP. The accounting officer is compelled to integrate aspects of the Act in order to assure a continuum of compliance. Section 61 of the Act specifies the “fiduciary responsibilities” of the accounting officer, namely, the municipal manager, who would act in the “best interest of the municipality”. Above all, the accounting officer has the responsibility of building capacity in the financial accounting department in terms of the “treasury norms and standards”. & Kloby (2005:519), of which accountability to stakeholders feature prominently.

### **2.3 Challenges of performance management in Thulamela Municipality**

Often it is required to redefine policy on how best to measure performance and be Key OPM “challenges” constitute “critical factors” and require “strategic” attention as this impact on the entire process of performance, from the commitment to objectives to the evaluation of outcomes. The performance management and measurement process involves observation, analysis and evaluation of how efficiently resources are converted into quality public services and products, i.e., positive performance outcomes. Yasin & Gomes (2010:214) states that the OPM process involves identifying (i) how well the organisation is doing in achieving its goals, (ii) factors that will enhance the process, (iii) innovations, (iv) solutions, and (iv) benchmarking criteria. Grobler, Wörnich, Carrell, Elbert & Hatfield (2006:262) regards OPM as a function that would continually process periodic performance reviews. Thompson (2001:819) argues that the OPM process begins with analyses of strategic imperatives and ends with stakeholder satisfaction.

#### **2.3.1 Measuring performance for improved accountability**

There is a constant demand from stakeholders for the accurate and systematic collection and dissemination of relevant performance data, for which managers of performance are accountable. “Outputs, efficiency, productivity, external accountability and internal reporting” are seen as key performance measures on the operational level.

While outputs are easy to quantify, outcomes and impact studies are long term variables which may alter or be influenced by other factors over time, making accurate reporting difficult (Boyne et al. 2006(a):52; Pollitt 2003:162; Sole 2009:5). Sloan Foundation (New York, USA) sponsored survey of 300 local governments and found that 71% of the respondents agreed that performance measurement enhanced program performance. It was clear from the study (i) that broad communication across departments and branches, (ii) an increase in learning (iii) improvement in decision making skills around budgeting and (iv) extensive reward schemes, served to motivate employees to take responsibility for performance outcomes. These findings converge with the organisational performance objectives listed by Hatry & Fisk in Holzer & Kloby (2005:519), of which accountability to stakeholders feature prominently.

Often it is required to redefine policy on how best to measure performance and be accountable to the public. In this regard, the construction of baselines, targets and output indicators are measures that may be communicated to stakeholders, for the purpose of gaining their feedback. Performance measures compel managers to be responsible for the effective use of resources, choice of staff, public participation and comprehensive planning (Holzer & Kloby 2005:517-519; Ketelaar 2007:1-2).

Municipal financial measures and controls, such as economic indicators, debt, debt in relation to liquid assets and borrowing and debt in relation to deficits, can serve as “early warning signals” in effective financial control and budget management. The issuing of quantified results on accomplished programmes, focus invariably on the effective use of resources; hence the requirement for accountability and accurate reporting from officials and politicians on these matters (Pillay & Subban 2007:55; Shah 2009:9-10).

Svara in Morse, Buss & Kinghorn (2007:92-96) holds that managers need to redefine their goals, constantly provide new information on outputs and outcomes and periodically adjust management style to ensure greater accountability. De Bruijn (2007:3-4) argues that while local government has autonomy as an organised legal

body, there should be accountability, since “autonomy without accountability” obscures actual performance. Accountability, “value for money” and reduced bureaucratic rigidity are related criterion that should receive more attention from managers. The “human” elements of motivation, shared vision, values, and ethical behaviour, influence the administration and processing of performance measures. (Kee et al. in Morse et al. 2007:157-158; Svara in Morse et al. 2007:92-96; Springer in Morse et al. 2007:351-355). Shah (2009:2) suggests that benchmarking the quality of life inside the municipality adds value and success to performance measurement as employees feel a recognition of their efforts and sets in motion a culture of accountability.

### 2.3.2 Productivity and performance

Linna, Pekkola, Ukko & Melkas (2010:302), in deliberating on the meaning of “productivity” within municipalities, stated that a “mutually complementary” relationship exists between an organisations’ efficiency and its productivity. Low productivity and weak management stood in relation. “Productivity” broadly referred to the cumulative outputs (products and services) at the lowest cost for the municipality, i.e., the rate at which services and products are rendered to stakeholders. A high volume (output) of quality products and services is associated with good productivity.

Municipalities interpret “productivity” in different ways. While productivity is said to be the core business of municipal performance management, it is not defined in terms of its industrial meaning. “Productivity” is thus “simplified, misinterpreted and misapplied” in the public domain. The relationship between “productivity” and performance at municipalities demands greater synergy between divisions and improved internal communication with all employees (Linna et al. 2010: 302; Sole 2009:5).

Stakeholders have a role in defining municipal “productivity”. The “point of view of customers” in terms of their assessment of the services rendered is important when measuring “service productivity”. Accordingly, “productivity” is used in reference to (i) effectiveness in delivering quality services, (ii) benefits to citizens and (iii) the production

of knowledge in terms of customer preferences. Municipalities are a large employer, using tax resources and a major provider of services to the public and therefore compelled to offer reports to the public on their “productivity” (Linna et al. 2010: 306).

### 2.3.3 The need to reduce red tape

The reduction of red tape would assist municipalities to achieve efficiencies in areas where it is lacking. Red tape is defined as “official rules that prevents things from getting done quickly and easily” (Longman 1995:1186). With specific reference to municipalities, this definition refers to the restrictive laws, regulations, policies and procedures that inhibit or prevent quick decision making or action. Addington and Graves in Morse et al. (2007:162) suggests that red tape and regulatory requirements should not be used as an excuse for lack of performance in the organisation; managers tend to use red tape to avoid being dynamic and accountable in their practice. A distinction is needed between the need for “daily administrative control” and “the periodic injunctions which stem from the political leadership”. Red tape obstructs productivity and reduces motivation among employees.

Purohit in Shah (2007:286) argues that bureaucratic red tape is a “driver of corruption” as it creates the context for “gaming” in which questionable behaviour or decisions will not be discussed openly. De Bruijn in Coulson (2009:276) states that “gaming” allows employees to meet their targets without bringing improvements to the service, i.e., officials could delay or obscure decision making by using red tape to their advantage. The impact of red tape can discourage innovation, block ambition, hide problems and drive down performance (Coulson 2009:276).

Jackson in Coulson (2009:277) argues that “definitional gaming” can be used to distort information; “numerical gaming”, where figures may be used to distort interpretations and “behavioural gaming” where selection of targets and juggling of resources are used to gain achievements. Coulson (2009:277) states further that fraud is a form of

“gaming”. “Gaming” and red tape therefore, in conjunction, tends to maintain a culture of non-performance.

Fryer et al. (2009:478) found, based on a theoretical study that the implementation of accountability, quality of service, transparency and value for money to stakeholders and community “had not yet materialised in the public sector”. The findings highlighted restraining factors such as “external impositions” (imposed red tape requirements from national and provincial government authorities) and “re-organising the administration”; these “red-tape” factors tended to “restrict the successful implementation of openness”. Red tape curtails decisions, increases delays or cancellations of programmes, which impacts negatively on performance outcomes.

#### 2.3.4 Administration-political interface

The debate on whether the municipal administration may be free from political meddling by councillors or political leaders is relative to the ethics of good leadership, be they administrators or politicians. Legislation on this matter deserves examination. Political influence in the appointment of administrators is common practice and the impact of this manoeuvring will affect municipal productivity, the incidence of corruption and the organisations’ image to stakeholders.

Mintzberg (1996:77) holds that it is futile to wish to prevent political influences on the administration as these are integrated at every level in the municipality and cannot in reality be avoided. “Corrupt transactions” are associated with “a hierarchy of administrative levels”; political appointments of top officials, while it may be linked to reduced work efficiency and skewed interests, is commonly regarded as a norm. Purohit in Shah (2007:287-288) states that “corrupt” managers are responsible for filtering corruption to various parts of an administration.

Political interference in the administration, if coupled with rigid management styles and lack of accountability, will result in low morale, demotivated staff and lower

performance. Pollitt et al. (2002:31-32) notes two “politico-administrative regimes”, which are (i) majoritarian, where the party controls the executive power, (ii) consensual, where more than one party share power. The latter two “regimes” may be found to impact (positively or negatively) on performance outcomes in combination or independently of each other.

### 2.3.5 Leadership in promoting organisational performance management

Municipalities are best served by qualified, dynamic and innovative administrators. Similarly, politicians who assume leadership positions will be remembered by their integrity, persuasion and service to the public. Kee in Morse et al. (2007: 157) holds that leadership and management merge as a “governance strategy designed to create a strong sense of ownership, accountability and responsibility to outcomes, including change, at all levels of the organisation”, since the public perceive municipalities to be representative of national government, in their delivery of services and products.

“Strategic leaders” have a clear sense of the strategic direction and organisational goals and should “link the strategic and the operational” in bringing about the desired organisational performance outcomes. Leadership is therefore “a process of influencing” directors, assistant directors and managers as change agents and not to be subservient (Johnson & Scholes 2002: 534-549). Politicians and administrators should therefore build synergistic relationships that would enhance performance outcomes.

Increasing authoritarianism in local government diminishes the capacity of employees to be flexible and strategic thinkers, and so inhibit opportunities that would advance OPM. Public leaders who plan for results and lead by example, are effective, innovative, good communicators and create partnerships for progress. There is a need for research and analyses of intra-organisational leadership, networking and collaboration within municipalities; “flatter” and fewer hierarchical structures implies a shift from autocratic management to a more democratic and integrative managerial culture which, in a

knowledge economy, will better serve employees (Buss in Morse et al. 2007:x-xii; Svava in Morse et al. 2007:11; Morse et al. 2007:10-16).

Mayors often lose sight of their potential and opportunities and fail to gain legitimacy for their role in the administration or in being accommodative to the public. Mayors should be catalytic agents in bringing about excellence in organisational performance and through engaging with stakeholder demands (Stone in Morse et al. 2007:265-266; Morse et al. 2007:265-266).

Boyne et al. (2006b: 53) refers to Miles and Snows' model of three strategic leadership styles, namely, the "prospector, defender and reactor stance" and holds that the "prospector stance" is the preferred leadership style. "Prospector" leaders showed a willingness to take risks, break new ground, are committed to strategy and have ability to drive performance to higher levels. The "defender" and "reactor" styles of managerial leading may be associated with convention, hierarchy and bureaucracy, while "prospector" leaders are innovators, drivers of change and offer high levels of flexibility.

