

**THE PERFORMANCE MANAGEMENT SYSTEM  
AS IMPLEMENTATION TOOL FOR INTEGRATED  
DEVELOPMENT PLANS: THE CASE OF  
NGWATHE LOCAL MUNICIPALITY**

**by**

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## **ABSTRACT**

One of the major challenges facing municipalities in South Africa is the need to achieve the development goals and objectives contained in the Integrated Development Plans (IDPs) given the limited resources and populations which are increasing at a disproportionate rate to the resources available. The IDPs are the management and planning instruments and are only effective if they enable municipalities to improve and accelerate the delivery of essential services and development. In this context, a mechanism is required to determine how municipalities are faring in terms of the services they intend to deliver to their communities and a Performance Management System (PMS) is such a critical mechanism.

The purpose of the study was to investigate the extent to which Ngwathe Local Municipality utilises its PMS as a tool for effective implementation of its IDP to achieve its developmental priorities and objectives. It was found during the literature review that when the processes of IDP and PMS are linked, the resulting performance is more likely to meet the needs of an institution.

## **OPSOMMING**

Een van die grootste uitdagings in munisipaliteite in Suid-Afrika is die behoefte om die doelstellings en doelwitte te bereik wat vervat word in die Geïntegreerde Ontwikkelingsplanne, vanweë die feit dat bevolkingsgroei toeneem op 'n vinniger basis as wat daar hulpbronne beskikbaar is. Die Geïntegreerde Ontwikkelingsplanne is die bestuurs- en beplanningsinstrumente wat slegs doeltreffend is indien hulle munisipaliteite in staat stel om te verbeter en die lewering van noodsaaklike dienste en ontwikkeling te versnel. Daarom is 'n meganisme nodig om te bepaal hoe munisipaliteite vaar in terme van die dienste wat hulle beplan om aan hul gemeenskappe te lewer. Die Prestasiebestuurstelsel is so 'n kritieke meganisme.

Die doel van die studie was om die aard en omvang te bepaal van hoe die Ngwathe Plaaslike Munisipaliteit hul Prestasiebestuurstelsel benut om as hulpmiddel te dien vir die doeltreffende implementering van hul Geïntegreerde Ontwikkelingsplan en sodoende hul ontwikkelingsrol te vertolk en om hul prioriteite en doelwitte te bereik. Tydens die literatuurstudie is bevind dat indien die prosesse van die Geïntegreerde Ontwikkelingsplanne en die Prestasiebestuurstelsel gekoppel is, dit die gevolg kan hê dat prestasie meer geneig is om aan die behoeftes van 'n instelling te voldoen.

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## **ACRONYMS**

<b>ANC</b>	African National Congress
<b>COGTA</b>	Department of Cooperative Governance and Traditional Affairs
<b>DBSA</b>	Development Bank of South Africa
<b>DPLG</b>	Department of Provincial and Local Government
<b>ETU</b>	Education and Training Unit
<b>GTC</b>	German Technical Cooperation
<b>IDP</b>	Integrated Development Plan
<b>IGR</b>	Intergovernmental Relations
<b>KPI</b>	Key Performance Indicators
<b>LED</b>	Local Economic Development
<b>LGTAS</b>	Local Government Turnaround Strategy
<b>MFMA</b>	Municipal Finance Management Act
<b>MSA</b>	Municipal Systems Act
<b>NBI</b>	National Business Initiative
<b>NGO</b>	Non-governmental Organisation
<b>NWU</b>	North-West University
<b>PCC</b>	Presidential Coordinating Council
<b>PMS</b>	Performance Management System
<b>QPMSIC</b>	Quarterly Performance Management System Implementation
<b>RDP</b>	Reconstruction and Development Programme
<b>SDBIP</b>	Service Delivery and Budget Implement Plan

# CHAPTER 1

## INTRODUCTION

### 1.1 ORIENTATION AND PROBLEM STATEMENT

Atkinson (2002:5) states that municipalities are one of the foremost development agencies within the South African system of government. She continues by arguing that the writing of the Integrated Development Plans (IDPs) was the formalisation of this new developmental role. Every municipality had to define its own developmental vision and mission, and identify specific programmes and projects associated with their implementation.

Section 25 of the Local Government: Municipal Systems Act, 32 of 2000 stipulates that every municipality must adopt a single, inclusive strategic plan for the development of its area. Theron (2007:80) states in this regard that the IDP is the management and planning instrument to achieve the development goals and objectives of a municipality. It contains a municipal council's development priorities, strategies, objectives and a financial plan for the municipality (Nealer, 2008:6).

On 2 December 2009, the national Government approved a comprehensive Local Government Turnaround Strategy (LGTAS) and one of the strategic objectives of this mechanism is to improve performance by municipalities in their municipal areas of jurisdiction. According to the LGTAS (2009:2) this implies ensuring that the core administrative and institutional systems are in place and operational. The purpose of the initiative is the need to improve the performance of municipalities. In this regard, Rogers (1994:21) defines performance as the actual progress of outcomes of work. He further maintains that this measurement is conducted because performance

provides the strongest linkage to the strategic goals of the institution. Isaac-Henry (1997:101) refers to this concept as the integrated techniques and methods that are used to achieve improvement in the productivity and quality of the relationship between inputs, activities, outputs and outcomes in public service institutions.

According to Kloot and Martin (2010:231) current strategic management literature suggests that there should be a strong connection between strategic plans and performance measures. Minnaar and Bekker (2005:125) also emphasise that the key principle in the application of modern strategic management methodologies is that these mechanisms should enable organisational performance. Performance is measured in terms of the benefits which an institution produces for the client. In this regard, Van der Waldt et al. (2007:100) state that IDPs are effective if they enable municipalities to improve and accelerate the delivery of essential services and development. These services may include water, electricity, sanitation, refuse removal and roads, while development issues may include land reform, tourism and local economic development.

Within the IDP, the objectives are statements of what a municipality aims to achieve in the medium term in order to address the challenges and also contribute to the realisation of its vision (Van der Waldt et al., 2007:104). It is further essential that the objectives must be quantifiable and achievable (Van der Waldt & Knipe, 2001:182). Furthermore, performance targets and indicators should be formulated to measure the performance and impact of the project (RSA, 2000:17). Van der Waldt (2004:53) defines a performance indicator as a measure that describes how well a programme is achieving its objectives. Kearney and Berman (1999:177) state that a performance target is a tool for measuring the success of an organisation in terms of achieving its institutional goal. Therefore, a performance management system (PMS) should be linked to the IDP.

Pauw et al. (2009:286) assert that when the process of development and approval of the IDP has been completed, a Service Delivery and Budget Implementation Plan (SDBIP) must be developed, based on the strategic direction provided by the IDP. In this regard, Van der Waldt (2004:322) emphasises that the indicators and targets in the SDBIP should be similar to those included in the IDP of a municipality. The SDBIP is the operational plan of a municipality and gives effect to the municipal IDP and budget (National Treasury, 2005:1). It enables municipalities to divide broad objectives of the IDP into service delivery targets for the departmental senior managers. (IDP Skills Program Learner Guide/dplg/2006: 193). In this regard, Pauw et al. (2009:287) further argue that the basis for measuring the actual performance in service delivery against predetermined performance indicators indicates the responsibilities and outputs of every senior manager, inputs required and time deadlines for each output. Thus, a Performance Management System evolves from the Service Delivery and Budget Implementation Plan of the municipality.