#### 2.3.6 Factors leading to organisational performance failure

##### 2.3.6 Citizen-driven government performance initiatives

Dai & Teng (2008:2-3) provides insight into the success achieved in OPM by the People's Municipal Government of Hangzhou (PMGH), China. The City's rapid economic development demands efficiency in the delivery of services. The Performance Evaluation System of Hangzhou (PESH), an annual evaluation of the municipalities' services to the public, actively engages the community and rewards high performance, "materially and mentally". The PESH is guided by effectiveness, efficiency, quality public service, sound internal management and continuous improvement. The PMGH employs 1500 "local assessors" (volunteers) to perform the PESH survey, based on (i) institutionalised and government wide performance evaluation system with monthly reporting (ii) customer satisfaction, (iii) incentives to municipal staff which is material and non-material, and (iv) the performance results are made transparent.

Weeks in Holzer & Kloby (2005:523) found that public participation and public opinion “create opportunities for deliberation” and decision making for citizens collaborating with municipal managers. NGO’s and community organizations (focus groups, citizen surveys) participate in performance assessment programmes. Citizens may document the quality of outcomes, share intellectual resources, sustain collaboration with the municipal body and promote transparency and accountability.

Holzer & Kloby (2005:523) describes “citizen-driven demand” for the effective utilisation of municipal resources as integral to monitoring and assessment of programmes. The A P Sloan Foundation (New York, USA), supports public participation in government programmes. Russell-Einhorn in Shah (2007:218) states that “monitored data” should be made available to the public so that they may make informed inputs into “complaints and redress institutions” concerning poor delivery of services. Russell-Einhorn in Shah (2007:202) argues that legislation which allows citizens to be involved in “special monitoring and consultation processes” stimulates good performance.

## 2.4 Factors leading to organisational performance failure

The factors leading to organisational performance failure are complex and have diverse sources of origin. Organisational performance objectives may be irrelevant, resources or capacity may be inadequate and the instruments (tools) employed to measure performance might be inappropriate. There are also human factors such as non-commitment from employers and stakeholders, leadership style and political factors that will lead to performance failure as would organisational structure and culture.

Viedge in Van Dijk (2007:52) contends that the following factors lead to the failure of OPM: (i) employee goals are often not aligned to the strategic goals of the organisation, (ii) “under-developed” job competencies and weak skills bases, and (iii) “unchecked financial rewards” (bonuses) are paid irrespective of the quality of performance rendered to the organisation. When managerial roles are not be clearly defined by the organisation, performance outcomes are hardly measured. Similarly, where a “culture of

commitment to service excellence” is absent, gaps in the measurement of service quality are evident. Rantanen, Kulmala, Lönnqvist & Kujansivu (2007:415-433) adds two specific problems faced by the Finnish public sector and linked to performance failure, which are, (i) conflicting stakeholder needs (ii) lack of commitment to programmes by leaders.

Programme failure is rarely analysed by management upon completion of projects or programmes. Denrell (2003:234-239) argues that it is common for managers to study organisational successes, while the examination of performance failure is neglected; leading to the belief in “management myths”, i.e., uncontested good or bad practices, which prevails over factual analyses of successes and failures in OPM.

Denrell (2003:234-239) suggests that to prevent performance failure each situation requires independent analysis; the failure to examine “management myths” may result in failures in resource allocation, erroneous decision making, poor risk analyses, absence of a culture of excellence and assumptions about employee loyalty, promotion and incentives. Centralised decision-making distances power from employees and reduces the level of openness and accountability to stakeholders, leading to poor utilisation of resources and performance failure (Mwita 2000:19; Boyne et al. 2006b: 273-296).

## **2.5 Factors leading to organisational performance success**

Hatry & Fisk in Holzer & Kloby (2005:520) state that performance measuring tools invariably “encompass” strategies (success factors), which serve to overcome challenges and add value to processes. The most important of these “strategies are (i) establishing goals and measuring results, (ii) justification and quantification of resources, (iii) organisational development and (iv) motivating employees”. In a facilitative manner, Gains et al. (2009:78) refer to “facilitative leadership” and argues that local authorities should be cognisant of four success factors, viz., (i) leadership in

the development of local economies, (ii) institutional design should facilitate productivity, (iii) accountable leaders and (iv) a unified local authority.

Taking cognisance of the above, Hiltrop (1996:635) concurs with Boyne, Andrews, & Walker (2006a: 58) that the link between performance and strategy (and its link with strategic human resources) is important in the achievement of successes in management. Strategy “content” and “evidence” were stated as success criteria for high performance in public organisations.

Van Dijk (2007:53) argues that successful organisational performance is dependent upon a commitment from top managers to measure performance. Performance measures should be “tailored” to the unique performance of the organisation, such as the vision, strategy, structures, goals, objectives and should be an “ongoing” process. An entrenched “routinised” communication system will advance learning within the organisation, placing internal communication high on the list of success factors; in addition, “learning at all levels” in the organisation facilitates the relationship between politicians, officials and community members (Melkers & Willoughby 2005:18; Curtis 1999:268).

Behn (2003:598) holds that successful performance management requires standards, “a gauge and a context” by which to compare current performance, suggesting that critical organisational performance elements (such as evaluation, budgeting, learning) constitute employable “performance measures”. Community involvement, people issues, rewards and an individuals’ links with higher managerial levels, leadership and top management commitment, a workplace culture of performance and employee responsibility are success factors in public performance. The success criteria of democratic internal relations, accountability and transparency are in the same category of measures (Sole 2009:7-8; Ketelaar 2007:2-4).

## 2.6 Introducing organisational performance management models

Mouton & Marais (1994:60) explains that a model is a conceptual framework or construct. Mouton and Marais (1994:137) holds that a model is “heuristic” (to discover or to reveal) and usually an end product of a research process. Gorrell in Mouton and Marais (1994:140-141) defines a model as that which “simplifies and systematises the domain under investigation by virtue of positing certain assumptions about the structural, causative or functional nature of the modellandum”.

### 2.6.2 The need for simplicity in performance management modelling

The organisational performance management models reviewed, employ principles of outcomes-driven performance. According to Osborne et al. in Van der Waldt (2007:117), positive outcomes and successful performance management, are driven by “transparency, accountability, learning and incentive(s) for increased output”. Pollitt et al. (2002:25) states that models should encourage a wide range of questions that can be used in policy formulation. Municipalities may, from a comparison of performance management models, adopt a hybrid of models or adapt a performance management model to suit their circumstances. According to Mintzberg (1996:76-77) a balance need to be found between the public and private sector performance modelling while municipalities may use elements employed by both systems.

### 2.6.1 The New Public Management (NPM) approaches to OPM

A relatively new approach to OPM, the New Public Management (NPM) embodied a shift in public management practice from the “public service driven” organisation to a results oriented, customer-centred mode of delivery of public products and services through the employment of external contractors, thereby stimulating private enterprise. The NPM influenced performance management by focusing on results, “value for money”, efficiency and cost effectiveness in resources usage and the empowerment of communities to engage public bodies via tender processes (Fryer et al. 2009:479). Pollitt (2003:27-30) confers and lists the characteristics of the NPM as “talk-decision-implementation-results” process.

Minogue (1998:18-27) holds that the rationale of the NPM was to trim large bureaucratic organisations so as to achieve efficiencies “through performance auditing and measurement”. The NPM performance model would thus favour measurable, cost-based outcomes, quantification of revenues and the employment of service providers. Bovaird & Loffler in Rabie & Ackron, (2010:18) cautioned that the “NPM created undue and complex problems, that the citizens’ role was too weak and that poor service delivery resulted from a lack of transparency and inwardly focused” public bodies.

### 2.6.2 The need for simplicity in performance management modelling

Curtis (1999:260) cautioned that “elaborate systems” of OPM and excessive control of the performance management process are costly and that the choice of performance model should contribute to “mutual organisational learning and problem solving”. The chosen performance model should be understood by all employees, “using simple, low cost information gathering and dissemination techniques that are within the capabilities of existing leaders and officials”.

Performance modelling should incorporate, (i) work done in performance modelling by “higher spheres of government”, (ii) a decentralised and flexible workforce and (iii) a culture of performance excellence. These criteria would facilitate greater efficiency of the performance process (Curtis 1999: 264; Mintzberg 1996:81). Mintzberg (1996:81) holds that “inspired employees are superior to empowered employees” in a decentralised system of performance management, with some retention of bureaucratic (central) controls.

### 2.6.3 Examples of OPM models

The following are examples of organisational performance models applicable to local government. Detailed elements of the models discussed are contained in Annexure 2.1.

### 2.6.3.1 The logic model

The “logic model”, described in the Kellogg Logic Model Development Guide (2004:5), puts forward a well developed instrument for the logical planning and tracking of programmes. The “logic model” enables managers and stakeholders to follow the sequence of the programme events, from start to finish and to understand the theoretical bases for a programme or project. The programme objectives are operationalised through a logical outline of programme inputs, targets, baselines, outputs and outcomes, presented in the matrix format. Key performance indicators (KPI’s) are introduced in each activity in the programme or project, thereby simplifying reporting. The model offers flexibility for the monitoring and evaluation (M&E) of programmes, data storage and iterative analyses of programmes.

### 2.6.3.2 The public service quality model

Gaster & Squires (2003:60) presents a “Public Service Quality Model” incorporating the “Parasuraman-Zeithaml-Berry Gaps Model of Quality” which places a strong focus on the delivery of quality services and products to the public. Five “gaps” are highlighted, which if effectively addressed at municipal level, adds value (and new knowledge) to the OPM function. These “gaps” identify (i) public “expected” service (ii) service quality specifications, (iii) quality of services delivered (iv) external communication with the public and (v) expected service versus the perceived service. The Public Service Quality Model is a “quality assurance” instrument for the ongoing enhancement of organisational performance, with the emphasis on measuring quality outputs and customer satisfaction. The Public Service Quality Model addresses areas in service delivery neglected by municipal authorities and places a compelling focus on it.

### 2.6.3.3 The systems model

Straub, Koopman & Van Mossel (2010:325), outlines a “systems model” for OPM in which a systemic analysis of inputs, throughputs and outputs of service efficiencies

(planning, budgeting, training, work flow, coordination, communication) may be evaluated as elements of an operational function. The model makes provision for stakeholder involvement, problem solving and the effective and efficient delivery of municipal services and products, i.e., outputs, as well as instilling opportunity for ongoing improvements.

The “systems model” is geared to attain the organisations’ vision, mission and goals. Grobler et al. (2006:288) advises that managers should be the “raters” trained in “person and system factors” and should come from different divisions of the organisation to work collaboratively. The “systems model” holds much in common with the “logic model”, which may be referred to in Annexure 2.1 and 2.2.

#### **2.6.3.4 The results-oriented “framed” performance management model**

Burke and Costello in Morse et al. (2007:285-292), proposes a results-oriented “framed model” for OPM, which consists of four “frames” (strategic domains) in which performance is managed and measured. Implementation of the model, entails strengthening internal management, developing empowered, capable employees and placing the interests of the public above that of the organisation. The four “frames” are:

The Structured Frame: outlines organisation, institutionalisation, relationship building, roles and responsibilities, strategy and facilitation of a results-oriented organisational performance management function. The Human Resource Frame: outlines training and capacity building of employees, establishing links between organisational and employee needs; encourage internal networking, collaboration and linking individual performance appraisal with the organisations’ performance objectives.

#### **2.6.3.5 The ISO 9000 as a model for service excellence**

The ISO 9000 presents categories of standards for quality management and control, internationally recognised, against which an organisation may obtain a certification of

compliance for their continuous performance assessments of organisational structures, functions, outputs, outcomes measures and public opinion. The ISO 9000 requires meticulous management, reporting and compels the continuous improvement of organisational processes. Vouzas & Gotzamani (2005:259-266) contend that there is much value in the employment of ISO 9000 quality standards in the development of quality assurance instruments in large organisations, “particularly with the new ISO 9000:2000” range of standards and measures.

According to Gaster et al. (2003:136), the ISO 9000 may be used in the measurement of achievements at municipalities. The factors influencing quality at municipalities are (i) a need for clear specifications or standards, (ii) clear objectives for service delivery, (iii) consultation with the public (iv) innovation, (v) commitment from top management and (vi) a commitment from national government to improve service delivery. Gaster et al. (2003:61) states that there are difficulties in defining quality as no consensus exists on the definition. Gaster et al. (2003: 88-89) asserts that “standard setting” and an “ascending quality improvement” takes place when quality is defined in terms of standards.

## **2.7 The balanced scorecard as an instrument for organisational performance management and measurement**

The following sections introduce the generic Balanced Scorecard and two examples of the Balanced Scorecard tailored to meet the requirements for its employ in a public management setting.

### **2.7.1 Operating principles of the Balanced Scorecard**

The Balanced Scorecard (BSC) designed by Kaplan & Norton (1992), Figure. 2.1, was primarily intended for the private sector and is currently being tailored for the public sector. The BSC allows for the achievement of “strategic balance” in performance management planning and measurement, in five components of the entity, namely, (i)

finance, (ii) internal learning and growth, (iii) customer engagement, (iv) internal business processes and (v) strategy. Each component is accorded a set of key performance indicators by which the four components may be monitored and evaluated (Johnson & Scholes 2002:437; Olve et al. 1999:6; Niven 2003:149-156).

#### 2.7.4 Difficulties found in the implementation of the Balanced Scorecard in the Public Sector.

The Balanced Scorecard was designed to measure and control key strategic components in the private sector, performance the market, competition, internal business enhancement, customer satisfaction, learning and innovation. Public sector organisations have a different strategic focus, constraints and financial base and therefore have to tailor the Balanced Scorecard to their specific needs. Public organisations deal with a diverse stakeholders group, communities, political groups, financial limitations and changes to its leadership, which may thwart the likelihood of expecting reliable results from the employ of a Balanced Scorecard (Behn 2003:600; Linna et al. 2010: 306).

Behn (2003:587) states that public managers may employ the Balanced Scorecard by focusing on specific managerial “purposes”, such as (i) evaluation, (ii) control (iii) budgeting (iv) motivation (v) promotion (vi) celebration (vii) learning and (viii) continuous improvement. Each “purpose” should be used to transform the Balanced Scorecard to the needs of the organisation. The evaluation of long term programmes in the public sector requires a system of measurement quite different from the Balanced Scorecard. The city of Charlotte (USA) implemented the Balanced Scorecard, but “not always successfully”. The problems encountered were found in addressing weaknesses in leadership, empowerment of employees, lack of empirical evidence on Balanced Scorecard implementation in the public sector, alignment of scorecard measures to the strategic plan, non-flexibility of the performance measures and little consensus on vision and strategic objectives (Umashev & Willet 2008:380).

According to Chan (2004:204), in a study on USA (federal and state) and Canadian municipalities, limited use of the Balanced Scorecard was found, owing to inhibiting factors such as: (i) reporting on non financial measures proved difficult, (ii) top management buy-in, (iii) employee buy-in, (iv) impetus to “customer based planning, (v) training and education and (vi) resources to implement the instrument.

### **2.7.5 Positive aspects of implementing the Balanced Scorecard.**

There is a growing tendency in the public sector to use the Balanced Scorecard for organisational performance reporting. Public sector organisations can, according to Jarrar & Schiuma in Fryer et al. (2009:482) develop measures suited to the design implications of the Balanced Scorecard if “they invest more time and effort” in customising it to their needs. Chang in Fryer et al. (2009:482) suggests that the Balanced Scorecard may be more of an information gathering tool than a “strategic performance management tool”, depending on the sector it is used in.

According to Behn (2003:599), there are advantages for public organisations in implementing the Balanced Scorecard as it is able to accommodate (i) internal changes for improved quality, capacity and skills, (ii) value additions and (iii) continuous improvements to the financial position of the organisation. According to Chang in Fryer et al. (2009:491) the Balanced Scorecard has the advantage of instilling congruence at the operational level, compelling top management to recognise team-work and information and communication systems in their engagement with stakeholders.

## **2.8 The role of programme evaluation in Organisational Performance Management.**

De Bruijn (2007:90) sees monitoring and evaluation (M&E) as “interactive” processes, combining authority, learning and collaboration with partners, in order to secure a system free of rebuke and fear when outcomes are unsuccessful. Participants in the process of M&E of programmes decide on the criteria (time, scope, sustainability,

diversity, capacity, resources) to be employed in the process. Perrin (2004:7) states that the monitoring process is an essential data gathering exercise which answers the “what” question, while evaluation of programmes or projects answers to the “how and why”.

### 3.3.1 Participatory approaches in programme evaluation.

Shah (2009:1) states that performance based budgeting, benchmarking, activity based costing and accrual accounting are monitoring and evaluation tools which assists in evaluation processes. Russell-Einhorn in Shah (2007:218) contends that monitoring and evaluation of public programmes and budgets are a means of ensuring accountability to the public in “strengthening oversight and combating corruption”. Mbele (2010:2) argues that if the M&E tasks are without “essential support” functions, there will be compliance within the bureaucracy, but without real differences and change in outcomes on programmes. M&E must therefore be an effective catalyst in institutional transformation and in support of the OPM function as a mainstream municipal function.

Programme evaluation is an integral requirement of OPM. It involves a systematic set of procedures that will uncover the worth of a programme, in terms of its successes, shortcomings and outcomes, intended or unintended. Rossi et al. (2004:418) holds that “systematic evaluations are inevitable to current and future efforts to improve the lot of humankind”. The complexity of social issues, the unstable nature of political trends, the increase in population and the spiralling costs of resources, are factors driving the demand for more scientific appraisal of programmes in the public sector. The role of program evaluation, and its advantages in public organisations is described by Patton (2001:12-15) as (i) being instrumental in increasing accountability and bringing about standards of excellence in program implementation, (ii) facilitating experiential learning and (iii) a culture of stimulating best practices.

### 3.3.2 Scenario (2004:12-13) explains Guba and Lincoln's Fourth Generation Evaluation (FGE)

Purbey et al. in Yasin & Gomes (2010:214) states that performance assessments constitute an important organisational task, where planned and targeted objectives help to identify areas of strengths and weaknesses. Garengo and Bititci in Yasin and Gomes (2010:215) states that the information obtained from the process of M&E of

programme, policy or project. This method of evaluation uncovers socio-economic,

programmes can assist decision-making for the enhancement of future performance in the public sector.

### **2.8.1 Participatory approaches in programme evaluation.**

The participatory approaches reviewed below will establish, (i) the merits of the process and program worth, as these might have changed over time, (ii) whether the strategic objectives of the organisation were met, (iii) standards or criteria for success of the organisation's programmes, projects and policies, (iv) cost effectiveness, (v) organisational responsiveness to stakeholders and (vi) barriers to expected performance (Guerra-Lopez 2008: 26; Pollitt 2003:122).

#### **2.8.1.1 Utility focused evaluation (UFE).**

According to Schurink (2004:26), Patton's Utility Focused Evaluation (UFE) approach is based on the premise that evaluations of programmes are judged by its utility and conformity to need, i.e., emphasis is placed on the usefulness of the programme attributes and how users benefit from it. Public sector programmes, policies and projects may be evaluated for its usefulness. The process is iterative and involves identifying a dedicated group of persons who would be committed to structuring sets of evaluation questions, design processes and outcome indicators and who would report the results of the evaluation to managers of the organisation.

#### **2.8.1.2 Fourth generation evaluation (FGE)**

Schurink (2004:12-13) explains Guba and Lincoln's Fourth Generation Evaluation (FGE) approach to program evaluation as employing two key elements; these are, "responsive and constructivist methodology". The "responsive" element deals with claims, concerns and issues brought to guide the evaluation and the "constructivist" element contains the investigative material, i.e., to check for relevancy, direction and worth of the programme, policy or project. This method of evaluation uncovers socio-economic,

educational and cultural factors influencing performance outcomes. FGE outcomes are not finite conclusions, but rather products and services that may assist internal and external evaluators in making sense of the programme, policy or project outcomes for future intended applications and improvement thereof.

### **2.8.2 Benefits from programme evaluation for OPM**

The evaluation of programmes by the World Bank Independent Evaluation Group, IEG, (World Bank Independent Evaluation Group 2009: ix), over a ten year period, from 1998 to 2008, in which 190 IEG municipal development projects (MDP's) were evaluated worldwide, revealed valuable benefits to OPM, which were, (i) improvement of municipal performance in service delivery to business and communities, (ii) effective project documentation, (iii) improvement in monitoring and evaluation of projects, (iv) financial strengthening through the generation of "own" funding (v) poverty alleviation through empowerment and sustainable arrangements with municipalities.

## **2.9 The importance of strategy for OPM**

The following sections will briefly describe the importance of the relationship between the organisation's strategic planning process and OPM.