Kanyane and Mabelane (2009:60) state that a Performance Management System (PMS) is an integrated system to measure the performance of the institution and that of its personnel. Section 26(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 (Regulation No. R805, dated 1 August 2006) stipulates that the purpose of a PMS is to provide a comprehensive system with specific performance standards to assist the employer, management and municipal staff to perform according to the required standards. Verweire and Van den Berghe (2005:7) also emphasise that the purpose of a PMS is to achieve institutional effectiveness. Blackburn et al. (1998:38) state that effectiveness refers to the extent to which a tool enables an institution to achieve an objective.

Ngwathe Local Municipality, a category B municipality with a collective executive system, located in the Fezile Dabi District of the Free State

Province, is the area in which the study was conducted. According to the Report of the Auditor-General (2008:14):

- The IDP of the Ngwathe Local Municipality does not include key performance indicators and performance targets determined in terms of its PMS; and
- The key performance indicators set by the Ngwathe Local Municipality do not include any general key performance indicators applicable to the Municipality.

In the above context, the Ngwathe Local Municipality Annual Report (2008:82) reveals that there are poor reporting systems on the IDP and SDBIP.

The Ngwathe Local Municipality thus does not have adequate performance control measures to achieve the objectives of its IDP. Control measures are the systems that ensure that actual activities correspond to planned activities (Van der Waldt & Du Toit, 1999:201). In this context it becomes problematic to determine the levels of success of its IDP and this situation undermines key socio-economic targets such as poverty alleviation, food security, job creation and infrastructure delivery as well as the accountability of political and administrative decision makers within the Municipality.

Based on the preceding scenario, the research question is: To what extent does Ngwathe Local Municipality utilise its PMS as a tool for the effective implementation of its IDP to achieve its developmental priorities and objectives?

## **1.2 RESEARCH QUESTIONS**

The research questions are the following:

- What are the theories, principles and best practices associated with performance and PMS?
- What are the key elements of an IDP and what are the best practices associated with its implementation in municipalities?
- To what extent may the PMS enable municipalities to achieve developmental objectives by means of the IDPs?
- What are the existing policies, systems, structures, approaches and operations within the Ngwathe Local Municipality to implement the IDP?
- How effective are the policies, systems, structures, approaches and operations of the IDP and performance measurement within the Ngwathe Local Municipality?
- What recommendations may be made to ensure the effective and efficient implementation of the IDP in municipalities by utilising a PMS?

### **1.3 RESEARCH OBJECTIVES**

Mouton and Marais (1992:42) state that the research goals provide a broad indication of what researchers wish to attain in their research. In this study, research goals will be seen in the same context as research objectives.

Selected objectives of this study are:

- Providing a theoretical overview of the concepts of PMS and IDP.
- Exploring policies, systems, structures, approaches and operations relative to the implementation of the IDP within the Ngwathe Local Municipality.
- Conducting empirical research on PMS to determine implementation effectiveness of the IDP within the Ngwathe Local Municipality.
- Proposing a number of recommendations based on research findings in order to improve performance in respect of the IDP.



## **1.4 CENTRAL THEORETICAL STATEMENT**

The following central theoretical statement as a guiding instrument for the research is stated:

- When the PMS is tied into the objectives of the organisation, the resulting performance is more likely to meet organisational needs (Nel et al. 2001:516).

## **1.5 RESEARCH METHODOLOGY**

In this study, a qualitative research design was used in order to explore the impact of a PMS on the IDP. According to Brynard and Hanekom (2006:37) qualitative methodology refers to research that produces descriptive data, generally the participant's own written or spoken words pertaining to their experience or perception. Maree et al. (2009:257) are of the view that this is the approach through which data is collected from people immersed in the setting of everyday life in which the study is framed.

### **1.5.1 Literature study**

A literature review was conducted in the study. The literature included publications such as books and articles by experts in the field directly relating to the topic of the research. Hart (1998:1) states that reviewing literature is important because, without it, the researcher will not acquire an understanding of the topic, on what has already been done on it, how it has been researched and what the key issues are.

A preliminary random search at the North-West University's Ferdinand Postma Library was conducted and adequate material and literature are available to do research on this topic. This study material and relevant

literature included books, journals, government publications and printed material.

### **1.5.2 Databases consulted**

The following databases were consulted to ascertain the availability of study material for the purpose of this research:

- Catalogue of theses and dissertations of South African universities.
- Catalogue of books: Ferdinand Postma Library (NWU).

### **1.5.3 Empirical study**

Semi-structured interviews with relevant officials of the Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs of the Free State Province and Ngwathe Local Municipality were conducted in order to generate qualitative data regarding the extent to which the Ngwathe Local Municipality implement PMS for the effective implementation of its IDP. Fox and Bayat (2007:100) are of the view that these form of interviews are relatively unstructured in the sense that broad questions are asked, allowing the interviewer freedom to determine what further questions to ask to obtain the required information.

### **1.5.4 Data collection techniques**

Semi-structured interviews were conducted to gather information. A set of pre-determined semi-structured questionnaires were developed to guide the researcher during the interviews. Research questions asked in a questionnaire ensure that participants provide the researcher with what is actually taking place and not just their perception regarding the PMS as a tool for the effective implementation of the IDP.

### **1.5.5 Sources of data**

The researcher used purposive sampling. Babbie (1995:225) defines purposive sampling as the selection of a sample on the basis of the researcher's own knowledge of the population, its elements and the nature of research aims.

The selected members in the population of senior managers within the Provincial Department were the Chief Director: Municipal Performance and Director: Integrated Development Planning. They are strategic managers responsible for the performance of the twenty-five municipalities in the Free State Province. At the Ngwathe Local Municipality, units of analysis in the population of municipal officials who were interviewed, were the Municipal Manager, Manager: Corporate Services, Integrated Development Planning Officer, the Mayor and Councillor: Community Services. The key responsibilities of these strategic municipal officials are directly linked to the IDP of the Ngwathe Local Municipality. Additional interviews were conducted with the other three programme managers responsible for finance, technical and community services who are directly accountable to the Municipal Manager.

### **1.5.6 Analysis and validity of data**

All data obtained from the interviews and questionnaires were interpreted in order for the researcher to draw a conclusion. An empirical analysis was used to interpret the collected data.

In order to ensure validity, interviews and questionnaires were semi-structured in a manner that would measure what is intended with regard to policies, systems, structures, approaches and operations to implement the IDP. Validity refers to the extent to which an empirical measure adequately

reflects the real meaning of the concept under consideration (Babbie & Mouton, 2001:122).

### **1.5.7 Procedure**

A literature study was undertaken to analyse from existing data how a PMS improves the achievement of the institutional priorities and objectives.

Semi-structured interviews were held with identified respondents to determine the existing policies, systems, structures, approaches and operations within the Ngwathe Local Municipality to implement the IDP. Based on the research objectives, all relevant information were analysed and evaluated. All information and data were presented scientifically.

## **1.6. PRELIMINARY CHAPTERS**

The study is divided into the following five chapters:

### **Chapter 1: Introduction**

This chapter explains the problem statement, research methodology, research questions and objectives.

### **Chapter 2: Integrated Development Plans and their implementation in South African Municipalities**

The chapter outlines the origin, statutory and regulatory framework as well as the implementation of the IDPs in South African municipalities.

### **Chapter 3: Integrated Development Plans and Performance Management System – A Conceptual Linkage**

Firstly, the chapter provides the legislative and policy directives of the national government of South Africa and literature exploration with regard to PMS. Secondly, the chapter describes the linkage between the IDPs and PMS. Finally, the chapter concludes by giving an account of how a PMS enables municipalities to achieve developmental objectives by means of the IDPs.

#### **Chapter 4: The Performance Management System as an implementation tool for Integrated Development Plans: Empirical findings**

This chapter focuses on the research conducted in Ngwathe Local Municipality to explore the impact of a PMS on IDPs. The research methodology used in this study is also the focus of the chapter. In other words, aspects of qualitative investigation to be discussed also include the research results.

#### **Chapter 5: Overview of Chapters, recommendations and concluding remarks**

A conclusion is drawn and proposals made on how the PMS may be utilised to implement IDPs based on the facts that are analysed from the research findings.

## **CHAPTER 2**

# **INTEGRATED DEVELOPMENT PLANS AND THEIR IMPLEMENTATION IN SOUTH AFRICAN MUNICIPALITIES**

### **2.1 INTRODUCTION**

Traditionally, local government has been expected to implement development plans that were developed by higher echelons of government, namely, provincial and central government. After the 1994 democratic transition, a dire need arose for a fundamental transformation of local government with a policy that reflects the values of the Constitution of the Republic of South Africa Act, 108 of 1996, (hereafter referred to as Constitution) and which addresses the serious challenges that faced local government. The transformation process that ensued positioned local government as a key role-player in the development process of South Africa.

The Constitution requires national and provincial government to support and strengthen the ability of the local sphere of government to manage its own affairs, exercise its powers and perform its functions through legislative and other measures. The local sphere of government consists of municipalities which are instituted for every demarcated municipal area for the whole of South Africa.

The purpose of this chapter is to explore the implementation of the Integrated Development Plans (IDPs) by South African municipalities in their respective municipal areas for purposes of achieving their intended developmental priorities and objectives.

The chapter commences with the evolution of Integrated Development Plans (IDPs), then provides their statutory and regulatory framework before giving the reasons for developing IDPs. An overview of the IDP methodology is provided. Additionally, attention is focused on the IDPs and budgeting, followed by the

operationalisation of the IDPs within municipalities. The chapter concludes by indicating how external resources, organisational structure, human resource management, leadership and an organisational culture support the implementation of IDPs.

## **2.2 THE EVOLUTION OF INTEGRATED DEVELOPMENT PLANS IN SOUTH AFRICA**

Fitzgerald et al. (1997:3) indicate that in the past the development debate was dominated by modernisation, underdevelopment and dependency theories. Developmental management has served to encourage an unfortunate combination of excessive centralised state planning with inadequate implementation. Authority is rarely delegated and civil society is marginalised. Fitzgerald et al. (1997:16) further point out that a truly developmental state must provide a coherent set of policies and major infrastructures and must facilitate an environment conducive to the implementation of development-friendly policies. The private sector and non-governmental organisations' (NGOs) initiatives must be encouraged and, where necessary, foster partnerships between state, the private sector and NGOs. Marwala (2006:1) defines a developmental state as one where government is intimately involved in the macro and micro economic planning in order to grow the economy. This context was heavily reflected in the literature of South Africa in the 1960s and 1970s.

Fitzgerald et al. (1997:3) continue to argue that in South Africa in the 1980s, the development debate itself fell out of the frame to a significant extent as attention was focused on the escalating socio-political struggle and increasing degree of repression that it produced. Then, in the early 1990s, the spotlight turned towards the negotiated transition and slowly the development debate began to emerge once again, but this time in a profoundly different global political context. Wessels and Pauw (1999:100) point to the fact that a concern for development was a response to the continuing situation of mass poverty and gross inequality in South Africa.

Swanepoel and De Beer (1997:43) define development simply as the opposite of poverty. In other words, development addresses the poverty of people. Wessels and Pauw (1999:100) contend that development may be seen as constructive work aimed at improving human welfare. Human (2007:5) observes that development may be regarded as the process by which poverty is reduced, not only in monetary value, but also in terms of social inclusion and access to goods and services.

Fitzgerald et al. (1997:392) maintain that the decision by the national government of South Africa in February 1990 to release jailed leaders of the African National Congress (ANC), unban opposition political parties and begin the long process of negotiation, had a profound influence at local level. From 1990, until the election in April 1994, a distinct viewpoint about the post-apartheid development path received prominence. The ANC-led alliance articulated its consensus on the South African development path in the Reconstruction and Development Programme (RDP) of 1994.

The RDP has been an integrated, coherent socio-economic policy framework of democratic government that intends to eradicate poverty and deprivation and addresses spatial settlements (ANC, 1994:1). It was the first development-oriented policy document of the African National Congress (Pillay, Tomlinson & Du Toit, 2006:23). In this regard, Fitzgerald et al. (1997:488) emphasise that the RDP details an integrated approach to addressing developmental needs in South Africa. However, Robinson and White (1998:316) are of the view that the RDP was not a plan with detailed targets, let alone mechanisms or costing. It was rather a statement of a vision, in which development meant, first and foremost, the satisfaction of basic needs.

According to Krige (1998:13), the fact that historically the level of service delivery in township areas was “appalling”, prompted the idea of integrated development planning. Human (2007:2) highlights the fact that the Department of Provincial and



Local Government initiated the restructuring of local government and introduced the integrated development planning process in an attempt to improve the planning process at a local government sphere. It may therefore be argued that integrated development planning has been one of the mechanisms that would enable the new system of local government to cope with its developmental role. Thus, Van der Waldt et al. (2007:52) emphasise the fact that municipalities have a central responsibility to work together with local communities to find sustainable ways of meeting community needs and improving the quality of their lives.

According to Gueli et al. (2007) integrated development planning is about different actors and sectors working together under a commonly-designed agenda and realigning individual supply chains to produce a commonly-defined objective or product. Van Donk et al. (2008:122) view integration in the South African context as implying processes such as getting a more strategic focus, the creation of more coherent entities and facilitating “joined-up” working across sectors. Its major manifestations in policy and legislation include the requirement that every municipality produce an IDP. Odendaal (2004:67) states that integrated development planning as a style of strategic planning that departs from the master planning models of the past, the preparation of the IDPs represents a more flexible model for responding to the many challenges that local authorities face.

The formulation of the IDPs became a legal requirement for local councils in November 1996 as a result of the passing of the Local Government Transition Act, 12 of 1996. The promulgation required that all transitional metropolitan, district and local councils prepare an IDP. The effect of the enactment was the introduction of an instrument that would assist the newly constituted municipalities to execute their functions in a co-ordinated, strategic, developmental and fiscally responsible manner. Pillay, Tomlinson and Du Toit (2006:196) contend that this was done in haste, in response to a particular opportunity and there was no time to develop the concept of the IDP before introducing it in legislation. Hence, when the IDP was introduced, it was in direct competition with other instruments of planning; its purpose was vague and its contents had yet to be specified. In this regard

Meiklejohn and Coetzee (2003:29) aver that, although the requirement for municipalities to produce IDPs was legislated, the conceptualisation at a policy level was still very limited and the concept took time to mature.