### **2.9.1 Linking strategy to OPM**

Resources planning, the "value" of outputs, intergovernmental planning and performance indicator formulation involves integrating national and local strategies to the management and measurement of organisational performance at local level (Johnson & Scholes 2002:29). Johnson & Scholes (2002:475) states that "strategy is about how organisations perform overall". Ilbury & Sunter (2009:31) states that "strategy is direction ... it is about knowing what you control and don't control and what is certain and uncertain"; strategy is about changing direction when necessity demands.

The organisations' strategic objectives should be known by all departments in order to encourage goal attainment at all levels of the organisation. This measure would be reflected in a specific performance outcome. Ilbury & Sunter (2009:107) holds that problems which arise in strategic management should be addressed immediately as uncertainties may have a "major impact" on performance outcomes, while Mankins & Steele (2005:68) highlights the "strategy-to-performance gap" and cautions that the linkages between strategy and performance planning and auditing should be strengthened in order to bring about effective organisational performance measurement and management.

There is a need for top management commitment to effectively drive the strategic direction and strategic objectives of the organisation, since the "outcomes orientation requires a strategic focus" (Boyne et al. 2006a: 52; Perrin 2004:19; Roberts 1994:13-14; Teare et al. 1998:58; Macpherson & Mwita in Van der Waldt 2007: 111-126).

### **2.9.2 The Link between the human resources and performance management Functions.**

The strategic links between attaining a high performance organisation and an effective human resources (HR) function is regarded as fundamental to strategy formulation. The process involves goal setting, HR acceptance of strategic and performance objectives, incentives planning and recruitment of unique competencies and training (Johnson & Scholes 2002:459; 480). A fundamental task of strategic human resources is to "formulate a clear, coherent and consistent construct" for OPM as a higher order management function. An HR strategic plan would contain guidelines for indicator development, with respect to effectiveness, efficiency, products, quality, services and employee job satisfaction.

The alignment of key performance indicators (for strategy, human resources and performance management) is critical to effectively administer the organisation (Hiltrop 1996:630-633; Rogers and Wright 1998:311-315; Van der Waldt 2007:171). Olve et al.

(1999:76) states that where functions of an organisation are clearly aligned, (“interrelated”), a shared vision and “common overall strategic goals” would be found. The author holds that often there is no alignment between top level and middle level scorecards.

### **2.9.3 Three essential strategic planning elements**

The following elements are often left out of account during strategic planning exercises, performance management planning and human resources planning.

#### **2.9.3.1 Value chain management**

The organisations’ value chain means the value addition of all activities and resources, from inputs to outcomes, which one would identify in the creation of a service or product. Process enhancements, alignment of plans to scorecards, performance objectives and departmental business plans, awareness of the external environment, adds value to performance outcomes (Hiltrop 1996:632; Johnson & Scholes 2002:151). Value chain enhancement is commensurate with organisational performance enhancement.

Olve et al. (1999:62) states that at most times the understanding and development of Porter’s value chain “is all but present organisations”. Value chain analysis, is required to assist organisational performance planning, in identifying performance drivers and key focus areas (KPA’s).

#### **2.9.3.2 Fostering a culture of performance**

The need to create a workplace culture for the delivery of excellence and quality services and products, is evidenced across the literature reviewed (Sole 2009:8). Van Dijk (2007:51) observed that “an unresponsive organisational culture together with unclear performance objectives will lead to a decline in appropriate performance”, and

an inaccurate assessment of strategic capabilities. Curtis (1999:264) contends that the strategic planning process should not impose tight controls on the performance management function since increasing “administrative burdens” would not resolve problems of performance. The establishment of the “norms” are often areas of contestation between governing parties in a given municipality.

## **2.9.4 Indicator development**

### **2.11 Conclusion**

Indicators are known variables, measures of quality outputs and outcomes of performance. Indicators should be precise, clear, tangible and effective (qualitative or quantitative) reflecting programme activities and achievements. Indicators can be “static or dynamic”, material or non material and may “stimulate organisational effectiveness” (Ketelaar 2007:1; Tarr in Fryer et al. 1999:483).

Fryer outlines four types of indicators, which are, (i) output (ii) social or infrastructural, (iii) performance and (iv) a composite of the three. Boyne in Fryer et al. (1999:482) cautions against the danger of having too many indicators to one programme.

### **2.10 Towards a normative rationale for the OPM function**

A normative view of OPM in the municipal context would reveal the current performance management status, modes of operation, criteria, objectives and links to the legislative framework. Robbins & Barnwell (2006:123) holds that generally public organisations are examples of the “machine” bureaucracies, characterised by an organisational hierarchy, a centralised authority and control system, with “formalised operating tasks, rules and regulations”; the norm for OPM effectiveness in such a setting will be largely influenced by corporate decisions, control and management style.

Mintzberg (1996:81-82) holds that there are many performance models that will suit the needs of public bodies. An “overlay of normative” elements in combination with systems of network and machine models, in an “eclectic system”, is found in public bodies. Mintzberg (1996:81) lists “five key elements” present in a normative approach to

performance management, which are, (i) selection of staff by institutional values and attitudes, (ii) socialisation and integration, (iii) a work ethic of principles above targets, (iv) shared responsibility and (v) performance evaluated through experience and by “recipients” of services. The establishment of the “norms” are often areas of contestation between governing parties in a given municipality.

## 2.11 Conclusion

The literature surveyed, contextualised and intensified a case for the institutionalisation of effective OPM and measurement at municipalities; this function informs all stakeholders of the degree to which municipalities have attained their strategic goals which includes the growth and development of the organisation. The importance of acknowledging contextual and process factors, models for OPM design, instruments for programme evaluation and the importance of linking strategy, performance and human resources, were highlighted. The most compelling factor in the success of establishing the OPM function is that a dedicated organisational performance unit is necessary at the corporate-strategic level and not at the operational-business level. Top management commitment to the OPM function has surfaced as an imperative in order to effect positive performance outcomes.

The literature surveyed makes inferences towards the adoption of a normative understanding of OPM, “as it should be”. With due regard to municipal concerns, challenges and issues retarding the formalisation of OPM at municipalities, certain imperatives for its effective functioning were indicated: these are (i) a need for the delivery of quality services and products to the public, (ii) community involvement, (iii) managerial accountability and transparency, (iv) the need for a culture of performance management and measurement at every level, (v) norms and standards for efficiency and effectiveness and (vi) monitoring and evaluation of programmes, projects and policies.

## CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

### 3.1 Introduction

The research methodology, data collection design and techniques used in the study will be described. Findings will be provided in answer to the research problem and central research task, which is the assessment of Organisational Performance Management at Thulamela municipality. Quantitative data was obtained from the issue of questionnaires at the Thulamela municipality and the qualitative data was obtained from open ended questions in the interviews with managers. The findings from the analysis of the four themes will be stated at the end of the chapter.

### 3.2 The Study area

The research will focus on the Vhembe District Municipality, in Limpopo Province, South Africa. Its coordinates are 22<sup>0</sup>30`S and 29<sup>0</sup>30`S latitude and 30<sup>0</sup>30`E and 24<sup>0</sup>30`E longitude. Vhembe District Municipality is situated at the foot of the densely forested Soutpansberg mountain range near the Zimbabwean, Botswana and Mozambiquean borders. The study areas are mainly used for agricultural activities, like crop farming (maize, cabbages, spinach, onions, etc) and stock farming (cattle, goat and chicken farming). Settlement is one of the land uses that are undertaken in the study area. Informal settlement is one of the main patterns of settlement in study area.

### 3.3 Research design

Research design in this study means the scientific approaches used in searching for facts and answers to questions to reach valid and reliable conclusions. Research can be regarded as a voyage of discovery (Remenyi, 1996: 22). This discovery seeks to find explanations for unexplained phenomena and to clarify doubtful facts. A well-defined research problem is a prerequisite for any study and thereafter a logical development of a research design follows. Mouton (2001: 55) defines research design as a plan or a

blueprint of how one plans to conduct the research. Unlike research methodology, research design focuses on the logic of research.

Every research project requires a carefully tailored research design that will help address the research problem. Babbie and Mouton (2003: 647) argue that a research design, on the one hand, is a structured framework of how one intends conducting the research process in order to solve a research problem.

Unlike a quantitative research approach, qualitative research relies on reasons behind

### **3.4 Research Methodology**

Research methodology, on the other hand, has a different focus in that it is concerned with steps, procedures, techniques and specific tasks to be followed by the researcher to implement the research design. The quality of research is gauged by the validity and reliability of results. According to Huysamen (1995:163) research methodology is the creation and development of techniques and strategies to collect data. In this study the researcher used both qualitative and quantitative methods of data analysis. In this study, research methodology involves a selection of appropriate research approaches, research methods, sampling procedures, respondents and instruments for collecting and analyzing data.

#### **3.4.1 Quantitative approach**

Quantitative research involves the use of structured questions where the response options have been predetermined and a large number of respondents are involved. Simply put, quantitative research considers numbers, symbols, measurements and statistics in outlining key variables for the collection, analysis and interpretation of data. However, measurements applied must be objective, quantitative and statistically valid (Babooa, 2008: 136). A quantitative research approach can be divided into two categories, namely, (a) studying human beings and behaviours directly by means of inter alia, survey and interviews, and (b) indirectly by means of computer simulation studies, secondary data analysis and statistics (Mouton, 2001: 52-164). It could be

safely argued that a quantitative research approach relies largely on the application of strict measurable techniques and applications.

### 3.4.2 Qualitative approach

Qualitative research approach involves an in-depth understanding of participants' behaviour and the reasons that govern participants' behaviour (Babooa, 2008: 137). Unlike a quantitative research approach, qualitative research relies on reasons behind certain behaviours and experiences of the participants. This research domain makes an attempt to investigate the why and how of performance management as is the case in this study as compared to what, where and when of the quantitative research domain (see section 4.1). If it were the case that this study featured elements of a quantitative research approach, a main focus would have been interested in the numbers and statistical data regarding the PMS in the Thulamela Municipality.

### 3.5 Research Population

For example, the focus of quantitative research would have been on the compliance rate regarding submission of performance instruments. It could also have been on the level of understanding of the PMS since its inception in the public service. Qualitative researchers often depend on four methods of gathering data, namely, participation in the settings, direct observation, in-depth interviews and analysis of responses (Babooa, 2008: 137). Mason (2005: 1) posits that through qualitative research, a wide array of dimensions of the social world is explored, including everyday life, and the understandings, experiences and thoughts of social participants. A qualitative research approach also explores the ways of social processes, institutions, discourses or relationships and the significance of meanings that they generate. A qualitative research approach can also be divided into two categories namely:

- The study of human beings and their behaviour by means of field studies, case studies, interviews and direct observation; and
- The study of products of human behaviour (Mouton, 2001: 148-160).