Pillay, Tomlinson and Du Toit (2006:122) further highlight the fact that the first round of IDPs (between 1996 and 2002) revealed many shortcomings in their formulation and implementation. The Ministerial Advisory Committee found that many interim IDPs merely reflected shopping lists rather than a strategic and long-term vision of the development of a municipal area. IDPs tended to overemphasise infrastructure development at the expense of social and economic development. The areas of concern were also the weak links between the IDP and budgets and inadequate intergovernmental alignment. Thus, whereas the first post-apartheid planning instruments had been introduced in the Development Facilitation Act, 67 of 1995 promulgated in October 1995, there remained a need for a broader instrument to co-ordinate and direct the activities of local authorities (Pillay, Tomlinson & Du Toit, 2006:195).

Van Donk, Swilling, Pieterse and Parnell (2008:323) state that the White Paper on Local Government, 1998 clarified the role of the IDP as it elaborated that it is a tool of development. However, according to Rauch (2002:16) the IDP was intended to become a key tool for developmental local government. Section 154 of the Constitution stresses that the municipalities, as part of their developmental duties, must structure and manage their administration, budgeting and planning processes to prioritise the basic needs of the community and to promote the social and economic development of the community. A perspective by Muradzikwa (2004:4) is that the Local Government: Municipal Systems Act, 32 of 2000 has also set out the methods, outputs and status of the process of the IDP.

On 1 December 2001 the Presidential Co-ordinating Council (PCC) resolved to accelerate the implementation of a system of state-wide planning wherein the IDPs serve as the basis for aligning policy, planning and budgeting processes across all spheres of government in South Africa (IDP Nerve Centre Executive

Overview, 2002:7). The PCC comprised the Presidency, Minister of the national Department of Provincial and Local Government (DPLG), premiers and the chairpersons of organised local government. It was a consultative body dealing with cross-sectoral issues to ensure the co-ordinated and integrated implementation of national policies and programmes at provincial and local government spheres.

The second round of IDPs after 2001 continued to show that the IDPs remained a learning process in terms of preparation, operationalisation and implementation (Pillay, Tomlinson & Du Toit, 2006:123). Thus, in May 2003 the national cabinet entrusted the former DPLG with putting together an Intergovernmental Planning Framework and Intergovernmental Relations Framework Bill that would strengthen the role of planning across the three spheres of government. Thus, to this end these developments influenced and shaped the development of the IDPs.

## **2.3 STATUTORY AND REGULATORY FRAMEWORK OF IDPs**

In this section the statutory and regulatory framework pertaining to the IDPs is explained. The statutory and regulatory framework establishes a basis and scope for the formulation and implementation of the IDPs.

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

In terms of the Constitution, the municipalities are mandated with major developmental responsibilities to ensure that the quality of life for its citizens is improved. The role for local government includes provision of basic services, creation of jobs and eradication of poverty. Section 153 of the Constitution provides that the municipalities are provided with developmental duties in two senses. Firstly, they are expected to structure and manage their administration, to budget and plan in a manner that gives priority to the basic needs of the communities, and to promote the latter's socio-economic development. Secondly, municipalities are to participate in both national and provincial development

programmes in the spirit of co-operative governance (Ismail & Mphaisha, 1997:10).

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

The White Paper on Local Government, 1998 contextualises IDPs as a way of achieving developmental local government. It stipulates that an IDP intends to:

- align scarce resources around agreed policy objectives;
- ensure integration between sectors with local government;
- enable alignment between provincial and local government; and
- ensure transparent interaction between municipalities and residents, making local government accountable.

(RSA, 1998:18).

The central theme of the White Paper is the need for municipal councils to become more developmental in focus. It further states that local government should fulfill its mandate to improve and accelerate the delivery of essential services and development.

### **2.3.3 Local Government: Municipal Systems Act, 32 of 2000**

The Act sets out the principles, processes and mechanisms for municipalities to shift into a new position within the landscape of development and included in these is the integrated development planning process. Section 25(1) requires the municipal council, within a prescribed period after the start of its elected term, to adopt a single, inclusive and strategic plan for the development of the municipality which:

- (a) links, integrates and co-ordinates plans and takes into account proposals for the development of the Municipality;

- (b) aligns the resources and capacity of the Municipality with the implementation of the plan;
- (c) forms the policy framework and general basis on which annual budgets must be based;
- (d) complies with the provisions of Chapter 5; and
- (e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation (Local Government: Municipal Systems Act, 2000).

What is contemplated in the provision is that all municipalities (i.e. metropolitan, district and local) should undertake an integrated development planning process to produce IDPs.

Section 26 of the Act further outlines the core components of the IDP of a municipality. It requires the IDP to reflect:

- (a) the municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- (b) an assessment of the existing level of development in the municipality which must include an identification of communities which do not have access to basic municipal services;
- (c) the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- (d) the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- (e) a special development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- (f) the council's operational strategies;

- (g) applicable disaster management plans;
- (h) a financial plan, which must include a budget projection for at least the next three years; and
- (i) the key performance indicators and performance targets determined in terms of section 41.

#### **2.3.4 Intergovernmental Relations Framework Act, 13 of 2005 (IGR)**

The Act represents an important support mechanism to the IDP process and provides for the obligation of all spheres of government to allow their own planning processes to be influenced by the municipal IDPs. According to the IDP Skills Programme Learner Guide (DPLG, 2006:33) the implementation framework of the IDP depends on the ability, the investment and spending of other spheres of government. The Act fosters a greater level of co-operation across the different spheres of government based on systems of mutual support, information sharing, communication and co-ordination of activities. The objective is thus to ensure coherent government, effective service provision and the realisation of national priorities. The Act is also a response to the limited success in the alignment of the framework to support intergovernmental co-operation and co-ordination required by the Constitution.

#### **2.3.5 Municipal Finance Management Act, 56 of 2003 (MFMA)**

The Act was promulgated to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government. It has the objective of modernising budget and financial management practices in municipalities in order to maximise their capacity for service delivery.

Section 53(6) of the MFMA provides that the mayor of a municipality must determine how the IDP is to be taken into account or revised for the purposes of the budget. Thus, the annual budget of a municipality should indicate how it gives effect to the IDP over the next three budget years and how the IDP may need to

be revised given the budgetary resources and spending commitments within the municipality.

### **2.3.6 Traditional Leadership and Governance Framework Amendment Act, 41 of 2003**

According to Mojapelo (2007:48) a significant percentage of the population in South Africa resides in villages ruled and governed by traditional leaders. To this end a commitment is required from municipalities to ensure that traditional leaders are involved in both the IDP review process and any developmental matters. The Act argues for an active involvement of the traditional leadership in the formulation and the implementation of the IDPs. To this effect, section 4 of the Act provides for the establishment of traditional councils that should:

- support municipalities in the identification of community needs;
- facilitate the involvement of the traditional community in the development or amendment of the IDP of a municipality in whose area that community resides;
- participate in the development of policy and legislation at the local sphere; and
- promote the ideals of co-operative governance, integrated development planning, sustainable development and service delivery to promote indigenous knowledge systems for sustainable development and disaster management.

### **2.3.7 IDP Guide Packs**

In addition to all the aforementioned legislation, the Department of Co-operative Governance and Traditional Affairs (COGTA, formerly known as the Department of Provincial and Local Government - DPLG), supported by the organisation, German Technical Co-operation (GTZ), has produced IDP Guide Packs to assist municipalities with the integrated development planning process needed to

produce IDPs. These provide guidance on all aspects of the IDP, including its methodology, institutional organisation, the form of public participation and the way cross-cutting issues can be incorporated into planning. The following six guides may be used independently of one another: (available at: <http://www.thedplg.gov.za/subwebsites/publication/idp/guide%20v.gov>):

- Guide I – General IDP Guidelines
- Guide II – Preparing of the IDP process
- Guide III – Methodology
- Guide IV – IDP toolbox
- Guide V – Sectoral and cross-cutting policy issues
- Guide VI – Implementation and Monitoring

## **2.4 REASONS FOR DEVELOPING AN IDP**

Pillay, Tomlinson and Du Toit (2006:15) indicate that IDPs provide a long-term vision for a municipality, detail the priorities of an elected council, link and co-ordinate sectoral plans and strategies, align financial and human resources with implementation needs, strengthen the focus on environmental sustainability and provide the basis for annual and medium-term budgeting.

Schoeman (2006:5) contends that the central aims of an IDP are to develop a holistic, integrated and participatory strategic plan and guide the work of the municipality. Despite the various reasons for IDP by different authors, according to Pauw et al. (2009:280) the following are other valid reasons why municipalities should prepare IDPs:

- **Effective use of scarce resources**

The IDP assists a municipality to focus on the identified and prioritised local needs, taking into consideration the availability of local resources as well as searching for more cost-effective solutions and addressing causes of



problems rather than dealing with their symptoms by just allocating capital expenditure on an ad-hoc basis.

- **Improve service delivery**

IDPs provide a tool that will guide investment by getting the buy-in of all the relevant role-players as well as providing deadlock-breaking decision mechanisms and arriving at realistic project proposals.

- **Attract additional funds**

A well prepared development plan encourages private investors and public sector departments to invest their money in a specific municipal area because the IDP is an indication that the municipality has a strategy in place that will direct its developmental actions.

- **Strengthening local democracy and institutional transformation**

The decisions are taken in a democratic and transparent manner and not only by a few influential individuals.

The Education and Training Unit – ETU (available at <http://www.etu.org.za>) lists the following as additional reasons why a municipality should have an IDP:

- **Overcome the legacy of apartheid**

The municipal resources are used to integrate rural and urban areas and to extend services to the poor.

- **Promotes co-ordination between local, provincial and national government**

The different spheres of government are encouraged to work in a co-ordinated manner to engage in the development needs in a local area. It seems, then, that the theory is that a municipality would act in an ad hoc, uninformed and unco-ordinated manner in the absence of an IDP. Thus, this situation may lead to:

- Duplication and wastage of limited resources; and
- Other spheres of government imposing their development programmes on a municipality, which might not be a priority for the residents of a specific municipal area.

Furthermore, according to the White Paper, 1998, the IDPs provide powerful tools for municipalities to facilitate integrated and co-ordinated delivery within their locality. Van der Waldt et al. (2007:175) contend that the IDP, as an explicit annual public statement of priorities linked to the budget, provides an important basis for accountability to municipal residents and stakeholders.

Having examined reasons for developing IDPs, in the following section the planning process of the IDP is considered. The IDP Skills Programme Learner Guide / DPLG (2006:152) states that when the planning process of the IDP is properly conducted, every phase within such a process brings municipalities closer to an implementable plan.

## **2.5 OVERVIEW OF IDP METHODOLOGY**

The IDP is a product of the integrated development planning process. The IDP Guide Pack: General Overview (2000:4) defines integrated development planning as a process through which municipalities prepare a strategic development plan for a five-year period.

The process undertaken to produce an IDP consists of five phases (Van der Waldt et al. 2007:103). Each phase should bring municipalities closer to an implementable plan (IDP Skills Programme Learner Guide / DPLG, 2006:152). The following are the phases of the IDP:

## **Phase 1: Analysis**

This phase deals with the existing situation within a municipal area. It is the focused analysis of the problems faced by a municipality and its communities. The situation analysis involves an analysis of both the external and internal environments. Van der Waldt and Knipe (2009: 17) indicate that the analysis of the external environment considers political, economic, social, legal and technological factors; that of the internal environment considers factors such as the municipality's internal processes and practices such as its structures, management style and resources.

Van der Waldt et al. (2007:104) point to the fact that a situation analysis can generate a large amount of information much of which is not particularly relevant to strategy formulation. Thus, to make information manageable, it is useful to categorise the internal factors as strengths and weaknesses and external factors as opportunities and threats. Rossouw et al. (2003:98) are of the opinion that such an analysis is a SWOT analysis. SWOT is an acronym for **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats (Rue & Byars, 2007:151). Thompson et al. (2010:107) explain that a SWOT analysis is much more than just an organisation making four lists. The two most important actions after drawing up a SWOT analysis are drawing conclusions on the outcomes of the SWOT analysis and translating these conclusions into strategic action plans. Van der Waldt and Knipe (2009:18) also warn that during the analysis phase or valuation, all aspects of the public management function such as policy making, planning, organising, leading, control and evaluation should be considered.

## **Phase 2: Strategies**

Once a municipality understands the problems affecting the residents of its area and the causes of these problems, it should then formulate the solutions to address them. This phase includes the formulation of the following features:

- **Vision**

The vision is a roadmap of a municipality's future direction in which it is headed, the position it intends to take and the capabilities it plans to develop. The vision moreover helps create organisational purpose and identity (Thompson & Strickland,1998:4-5).

- **Formulation of objectives**

Objectives are statements of what a municipality would like to achieve in the medium term in order to address the issues or problems; they also contribute to the realisation of the vision. It is essential that the objectives be quantifiable and achievable (Van der Waldt & Knipe, 2001:182).

- **Formulation of strategies**

Objectives are the end results that a municipality wants to achieve, while strategies are the ways and means by which it wants to achieve these objectives (Roussouw, Le Roux & Groenewald, 2003:99). Although a whole range of strategies are available, only those that are in accordance with the municipality's development mandate must be formulated.

- **Project identification**

Once strategies are formulated, they result in the identification of projects.

### **Phase 3: Projects**

This phase deals with the design and specification of projects for implementation. The municipality must ensure that the projects identified have a direct linkage to the priority issues and the objectives that were identified in the previous phases. It must also be clear on the following:

- the target group (beneficiaries);
- the location of the project;
- the date of commencement and the date of completion;

- the person(s) responsible for managing the project; and
- funding sources.