The study of products of human behaviour includes implementation and outcome evaluation research as well as programme evaluation and policy analysis (Wessels, Pauw & Thani, 2009: 15). In the case of this study the focus is on the second category, products of human behaviour, which is inclusive of implementation and outcome evaluation research together with programme evaluation. Evaluation research refers to social research which investigates whether a particular project, programme or intervention has been effective or improved or has achieved its objectives (Bless et al. 2006: 182).

This study is an attempt to evaluate whether the PMS in the Thulamela Municipality contributes to the improvement of productivity. The qualitative research approach has been applied in the process of conducting this study. This method could also be seen through the data collection method used. The methods used to collect data will be discussed below.

### **3.5 Research Population**

Mouton (2002: 134) points out that a population is a collection of objects, events or individuals having some common characteristics that the researcher is interested in studying. More specifically, it is known as a target population. A portion of the target population to which the researcher has reasonable access is known as the accessible population (Mouton 2002: 134). The target population in this study was all the officials' employees of Thulamela Municipality.

In this study the population comprised of Municipal officers, municipal managers of the sections, treasures, accounting officer, managers, CEOs and auditors in the public sectors of Thulamela Municipality. The total population of the target participants comprised of 250 officials

### 3.6 Sampling

TARGET	STUDY POPULATION	STUDY SAMPLE
Mouton further mentions that the aim of sampling is to produce representative's selection of population elements. With regards to presentation Wimmer and Dominick (1983:58) mentioned that a sample that is not representative of population, regardless of its size, is inadequate for testing purposes. The results cannot be generalised for the population. In this study the research were sampled Municipal officers, municipal managers of the sections, treasures, accounting officer, managers, CEOs and auditors in the public sectors of Thulamela Municipality.		
Other staff	110	5
<b>3.7 Sampling Method</b>	165	25

Schulze (2002a: 13) defines sample as an element, that is a small group of a target population, that is selected for inclusion in a study. As noted by Booyse et al (2002: 53), it stands to reason that it is impracticable to mount surveys that include entire target population; hence a sample is drawn that is representative in that, those included in the sample display the same characteristics as the target population. This process is called sampling and Mouton (2002:110) endorses the substance of Schulz's position. Furthermore, some members of the population have little or no chance of being sampled. The selected type for this research was therefore the purposive or purposeful sampling. It is appropriate for the research problem for this study.

### 3.8 Sampling Size

Best and Kahn (1993:77) stated that there is no fixed number or percentage of subjects that determine the size of an adequate sample. It may depend upon the nature and the population of interest or data gathered and analysed.

**Table 3.1: Sampling size of the study**

TARGET	STUDY POPULATION	STUDY SAMPLE
Municipal top managers	10	5
Municipal officers (Sections)	20	3
District Top management	5	2
Auditors	10	3
Treasurers	5	2
Accounting officers	5	5
Other staff	110	5
<b>Total</b>	<b>165</b>	<b>25</b>

### 3.9 Data Collection Methods

It is important to distinguish between two kinds of data, namely, primary data and secondary data. Secondary data refers to the data that is available in published literature while primary data refers to the data which is obtained from the original source (Hanekom, 1987: 28). The collection of primary data was deemed necessary because the researcher held the view that there was not sufficient or accessible primary data available on the topic under investigation.

#### 3.9.1 Questionnaire

A questionnaire is a set of written questions and/or statements to which the research subjects are to respond in order to obtain data which is relevant to the research topic (Jacobs, 1996: 341). A semi-structured questionnaire is a questionnaire consisting of both open-ended and closed questions, and provides a greater depth than is possible with a structured questionnaire (O'sullivan, Berner & Rassel 2008: 216). For the purpose of this study, a semi-structured questionnaire was distributed to employees of the Thulamela Municipality which included operational workers, deputy managers,

managers and members of SMSs. All the sampled respondents of the questionnaire were from the two branches of the Department as indicated in Chapter one section 1.2, namely, Strategic Human Resource Management and Housing Project Management.

The semi-structured questionnaire was used to understand the views, perceptions and experiences of staff members on whether the PMS in the Thulamela Municipality contributes to the improvement of productivity. The questions posed were intended to answer three research questions as generated in Chapter one. The semi-structured questionnaire also included (as part of its components) the identity of the researcher, the aims of the study, as well as the assurance of confidentiality of the answers and respondents as an ethical consideration in order to encourage participation. A letter of permission from the Municipality to conduct a study in the municipal is also attached as an ethical clearance and provides this study with the legitimacy it deserves.

### 3.9.2 Open-ended Interviews

The interview is, in a sense, an oral type of questionnaire. Instead of writing the response, the respondents or interviewee gives the needed information verbally in a face to face relationship (Best, 1959:167). As a research method however, the interview can be viewed as more than an exchange of small talk. It represents a direct attempt by the researcher to obtain reliable and valid measures in the form of verbal responses from one or more respondents

Difficulties were also present during the interviews that were held. Many of the respondents were at times reluctant to render an interview slot at work due to work overload or legitimate tiredness on their part as well them as being discouraged by the working environment. At first the respondents were very tense in reaction to the questions, but as the interview progressed they became more relaxed and started reacting more positively towards the interviewing process. Interviews were conducted during October 2012 which lasted between 30-40 minutes. Most of the interviews were conducted at the workplace of the respondents.

### 3.10 Data of Analysis

Quantitative data from the returned questionnaires were coded and entered into a Microsoft Excel spreadsheet (Microsoft Office, 2003). The statistical software SPSS version 17.0 was used to analyze the generated data. Descriptive and inferential statistical analyses were employed. Data were also summarized using graphic presentations for the interpretation of findings. Statistics were based on percentages and frequencies. Association between socio-demographic characteristics and Organisational Performance Management, was assessed for statistical information.

The researcher made notes during the interviews and transcribed the respondents' answers. The researcher read repeatedly through the data in order to familiarize myself with it and during this process the researcher underlined some key words and sentences.

### 3.11 Research Ethics

The methodology of this research incorporated issues related to research ethics and trustworthiness, sampling, data collection and processing, and literature consulted. These are elucidated in the sections below. Ethics refers to discussions around what was considered acceptable or justifiable behaviour in practice of social research. It was concerned with what was considered to be fair ways for the researchers to proceed (Makhanya 2006). Mauther, Birch, Jessop & Miller (2002:34) pointed out that ethics was the application of general rules and principles, and the researcher's internalising of moral values.

### 3.11.1 Protection from harm

A Researcher should not expose research participants to unnecessary physical or psychological harm. Participants should not risk losing life or limb, nor should they be subjected to unusual stress, embarrassment, or loss of self-esteem. In cases where the nature of study involves creating a small amount of psychological discomfort, participants should know this ahead of time, and any necessary debriefing or counseling should follow immediately after their participation (Leedy, & Ormrod, 2001:56).

### 3.11.2 Informed consent

According to Leedy, & Ormrod, (2001:77) when people are intentionally recruited for participation in a research study, they should be told the nature of the study to be conducted and given the choice of either participating or not participating. Furthermore, they should be told that, if they agree to participate, they should have the right to withdraw from the study at any time. Any participation in a study should be strictly voluntary.

### 3.11.3 Right to privacy

Leedy, & Ormrod, (2001:12) further say that any research study involving human beings should respect participants' right to privacy. Under no circumstances should a researcher report, either oral or written, be presented in such a way that others become aware of how a particular participant has responded or behaved. In general, a researcher must keep the nature and quality of participants' performance strictly confidential.

### 3.11.4 Honesty with professional colleagues

Researchers must report their findings in a complete and honest fashion, without misrepresenting what they have done or intentionally misleading others about the

nature of their findings. And under no circumstances should a researcher fabricate data to support a particular conclusion, no matter how seemingly “noble” that conclusion may be. In this study, respondents were assured of anonymity and the information provided by the participants will be regarded as confidential unless agreed upon by the participant and the researcher (Leedy, & Ormrod, 2001:33).

### 3.12 Conclusion

The research design and methodology used in this study were discussed above. Quantitative and qualitative research approaches were also highlighted with an indication of the preferred method that was applied in the study. This chapter also provides a detailed description of the data collection method used in the study which includes a semi-structured questionnaire and interview. The way data analysis was carried out is also discussed. The research sample, together with the research area, was also provided. The research findings together with the interpretations are provided in the next chapter.

#### 4.2. Biographical information of the respondents

Table 4.1: Age distribution of the health professionals

Age Group	Frequency	% of the Respondents
20-29	4	16
30-39	9	36
40-49	5	20
50-59	3	12
60-69	4	16
70-79	0	0
Total	25	100

## CHAPTER 4: DATA PRESENTATION, INTERPRETATION AND ANALYSIS

### 4.1. Introduction

In this chapter, the results are presented in five parts. The first part summarizes the basic descriptive information, including the response rate, the participants' socio demographic profile and qualifications. The second part deals with issues surrounding the participants' overall employment history, including current, past and other employment. The next part of the results provides information regarding their current work-related decisions and motivations for the following year (2013). This is followed by the fourth part which deals with issues surrounding the participants' job satisfaction at their current workplaces, as well as how they rated and ranked certain motivation factors according to their levels of importance for health professional's retention. The final part presents the participants' responses concerning their knowledge of retention strategies being in place at their workplaces, as well as their general feelings and attitudes towards working in the South African public sector.

### 4.2. Biographical information of the respondents

**Table 4.1: Age distribution of the health professionals**

Age (Years)	Frequency	% of the Respondents
20-29	4	16
30-39	9	36
40-49	5	20
50-59	3	12
60-69	4	16
>70	0	0
<b>Total</b>	<b>25</b>	<b>100</b>

The age of the respondents was recorded using a range from 20 years to more than 70 years. As seen in Table 4.1, the majority of the respondents were between the ages of 30 and 39 years (36%: 9, n=25). There were no respondents in the age group above 70 years.

Table 4.4: Marital Status of the respondents

Status	Frequency	% of the respondents
<b>Table 4.2: Gender of the respondents</b>		
Gender	Frequency	% of the respondents
Male	6	24
Female	19	76
<b>Total</b>	<b>25</b>	<b>100</b>

The following figure 4.2, presents the number of women and men in the research population. Of the 25 respondents, 76% (19; n=25) were female and 24% (6; n=25) were male. On consideration of both age and gender, it was evident that the majority of the respondents were female between the ages of 30 to 39 years. There were only three female respondents between the ages 20-29 years and an equal number of male and female respondents between the ages of 60 to 69 years.

Table 4.3: Education and Qualifications of the respondents

Qualification	Frequency	% of the respondents
Certificate	0	0
National Diploma	21	84
Honours	2	8
Masters	1	4
Post Graduates	1	4
<b>Total</b>	<b>25</b>	<b>100</b>

When participants were asked questions about their education and qualifications, the results revealed that 84.2% of them had BSc degrees and 15.5% diplomas (Table 4.3). Of those who had diplomas, 83.0% were females and all had qualified as professional before 2000. At 26.3%, it was only a relatively few respondents who already had

postgraduate degrees, and 6.6% who said that they were currently pursuing them. Furthermore, 21.0% of the respondents already had other qualifications.

**Table 4.4: Marital Status of the respondents**

Status	Frequency	% of the respondents
Single	7	28
Married	15	60
Divorced	3	12
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.4 shows that the majority of the respondents (60%) were married. When the marital status was combined with gender (Figure 4.4) it was found that the predominant group was married women (48%). No items were asked regarding the number of dependants or home and family life situation. This information would have helped in determining the existence of any work-life conflict as discussed in Chapter 2. However, the effect of work-family conflict amongst the respondents was not investigated in this research.

**Table 4.5: Administrative Authority (Employer)**

	Frequency	% of the respondents
Local	3	12
Provincial	21	84
Don't know	1	4
<b>Total</b>	<b>25</b>	<b>100</b>

All the respondents were employed by public facilities within the Thulamela Local Municipality. There were no respondents from the medical Depot and the specialized hospitals as the permission to conduct this research at these sites was not granted in time. Table 4.5 presents the respondents' employers. There were 22 (84%, n=25) respondents employed by the provincial authority whilst only two (12%, n=25) worked for the local authority (i.e. municipal services).

**Table 4.6: Language used by the respondents**

	Frequency	Percentage
English	0	0
Tshivenda	20	80
Tsonga	5	20
<b>Total</b>	<b>25</b>	<b>100</b>

The 80% of the respondents spoke Tshivenda as their mother tongue and used the same language as medium of communication in meetings, and 20% of the respondents indicate their home Tsonga language.

**Table 4.7: Years of employment in the public sector**

Years	Frequency	% of the respondents
0-5	11	44
6-10	2	8
11-15	6	24
16-20	1	4
21+	5	20
<b>Total</b>	<b>25</b>	<b>100</b>

The data in Table 4.7 shows the length of service of the respondents in the public sector. Eleven respondents (44%; n=25) have been working in the public sector for less than five years whilst five respondents had worked in the public sector for over 21 years. The significance of this finding is not clear since the questionnaire did not ask about the number of years as a registered professional. When considering table 4.10 below, 20% (5; n=25) of the respondents who have been in the public service for less than five years were in the age group 30-39 years.

### 4.3 Quantitative data analysis

Data from questionnaires was analysed by means of using tables and figures. The entered data from the spreadsheet was exported to the SPSS so that it could be analysed to yield the results.

**Table 4.8: Employees' understanding of performance management system**

Total	Frequency	Percentage
Strongly agree	2	10
Agree	18	67
Uncertain	2	10
Strongly Disagree	1	6
Disagree	2	7
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.8 indicates that 20 respondents which constituting 77 percent of total sample they agreed that employees' understanding of performance management system while 2 respondents were uncertain with the statement due to the lack of information. 3 respondents constituting 13 percent of total sample were strongly disagree with the statement. The respondents were asked as to whether they would describe their level of understanding of the PMS as adequate and to provide any further explanations they may have. Majority employees who completed the questionnaire indicated that they would describe their understanding of the PMS as adequate. However, definitions of performance management provided by most respondents show serious lack of understanding, despite the claims of adequate understanding of the PMS.

**Table 4.9: Understanding of performance management system by supervisors**

	Frequency	Percentage
Strongly agree	5	20
Agree	15	60
Uncertain	1	5
Strongly Disagree	1	5
Disagree	3	10
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.9 shows that 20 respondent which constituting 80 percent of the total sample were strongly agreed with understanding of performance management system by supervisors while 2 percent of the total sample they uncertain with the statement due to the lack of information. 15 percent of the total sample indicated that they are disagreed with the statement. One of the questions for the respondents was intended to understand whether they believe their supervisors have a sufficient understanding of the PMS. Majority of the respondents indicated that their supervisors do not possess a good understanding of the PMS. When employees are well rated ( high ratings) and receive a performance bonus, they tend to rate their supervisors as understanding the PMS, while if employees are rated below the bonus qualification then supervisors are not regarded as understanding the PMS.

**Table 4.10: General understanding of performance management system in the Department**

	Frequency	Percentage
Strongly agree	3	12
Agree	15	60
Uncertain	2	6
Strongly Disagree	2	10
Disagree	3	12
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.10 indicates that 5 respondents constituting 22 percent of the total sample was disagreed with the statement whereas 6 respondents were uncertain with the statement due to the lack of information. 18 respondents constituting 71 percent of the total sample were agreed with the statement. Respondents confuse the submission of performance instruments with an understanding of the PMS. One such respondent alluded to the fact that most employees understand the PMS well since they submit performance instruments regularly on time. The submission of performance instruments may be because non-submission disqualifies an employee from receiving performance incentives such as a performance bonus and pay/salary progression irrespective of the scores.

**Table 4.11: Improving understanding of performance management system**

	Frequency	Percentage
Strongly agree	5	20
Agree	15	59
Uncertain	2	10
Strongly Disagree	0	0
Disagree	3	11
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.11 reveals that 20 respondents which constituting 79 percent of total sample were strongly agreed with the improving understanding of performance management system whereas 2 respondents were uncertain with the statement due to the lack of information. 3 respondents constituting 11 percent of the total sample disagreed with the statement. Respondents who raised the issue of briefing sessions argued that priority should be given to new employees who have just joined the public service from school or from the private sector. All the measures suggested above to improve the understanding of the PMS in the municipality may play a vital role in bringing about an understanding and awareness of the PMS in the municipality

**Table 4.12: Performance and productivity**

	Frequency	Percentage
Strongly agree	3	10
Agree	17	67
Uncertain	2	10
Strongly Disagree	1	6
Disagree	2	7
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.12 shows that 3 respondent which constituting 13 percent of the total sample disagreed with the statement whereas 10 percent of total sample they are uncertain due to the lack of information. Again table 4.12 revealed that 20 respondents which constituting 77 percent of the total sample agreed with the statement. Majority respondent also concurred that it motivates for better performance if you know that you will be rewarded for good work done; one would want to reach one's goals and work harder thus increasing productivity. After analysing comments of all respondents, the underlying factor seems to be that through the PMS, individual performance is improved which will also contribute to improved productivity overall. Most employees are encouraged to perform better because of the performance rewards that are received annually but these should not be the only reason for good performance.

**Table 4.13: Support services by Performance Management System division**

	Frequency	Percentage
Strongly Agree	5	20
Agree	5	20
Uncertain	4	16
Disagree	5	20
Strongly disagree	6	24
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.13 shows that 10 respondents which constituting 40 percent of the total sample they agreed with statement while 16 percent of the total sample they uncertain with the statement due to the lack of information. Again Table 4.13 revealed that 11 respondent which constituting 44 percent of the total sample they disagreed with the statement. Respondents were asked to share their opinion on whether the PMS division in the municipality renders enough support services to the entire Municipality to ensure effective implementation of the system and improvement of performance. The corrective measures relevant regarding underperformance in terms of the PMS policy are not implemented. Support services by the PMS division are being provided but not to a required level because if they were at a required level then there would be an overall good understanding of the PMS in the Thulamela Municipality.

**Table 4.14: Skills and capacity of performance management system officials**

	Frequency	Percentage
Strongly Agree	5	20
Agree	2	7
Uncertain	2	7
Disagree	7	30
Strongly disagree	9	36
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.14 indicated that 16 respondents constituting 66 percent of the total sample strongly disagreed with the statement while 2 respondents which constituting 7 percent of the total sample uncertain with the statement due to the lack of information. Again Table 4.14 reveals that 7 respondent which constituting 27 percent of the total sample they agreed with the statement. However, as alluded to by one respondent who is an SMS member, room for improvement exists. The PMS division should train departmental officials to understand how their individual performance contributes to or impacts on the attainment of the overall goals and objectives of the municipal. All employees must understand the impact of their contribution in the high or low productivity rate of the Department.

**Table 4.15: Performance bonuses and pay progression for good performance**

	Frequency	Percentage
Strongly Agree	2	10
Agree	3	13
Uncertain	10	37
Disagree	5	20
Strongly disagree	5	20
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.15 reveals that 10 respondents which constituting 37 percent of the total sample they uncertain with statement due to the lack of information whereas 5 respondents constituting 23 percent of the total sample agreed with the statement. Again 10 respondents constituting 40 percent of the total sample disagreed with Performance bonuses and pay progression for good performance.

Respondents were asked their opinion on whether performance bonuses and salary/pay progression are sufficient to encourage good performance in the Thulamela Municipality. 23 percent of the respondents indicated that performance bonuses and salary/pay progression encourage good performance, but there is a disagreement on whether it is sufficient.

**Table 4.16: Contributions of training to performance and productivity**

	Frequency	Percentage
Strongly Agree	8	32
Agree	7	28
Uncertain	0	0
Disagree	5	20
Strongly disagree	5	20
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.16 reveals that 15 respondents which constituting 60 percent of the total sample agreed with contributions of training to performance and productivity. Again Table 4.16 indicates 10 respondents which constituting 40 percent of the total sample disagreed with the statement. Respondents were asked whether training contributes to improved performance and productivity. Majority respondents stated that proper training does contribute to the improvement of performance and productivity. Another respondent said that 'trained employees are likely to execute their duties better than untrained employees'.

**Table 4.17: Challenges facing performance management system and improvement of productivity in the Department**

	Frequency	Percentage
Strongly Agree	6	25
Agree	11	44
Uncertain	0	0
Disagree	5	20
Strongly disagree	3	11
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.17 indicated that 17 respondents constituting 69 percent of the total sample agreed the statement while 8 respondent constituting 31 percent of the total sample was agreed with the statement. In some instances, performance bonuses have to be scaled down to a lower percentage. However, the greatest of all challenges facing the PMS and productivity is the lack of understanding of the PMS by departmental employees (subordinates and supervisors). Other challenges come about as a result of this lack of understanding of the PMS and the contribution of performance to productivity.