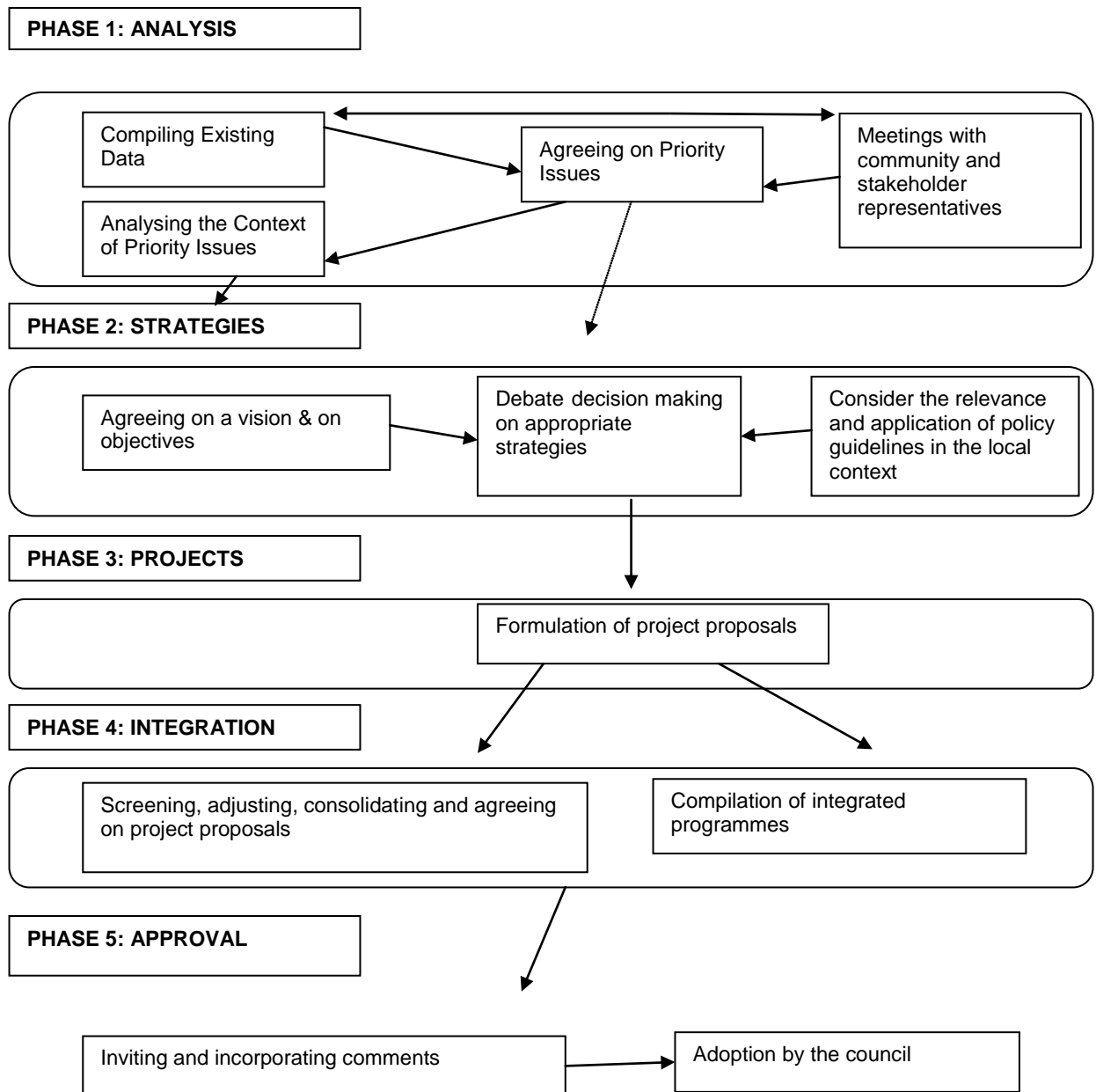
#### **Phase 4: Integration**

Once the projects have been identified, the municipality must ensure that the results of the project planning will be checked against their compliance with the vision, objectives, strategies and resources and that they will be harmonised in terms of contents, location and timing in order to arrive at a consolidated and integrated programme (IDP Guide Packs: General Overview, 2000:17).

#### **Phase 5: Approval**

Before being adopted by the municipal council, all relevant stakeholders and interested parties, including other spheres of government, must be granted an opportunity of commenting on the draft plan, thus giving the approved plan a sound basis of legitimacy, support and relevance (Rauch, 2002:12).

The Development Bank of Southern Africa and the National Business Initiative (DBSA & NBI, 2006:143) use the following to illustrate the phases of the IDP:



**Figure 2.1: Phases of the IDP**

(DBSA and NBI, 2006:143).

The most powerful feature of the IDP process is the interdependent nature of the phases as illustrated in Figure 2.5 above. Van der Waldt et al. (2007:103) view interdependency of the phases of IDP as having several significant implications. Firstly, a change in any phase will affect several or all of the other phases. Thus, in any strategic management model, the flow of information is usually reciprocal. A second implication is the need to regard it as a dynamic system. The concept

“dynamic” may be defined as the constantly changing conditions that affect interrelated and interdependent strategic activities. A third implication is that phases are sequential.

However, according to the IDP Guide Pack IV: Financial Management (2000:49), the implementation of the IDP cannot take place unless the financial resources required to pay for it are obtained. The IDP is effected through the application of the budget (Elsies River SANCO, 1998:3). This assertion is supported by Pauw et al. (2009:301) that it may not be possible to execute a plan if it is not clear how much financial and other resources are available. For this reason, IDPs and budgeting are explained in the section that follows.

## **2.6 INTEGRATED DEVELOPMENT PLANS AND BUDGETING**

The IDPs must be integrated and linked with budgets of municipalities (Parnell et al, 2002:94). A budget is a mechanism to give effect to a municipality’s service strategies (Fourie & Opperman, 2007:95). It is an explanation of the way in which the municipality will employ its resources to achieve specific objectives (Du Toit et al., 2002:149). A budget is a financial plan that sets out how a government institution will achieve its objectives (Pauw et al., 2009:58).

Fourie and Opperman (2007:95) maintain that it is imperative that the annual budget of a municipality is output-driven and that the intended outcomes are in line with the service delivery objectives outlined in the IDP. Thus, a sound municipal budget is one which sensibly allocates realistically expected resources to the achievement of defined objectives identified as priorities in the approved IDP.

Van der Waldt et al. (2007:188) indicate that a municipality must ensure that its budget conforms with its IDP. This could be construed to mean that it is imperative for municipalities to ensure that their annual budgets are output-driven and the intended outcomes are in line with the service delivery objectives outlined in the IDP.

A municipal budget allocates resources to public services and projects and balances the resources drawn from the community against the demands for services and projects while keeping municipal taxes within acceptable limits and ensuring that services are sufficient to allow economic growth and social stability (Bland & Rubin, 1997:4).

A perspective provided by Van der Waldt (2004:119) is that, linked to the aspects of multi-year budgeting, is the fact that local government budgets will be approved only if they are based on the IDP. Thus, local government budgets must reflect the needs of the people and their resources to meet those needs.

A municipality's annual budget must generally be divided into capital and operating budgets (Pauw et al., 2009:292). According to Valeta and Walton (2008:381) the operating and capital budgets must be aligned with the objectives and strategies contained in the IDP. Capital budget is that part of the municipal budget that addresses all capital and development programmes and projects of a local authority and represents the fiscal expression of the IDP goals (Valeta & Walton, 2008:381). It is set aside for various programmes and/or projects which generally include civic amenities, electricity transmission systems, construction of community health service centres, housing schemes and street works. Visser (2001:1688) indicates that it is that portion that directly affects the socio-economic development of the local authority's many communities and best reflects what a Council "really does" about social justice.

Van der Waldt et al. (2007:190) emphasise that the operating or current budget is compiled to finance the municipality's activities and functions carried out over a period of less than 12 months. It is the amount allocated to pay for the running costs of the municipality covering both its direct and support services, e.g. salaries, rental, electricity, telephone and repairs projects for assets. Thus, capital budget is a budget for the construction or acquisition of fixed assets while



operating budget is for the purchase of goods and services for which there will be a short-term benefit.