**Table 4.18: Management of underperformance as a challenge**

	Frequency	Percentage
Strongly Agree	6	25
Agree	4	15
Uncertain	0	0
Disagree	5	20
Strongly disagree	10	40
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.18 indicates that 10 respondents constituting 40 percent of the total sample agreed with management of underperformance as a challenge. Again Table 4.18 reveals that 15 respondents constituting 60 percent of total sample disagreed with Management of underperformance as a challenge. After challenges had been raised, respondents were asked whether the same challenges raised are being well managed in their municipality respective branches. Majority respondents argued that underperformance is well managed as a challenge whereas the rest of the respondents indicated that it is not well managed. Other respondents indicated that there are no programmes and strategies developed to address underperformance.

**Table 4.19: Management of subjective assessments**

	Frequency	Percentage
Strongly Agree	5	20
Agree	9	34
Uncertain	0	0
Disagree	5	20
Strongly disagree	6	26
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.19 indicated that 14 respondents constituting 54 percent of the total sample agreed with the statement while 11 respondents which constituting 46 percent of the

total sample they disagreed with the statement. Majority of respondent agreed that subjective assessments are not fair and that supervisors must assess the performance of their subordinates and not other factors such as friendship or relationships. It is also discouraging for performing employees to be rated the same as underperforming employees. 11 respondents mentioned that 'in our division everybody received a performance bonus except one employee who does not have good relations with the supervisor'. Another respondent also echoed a sentiment which was shared by 50 percent of the respondents that each quarterly assessment report should be accompanied by verifiable evidence supporting or justifying high/low rating. It is alluded to by another respondent that subjective assessments may be managed by way of involving the overseers (supervisor's supervisor) who will help to resolve disputes between supervisors and subordinates.

**Table 4.20 Departmental budget allocation for rewarding good performers**

	Frequency	Percentage
Strongly Agree	10	40
Agree	9	39
Uncertain	0	0
Disagree	4	15
Strongly disagree	2	6
<b>Total</b>	<b>25</b>	<b>100</b>

Table 4.20 reveals that 19 respondents constituting 79 percent of the total sample agreed with the statement while 6 respondents constituting 21 percent of the total sample disagreed with departmental budget allocation for rewarding good performers.

Almost half of the respondents highlighted that it is enough because rewards are meant for exceptional performers and not for all employees. Some respondents argue that going beyond 21 percent becomes unaffordable because part of the budget should be used for service delivery tangibles and not administration. However, some indicated that it is not sufficient as the employee turnover is high in favour of the private sector.

**Table 4.21: Management of non-submission as a challenge**

	Frequency	Percentage
Strongly Agree	10	40
Agree	4	16
Uncertain	0	0
Disagree	6	24
Strongly disagree	5	20
<b>Total</b>	25	100

Table 4.21 reveals that 14 respondents constituting 56 percent of the total sample agreed with the statement while 11 respondents constituting 44 percent of total sample disagreed with the statement. The questionnaire asked respondents to give recommendations as to how the Municipality should deal with the challenge of non-submission of performance instruments by Municipality employees. Performance instruments refer to performance planning and monitoring tools which include performance agreements/MOUs and quarterly assessment reports.

#### 4.4 Qualitative data analysis

Regarding the qualitative data, a simple qualitative data analysis method was used. Henning (2004:104) describes a tool for reduced, condensed and grouped data. Steps on how to process and analyse qualitative data are documented by several authors who wrote on research methods, including Henning (2004:67) as well as Rubin and Rubin (2005:21). Firstly all the data must be transcribed. It must be read and re-read for the researcher to become familiar with the data, and notes must be made to capture recurring concepts, common themes, events and other patterns in the data.

#### 4.4.1 What are the challenges facing performance management system and the improvement of productivity?

Another question posed to respondents asked them to mention challenges that they regard as facing the PMS and improvement of productivity in the Thulamela Municipality. The following are the challenges as raised by the respondents, in no particular order:

Respondent 1 shows that Shortage of personnel in the PMS division to implement the system effectively and efficiently.

Respondent 2 indicate that Lack of sufficient performance incentives (performance bonuses and pay progression) to reward those who perform well or exceed the set performance target or halo effect.

Respondent 3 revealed that biased ratings by supervisors' of their subordinates based on reasons such as favouritism. Focusing on the quantity of the end-product (output) rather than on the quality (value).

Respondent 4 an underperforming employee will continue to underperform and be unproductive because the employer does not develop mechanisms to address such challenges. The training that is done is not aligned to the skills gap/challenge.

Respondent 5 it is also argued that there is no proper referral to other necessary stakeholders such as the training division and Employee Assistance Programme (EAP) division. There is no proper coordination between the PMS, training and EAP divisions in the Thulamela Municipality.

Respondent 6 indicated that subjective assessments are not fair and that supervisors must assess the performance of their subordinates and not other factors such as

friendship or relationships. It is also discouraging for performing employees to be rated the same as underperforming employees.

Respondent 7 mentioned that 'in our division everybody received a performance bonus except one employee who does not have good relations with the supervisor'.

Respondents recommended that addressing non-submission of performance instruments to the PMS division as a challenge in the department should be given priority. The Thulamela Municipality's employees are supposed to submit performance agreements on performance to the PMS division at the beginning of each financial year and thereafter quarterly assessment reports at the end of each quarter.

#### **4.4.2 What are the contributions of training to performance and productivity?**

Respondent 1 were asked whether training contributes to improved performance and productivity. One of the respondents stated that proper training does contribute to the improvement of performance and productivity.

Respondent 2 said that 'trained employees are likely to execute their duties better than untrained employees'.

Respondent 3 agreed that training could play a pivotal role in the improvement of performance and productivity; a relevant impact analysis approach should be developed. Training needs should be developed because employees might choose a training need that may not be relevant.

Respondent 4 has criticized the municipality training division, and mentioned that it does not focus on Personal Development Plans but mainly on spending the allocated budget. A warning has been raised by a respondent who argued that training is important but there are many employees who join the Thulamela Local Municipality having received

sufficient training but who fail to deliver due to complacency, de-motivation, laziness and stress.

Respondent 5 however, it could be said that training is one of the remedies for underperformance because it enhances employees' knowledge and ability to perform better.

#### 4.4.3 What is the improvement of performance management system?

The researcher agrees with the argument of the respondents that training could play a paramount role in the improvement of performance and productivity. However, there must be a proper skills audit and training based on Personal Development Plans. In order to avoid unnecessary expenditure on training, the impact should be seen through the performance of an employee.

There are other factors that are non-monetary, such as recognition and acknowledgement of good performers by leadership in the presence of peers that may be used to encourage good performance. The Municipality should ensure that it uses other methods that may encourage the good performance of its employees.

The PMS division should train departmental officials to understand how their individual performance contributes to or impacts on the attainment of the overall goals and objectives of the Thulamela Municipality. All employees must understand the impact of their contribution in the high or low productivity rate of the Municipality.

Respondent 6 commented that 'PMS officials are well trained and are headed by a tried and tested manager; however, the improvement of productivity is a far-fetched issue. The productivity improvement lies with the branch head and top management'.

Respondent 7 said 'I believe that they have skills and capacity, but no proper strategies to improve the performance and productivity of employees and the Municipality'.

Respondents 8 agreed that they do have the necessary skills and capacity. One member of the SMS commented that they do have skills and capacity to implement the PMS given the fact that they have received departmental and provincial certificates of good performance for the period under review, but also alluded to the fact that there is always room for improvement.

#### 4.4.3 What is the Improvement of performance management system?

The other question posed to the respondents required their opinion on what should be done to improve the employees' understanding of the PMS in the Municipality.

Respondent 1 was generally similar. One comment of a respondent declared that the PMS division should provide training and workshops to enable the employees to have a broader knowledge of the PMS.

Respondent 2 further posited that regular briefing sessions should be conducted until employees understand the aims and objectives of the PMS. Respondents who raised the issue of briefing sessions argued that priority should be given to new employees who have just joined the public service from school or from the private sector.

All the measures suggested above to improve the understanding of the PMS in the Municipality may play a vital role in bringing about an understanding and awareness of the PMS in the Municipality.

Respondent 3 raised the issue of training and workshops for the departmental employees about the PMS in order to have a better understanding. Municipality employees should all have an understanding of the aims and objectives of the PMS in the public service.

The researcher agrees with the views expressed by the respondents regarding training and workshops as an intervention method for the improvement of PMS understanding in

the public service. The researcher further agrees that priority to such training and workshops should be given to new employees, particularly to those from school and the private sector.

Respondent 4 have indicated that the Thulamela Local Municipality has performed well in the period under review; there are several performance targets that were not achieved. An unqualified audit received from the Office of the Auditor General has more to do with expenditure regarding the allocated budget and less to do with performance results or output such as achieving the set performance targets (such as service delivery tangibles). Compared to other provincial Municipality (in the Limpopo Province) and human settlements Municipality in other provinces, the Thulamela Local Municipality seems to have done well.

However, if the departmental performance has to be scrutinized based on its own set performance targets, there are many performance targets which were not achieved. For example, in the 2010/13 financial year, the Thulamela Local Municipality had a performance target to complete 6 000 houses; however, only 3 870 houses were completed. The Municipality t also had to complete 3 500 rural housing units in the 2008/09 financial year, but only 976 were completed. These are a few examples of the Municipality not achieving its set performance targets but also receiving unqualified audit reports and awards for good performance at the same time.

#### **4.4.4 How Employees' understand of performance management system?**

The respondents were asked as to whether they would describe their level of understanding of the PMS as adequate and to provide any further explanations they may have. All employees who completed the questionnaire indicated that they would describe their understanding of the PMS as adequate.

However, definitions of performance management provided by most respondent 1 show serious lack of understanding, despite the claims of adequate understanding of the PMS.

Respondents 2 alluded to the fact that they have adequate understanding of the PMS because they have acquired years of experience in the public service.

Respondents 3 also declared that they have adequate understanding because they know that they are expected to submit performance instruments which include a performance agreement and quarterly assessment reports.

Respondent 4 indicated that they have attended workshops on performance management either in the Thulamela Local Municipality or in other public service. The number of years in the public service, attending PMS workshops or knowing when to submit quarterly assessment reports may not necessarily mean that one has an adequate understanding of a PMS.

The years of experience referred to by respondents differs from one respondent to another. The PMS in the public service was introduced in 2001; however, most public service departments started implementing it in 2003. Some respondents might have been in the public service from pre-1994 (as were four of the respondents) but a PMS was only introduced in 2001.

Respondent 5, knowledge is limited to submitting performance instruments (performance agreements assessment reports) which are submitted to the PMS division at the end of every quarter (three months). The quarterly assessment reports contain that which has been achieved against the set performance targets in the performance agreement. The adequate understanding of a PMS has to be about its purpose and objectives rather than knowing when to submit performance instruments in order to receive performance bonuses at the end of the financial year.

One of the questions for the respondents was intended to understand whether they believe their supervisors have a sufficient understanding of the PMS. also discussed and analysed. Based on the discussion and analysis above, the conclusions and

Respondent 6 indicated that their supervisors do not possess a good understanding of the PMS, while the rest of the respondents said that their supervisors have a good understanding of the PMS. When employees are well rated and receive a performance bonus, they tend to rate their supervisors as understanding the PMS, while if employees are rated below the bonus qualification then supervisors are not regarded as understanding the PMS.

Respondent 7 mentioned that the supervisor has little understanding of the PMS because 'when I give myself a higher rating for performing well he tells me to lower my rating/score'.

Respondent 8 said that 'when it comes to ratings, my supervisor is fair because as long as you produce proof or motivation for a higher rating she does not have a problem'.

Respondent 9 also supports the view that there is generally a lack of understanding of a PMS by both subordinates and supervisors in the public service. The fact that departmental employees have little understanding of a PMS translates that there are supervisors at the Thulamela Local Municipality who do not have sufficient understanding of a PMS. In the opinion of the researcher, some supervisors are considered to possess enough knowledge about a PMS simply because they rate their subordinates high enough to qualify for an annual performance bonus.

#### **4.5 Conclusion**

Data analysis of the study was undertaken in this chapter. The data which was collected using different methods have been discussed and analysed. Data utilised was collected using methods which include a research questionnaire, documentary analysis and observations. Answers provided were analysed against the questions asked in the

questionnaire together with the observations made during the collection of data. The APP and annual reports from the 2007 to 2010 financial years were also discussed and analysed. Based on the discussion and analysis above, the conclusions and recommendations of the research study will be made in next chapter.

The previous chapter discussed the findings and analysis of the data obtained through various methods including a semi-structured questionnaire, official departmental documents and personal observations. The purpose of this chapter of the study is to provide concluding remarks on the research problem raised. Useful recommendations based on the data analysed in the previous chapter will be provided in order to assist the management of the Thulamela Local Municipality in the improvement of performance and productivity. A summary of the preceding chapters is given.

## 5.2 Major Findings

- Majority of the respondents indicated that their supervisors do not possess a good understanding of the PMS.
- Majority employees who completed the questionnaire indicated that they would describe their understanding of the PMS as adequate.
- Respondents confuse the submission of performance instruments with an understanding of the PMS. One such respondent alluded to the fact that most employees understand the PMS well since they submit performance instruments regularly on time.
- Majority respondent also concurred that it motivates for better performance if you know that you will be rewarded for good work done; one would want to reach one's goals and work harder thus increasing productivity.

## CHAPTER 5: FINDINGS, CONCLUSION AND RECOMMENDATION

### 5.1 Introduction

The previous chapter discussed the findings and analysis of the data obtained through various methods including a semi-structured questionnaire, official departmental documents and personal observations. The purpose of this chapter of the study is to provide concluding remarks on the research problem raised. Useful recommendations based on the data analysed in the previous chapter will be provided in order to assist the management of the Thulamela Local Municipality in the improvement of performance and productivity. A summary of the preceding chapters is given.

### 5.2 Major Findings

- Majority of the respondents indicated that their supervisors do not possess a good understanding of the PMS.
- Majority employees who completed the questionnaire indicated that they would describe their understanding of the PMS as adequate.
- Respondents confuse the submission of performance instruments with an understanding of the PMS. One such respondent alluded to the fact that most employees understand the PMS well since they submit performance instruments regularly on time.
- Majority respondent also concurred that it motivates for better performance if you know that you will be rewarded for good work done; one would want to reach one's goals and work harder thus increasing productivity.

- 23 percent of the respondents indicated that performance bonuses and salary/pay progression encourage good performance, but there is a disagreement on whether it is sufficient.
- Biased ratings (subjective assessments).
- Majority respondents stated that proper training does contribute to the improvement of performance and productivity. Another respondent said that 'trained employees are likely to execute their duties better than untrained employees'

### 5.3 Conclusion

The evidence collected was done with the specific aim of answering the research question, namely, whether the PMS of the Thulamela Local Municipality in the Limpopo Province contributes to the improvement of productivity. After having carefully considered all evidence collected through the different data collection methods discussed in section 3.3, the following conclusions are drawn:

- Although there are officials with a better understanding of the PMS in the Thulamela Local Municipality, the majority have not acquired a sufficient understanding of the PMS.
- During the period under review several performance targets were not achieved.
- Although the PMS plays a significant role in the improvement of productivity, it has not contributed to the improvement of productivity of the Thulamela Local Municipality in the Vhembe District. Productivity in the municipal has been low because the performance has not been continuously improving as provided for by Productivity SA's definition of productivity (discussed in Chapter one).
- The challenges facing the PMS in the Thulamela Local Municipality are the following:
  - Poor understanding of the PMS in the Thulamela Local Municipality.
  - Separation of the PMS division from the training division in the Department.

- Non-compliance to PMS policy provisions such as timeous submission of performance instruments by some individual employees.
- Shortage of personnel in the PMS division.
- Biased ratings (subjective assessments).
- Setting of unrealistic performance targets which are unrealisable.

The above conclusions have been drawn up based on the evidence collected and analysed in the previous chapter. The objectives of the study, namely, to understand the PMS in the public service, to explore whether the PMS in the Thulamela Local Municipality contributes to the improvement of productivity as intended, and to analyse challenges facing the PMS in the Thulamela Municipality in the Limpopo Province have all been achieved. The study brought about a better understanding of the PMS in the public service, the kind of contribution PMS has on the improvement of productivity of the Thulamela Local Municipality in the Vhembe District, and the challenges it faces on its application and implementation in the Thulamela Local Municipality. The conclusion of the study was informed by these research objectives hence it covers the understanding of PMS, its contribution and its challenges in the Thulamela Local Municipality and its relations to productivity. The recommendations of the study are discussed in detail below.

#### 5.4 Recommendations

Based on the findings, analysis and conclusion of the research study, the following recommendations are made:

- There should be regular and thorough training of municipal officials about the PMS in the public service and how it impacts on productivity. Such training could improve the understanding of the PMS by municipal officials.
- After concluding that the PMS has not contributed to improvement of productivity, the Thulamela Local Municipality should ensure that employees understand how their individual performance impacts on the overall productivity of the

municipality. Officials should understand that low individual performance may lead to a low departmental performance and productivity

- The PMS division, Training division and Employee Awareness Programme division should work together to address the lack of skills and other problems associated with underperformance. Performance targets of both the individual employees and the Department should be clearly defined.
- Recognizing and acknowledging of internal staff during recruitment, appointments and promotional process should be done.
- A skills audit on a quarterly and annual basis should be conducted to check what employees are capable of doing.
- Best performers should be recognized by appreciating them during Departmental meetings or gatherings in the presence of their colleagues.
- A favourable working environment for employees should be created by ensuring that the necessary resources such as computers and stationery are made available to them.
- A performance culture should be internalized by employees through instilling the spirit of wanting to achieve all the time.
- Compliance should be strengthened by ensuring timeous submission of performance instruments.

## 5.5 Recommendations for further research

In addition to paying of performance incentives to employees, the municipality should improve its performance and productivity by undertaking the following actions:

- Monitoring of performance should not only be limited to quarterly and annually, but should be extended to monthly (even if such is done informally), so as to detect weaknesses as soon as possible.
- PMS training on the purpose and objective of the system should be conducted annually for all departmental employees.

- Good communication and relations between subordinates, supervisors and management should be facilitated.

## BOOKS

In the opinion of the researcher, the solution to the research problem asked in Chapter one (section 1.3), namely, whether the PMS of the Thulamela Municipality in the Vhembe District contributes to the improvement of productivity has been properly provided. In an attempt to successfully respond to the research problem, appropriate research objectives) were raised. All the objectives of the study have been adequately addressed. The discussion about the understanding and the contribution of the PMS in the improvement of productivity together with challenges facing PMS in the Thulamela Municipality appropriately addressed the objectives and research problem of the study. The set objectives have assisted and guided the study in developing an informed and correct conclusion and recommendations. The recommendations listed above may assist the Thulamela Municipality in addressing the challenges facing the PMS adequately.

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## APPENDIXE A: QUESTIONNAIRE

English

**Table 4.1: Age distribution of the health professionals**

20-29	
30-39	
40-49	
50-59	
60-69	
>70	

**Table 4.2: Gender of the respondents**

Male	
Female	

**Table 4.3: Education and Qualifications of the respondents**

Certificate	
National Diploma	
Honours	
Masters	
Post Graduates	

**Table 4.4: Marital Status of the respondents**

Single	
Married	
Divorced	

**Table 4.5: Administrative Authority (Employer)**

Local	
Provincial	
Don't know	

**Table 4.6: Language used by the respondents**

English	
Tshivenda	
Tsonga	

**Table 4.7: Years of employment in the public sector**

0-5	
6-10	
11-15	
16-20	
21+	

**Table 4.8: Employees' understanding of performance management system**

Strongly agree	
Agree	
Uncertain	
Strongly Disagree	
Disagree	

**Table 4.9: Understanding of performance management system by supervisors**

Strongly agree	
Agree	
Uncertain	
Strongly Disagree	
Disagree	

**Table 4.10: General understanding of performance management system in the Department**

Strongly agree	
Agree	
Uncertain	
Strongly Disagree	
Disagree	

**Table 4.11: Improving understanding of performance management system**

Strongly agree	
Agree	
Uncertain	
Strongly Disagree	
Disagree	

**Table 4.12: Performance and productivity**

Strongly agree	
Agree	
Uncertain	
Strongly Disagree	
Disagree	

**Table 4.13: Support services by Performance Management System division**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

**Table 4.14: Skills and capacity of performance management system officials**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

**Table 4.15: Performance bonuses and pay progression for good performance**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

**Table 4.16: Contributions of training to performance and productivity**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

**Table 4.17: Challenges facing performance management system and improvement of productivity in the Department**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

Thank you for your participation

**Table 4.18: Management of underperformance as a challenge**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

**Table 4.19: Management of subjective assessments**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

**Table 4.20 Departmental budget allocation for rewarding good performers**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

**Table 4.21: Management of non-submission as a challenge**

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

Thank you for your participation.

## APPENDIX B: OPEN ENDED INTERVIEW QUESTION.

4.4.1 What are the challenges facing performance management system and improvement of productivity?

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.....  
.....

4.4.2 What are the contributions of training to performance and productivity?

.....  
.....  
.....

4.4.3 What is the Improvement of performance management system?

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.....  
.....

4.4.4 How Employees' understand of performance management system?

.....  
.....  
.....

Thank you for participation.