According to Van der Waldt et al. (2007:202) the economic prosperity of a community determines its tax paying ability and therefore its financial capacity. In practice, this means that municipalities have to generate money by raising taxes, levies, rates and service charges from the inhabitants within their municipal borders. Government transfers are a much smaller percentage of local government revenue and a municipality must therefore generate more than 90% of their budgets from their own revenue sources.

## **2.6.1 Internal and external sources of finance**

### **2.6.1.1 *Internal***

According to Pillay, Tomlinson and Du Toit (2006:159) local government is substantially financed by means of own resources. Taxes (rates), service charges and reserves are examples of internal sources of finance for the municipality.

### **2.6.1.2 *External***

These are resources that are obtained through other spheres of government, agencies and institutions that are not part of the municipality.

Pillay, Tomlinson and Du Toit (2006:160) indicate that own revenue of municipalities is supplemented by substantial grants from national government, also specifying broadly what needs to be taken into account in determining the transfers. According to Pillay, Tomlinson and Du Toit (2006:161), all transfers from national government have to be gazetted. The Division of Revenue Act explains the basis for the transfers and sets out grants to every municipality for the next three financial years.

## 2.6.2 Grants and transfers

Grants are provided by the national government for accessing by municipalities. Grants have very specific conditions and require municipalities to prepare detailed business plans before accessing funds (IDP Guide IV – Financial Management, 2000:52).

### A. National Government Grants

These are grants provided by the national government for accessing by municipalities.

- Equitable share and related grants:
  - Equitable share
  - Water and Sanitation Operating Grant
  
- Capacity Building & Restructuring:
  - Local Government Support Grant
  - Financial Management Support Grant
  - Municipal Systems Improvement Programme
  
- Capital Grants:
  - Municipal Infrastructure Grant
  - Community Based Public Works
  - Local Economic Development

### B. Provincial Government Loans and Direct Payments

These apply to finances from provincial government revenue resources to municipalities.

- Agency agreement – where there is a direct transfer of finances for a provincial government service function carried out by a municipality on behalf of the provincial government.

- Specialised subsidy, e.g. housing subsidy

C. Government Grants (non-South African)

- Internal – through international agencies operating within South Africa
- External – through internal agencies without presence in South Africa.

According to the IDP Guide Pack VI: Financial Management (2000:45), the IDP and municipal budgeting must interact with the national and provincial budget processes if municipalities are to maximise the resources available to them. However, such synchronisation of budgeting processes is currently difficult to achieve because of the difference in the financial years of the spheres of government. For example, the national and provincial government financial year runs from 1 April to 31 March while the municipal financial year is from 1 July to 30 June. Municipalities are therefore required to have their priority inputs ready twelve months before the actual financial year in which they will spend on implementation.

Van der Waldt et al. (2007:190) aver that both the IDP and budget of a municipality are high-level strategic plans and are not implementation plans. In this regard, Pauw et al. (2009:286) state that it is necessary that an operational plan for the institution be designed to ensure that the IDP and budget are implemented in an organised and effective manner. For Van der Waldt et al. (2007:189), to implement the IDP and budget effectively, municipalities must develop service delivery and budget implementation plans (SDBIPs). In this regard Pauw et al. (2009:86) refer to the fact that, after the strategic plan has been prepared, it needs to be known in detail how the institution will conduct its activities on a day-to-day basis; an operational plan should thus be prepared. The SDBIPs are therefore discussed next.

## **2.7 OPERATIONALISATION OF THE INTEGRATED DEVELOPMENT PLANS: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS**

Pauw et al. (2009:286) are of the opinion that when the process of development and approval of the IDP and budget are completed, a SDBIP must be developed based on the strategic direction provided by the IDP. The SDBIP is the operational plan of the municipality and gives effect to the municipal IDP and budget (National Treasury, 2005:1). It is also a mechanism that assists the mayor, municipal manager, councillors, senior managers and the community in realising the municipality's strategic objectives as outlined in the IDP (available at [www.communitylawcentre.org.za](http://www.communitylawcentre.org.za)). The SDBIP requires that municipalities are able to divide broad objectives of the IDP into service delivery targets for departmental managers and wards (IDP Skills Programme Learner Guide / DPLG, 2006:193).

Noting these assertions from various authors, it may be deduced that the operational plan indicates every sub-programme's purpose and the activities that will be used in the implementation process of such a plan.

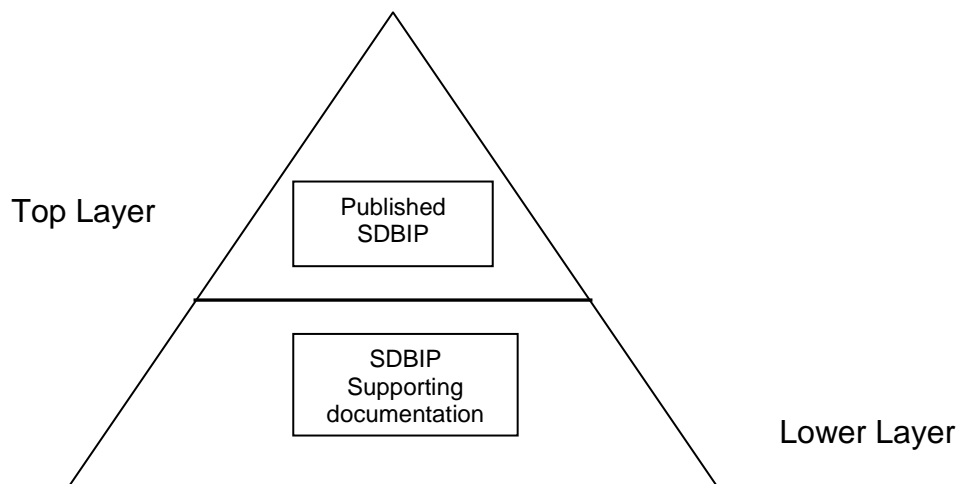
### **2.7.1 Components of the SDBIP**

The SDBIP consists of the following components (National Treasury, 2005:5):

- Monthly projections of revenue to be collected, measured against the actual revenue collected.
- Monthly projections of expenditure measured in terms of actual expenditure.
- Quarterly projections of service delivery targets and performance indicators per vote.
- Ward information for expenditure and service delivery.
- Detailed capital works plans broken down by ward over three years.

## 2.7.2 Structure of the SDBIP

The National Treasury (2005:3) shows that the SDBIP is considered to be a layered plan. In this regard, Pauw et al. (2009:288) state that the top layer of the plan, which is the content of the approved published SDBIP, consists of the consolidated service delivery indicators and in-year deadlines which provide the framework for all the detailed supporting documentation that must also be developed. The next or lower layer of detail that should accompany the SDBIP is the detail on every output that should be developed by the senior management of the municipality. This output should be broken up even further into smaller outputs that can be linked to the responsibilities of every middle and junior manager. This may be depicted as follows in Figure 2.2.



**Figure 2.2: SDBIP as a layered plan**

(Pauw et al. 2009:228).

Van der Waldt et al. (2007:190) indicate that as a start-of-year-plan and target instrument, the SDBIP defines what must be covered in year-reporting and end of year annual reports. It makes promises to the community about what the municipality will deliver in the coming year.

All municipalities have resource constraints to varying degrees and are unable to function without a pro-actively structured programme of relations and use of

external resources (IDP Guide Pack IV: Maximising External Resources, 2000:57). External resources are the two spheres of government (national and provincial) and public, private and non-governmental agencies. In the section that follows, the importance of the relationship between the municipality and external resources in supporting the implementation of IDPs, is explained.

## **2.8 SIGNIFICANCE OF THE RELATIONSHIP BETWEEN THE MUNICIPALITY AND EXTERNAL RESOURCES IN THE IMPLEMENTATION OF THE IDP**

Van der Waldt et al. (2007:88) argue that the shift from a traditional service delivery model to a more developmental strategic approach requires support from civil society organisations and the private sector. The private sector or business community offers managerial expertise, financial resources, credit, training infrastructure and the capacity to take over certain functions that a municipality is unable to perform. However, what is important is that a municipality has:

- knowledge of the resources available;
- alternative ways of structuring the relationship for accessing resources;
- ability to assess the best option;
- internal capacity to manage the contractual arrangement reached; and
- all of the above, to provide the best arrangements for the municipality to achieve its developmental objectives (IDP Guide Pack IV: Maximising External Resources, 2000:57).

Van der Waldt (2004:103) further articulates the complexity of current demands that the public and private sectors work co-operatively to maximise the national benefits. To achieve this, the public and private sectors must engage in innovative partnerships that share the costs, risks and rewards of developing solutions to service delivery challenges.

The following are key reasons why the government should consider forms of external resource relationships:

- Fiscal pressures for cost savings;
- The belief that competition increases efficiency;
- Separation of service delivery from policy advice allows Government to focus on 'steering' and leaving the rowing to others;
- A need to focus on outputs and performance standards; and
- More choice for citizens.

(Van der Waldt, 2004:104).

There is a wide variety of approaches and mechanisms possible for a municipality and external resource agents (IDP Guide Pack IV: Maximising External Resources, 2000:70). These mechanisms may be defined as the provision of public services through arrangements other than the traditional department structure, a wide variety of approaches being used both within and outside of the public sector (Van der Waldt, 2004:103).

The table below shows a number of the key types of relationships with some indication of how every type is used.

**Table 2.1: Municipal Service Partnerships (Public-Private Contracts and Partnerships)**

TYPE	DESCRIPTION	CONDITIONS AND USE	EXAMPLES
Full privatisation (includes the sale of physical assets)	Arrangement where the Council sells a facility to the private sector for the private sector to own and manage.	<ul style="list-style-type: none"> <li>• The private sector takes full financial risk and ownership.</li> <li>• The private sector will have to run the facility in accordance with any government regulations but otherwise has full ownership and control over structuring and cost of service.</li> </ul>	Sports facility/stadium
Self-help Programme	Programme where the Council contracts the community to undertake a Municipality's development or service provision responsibility for themselves.	<ul style="list-style-type: none"> <li>• Usually used to encourage local economic development or to keep direct service cost to local community as low as possible.</li> <li>• Community undertakes service usually using Council equipment and facilities.</li> </ul>	Community-based Road Maintenance  People's housing process – housing
Capital Delivery Contracts	Contracts with the private sector to deliver a capital product on a contractual basis for the municipality. Applies only to the delivery of the capital product.	<ul style="list-style-type: none"> <li>• Ownership and management remains with the municipality.</li> <li>• Private sector only invests bridging capital.</li> <li>• Contract covers the duration of the period of construction and any guarantee period</li> </ul>	Building of new water purification plant.  Building of primary health care clinic.



		<p>immediately after but the completed investment handed to municipality.</p> <ul style="list-style-type: none"> <li>• Full financing provided by municipality financial resources.</li> </ul>	
Service Contracts	Contract for the private sector to provide a specific operation, service or maintenance of existing infrastructure.	<ul style="list-style-type: none"> <li>• Municipality sets performance criteria, evaluates bidders, supervises contractors and pays a set fee for the service provided.</li> <li>• Private sector provides the service and it is paid for by the municipality.</li> <li>• Contracts usually for at least 2 years.</li> </ul>	<p>Operation and maintenance of stand pipes.</p> <p>Meter reading.</p>
Leases	Facility transferred to private sector for a set period for the private sector to operate and maintain at its own commercial risk with income derived directly from payment for service by customer.	<ul style="list-style-type: none"> <li>• Private sector must finance working capital and replace short-lived assets.</li> <li>• Usually period between 6 – 10 years.</li> <li>• Leasing means the municipality must be committed to charges by private sector that cover at least operating and maintenance costs.</li> </ul>	Urban water supply and sewerage schemes.
Human Resource Exchange	Involves one sphere of government making available human and other capacity resources where another sphere is lacking in such resources or capacity.	<ul style="list-style-type: none"> <li>• Controlled by contractual agreement on the nature of support and the period for which it is available.</li> </ul>	Provincial government secondment of personnel to assist municipality with IDP.

Special Delivery Vehicles	The Municipality sets up a separate private sector organisation, e.g. Section 21 in which it has investment and governance involvement. The SDV is tasked with delivering an aspect of Council programme or service.	<ul style="list-style-type: none"> <li>• The Municipality covers some of the risk through its own investment. Private sector or other parts of government can invest.</li> <li>• Where properly structured, it is useful in attracting additional investment and providing opportunity for municipality to use finances more flexibly.</li> </ul>	Housing Utility Company.  Parks and Cemeteries Company.
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(IDP Guide Pack: Maximising External Resources 2000:69).

It may be noted from Table 2.1 above that municipalities may enter into contracts with private companies to take over complete areas of service and with other spheres of government for financing some of their services or support functions in order to assist implementation of the IDP. In other words, municipalities should integrate the various streams of resources into their areas so as to manage their myriad of developmental challenges.

## **2.9 ROLE OF THE ORGANISATIONAL STRUCTURE AND HUMAN RESOURCE MANAGEMENT TOWARDS SUPPORTING IMPLEMENTATION OF THE IDP**

According to Thompson et al. (2010:42) the implementation and execution of a strategy is an operations-orientated, make-things-happen activity aimed at performing core business activities in a strategy-supportive manner.

Rue and Byars (2007:153) explain that, after an organisation's plan has been carefully formulated, the necessary actions which must be undertaken include determining the most appropriate organisational structure. According to the IDP

Guide Pack VI: Organising and Structuring the Internal Resources of the Municipality for Delivery (2000:23), for any plan to result in effective implementation, it is necessary to have an appropriate organisational structure within the municipality. It should therefore be clearly understood how well the organisational structure of the municipality is aligned to implement the IDP. On the other hand, Vermeulen (2008:57) points out that implementation of a plan is primarily an operation-driven activity revolving around the management of people.

In the next sub-sections the significance of organisational structure and human resource management in respect of the implementation of IDPs is discussed as follows:

### **2.9.1 Organisational structure**

Rossouw et al. (2007:153) define an organisational structure as a formal system of working relationships that both separate and integrate tasks. Nieman and Bennet (2002:107) believe that the separation of tasks makes clear who should do what; the integration of tasks indicates how efforts should interact and interrelate. Its purpose is to facilitate the use of every resource, individually and collectively, as the management system attempts to attain its objectives.

Rossouw et al. (2007:153) further articulate the argument that the best structure for an organisation depends on the plan of the institution. The following are different types of organisational structures:

- Functional;
- Geographic;
- Divisional or strategic business unit;
- Matrix;
- Team; and
- Network.

It could be argued that when the plan of an organisation is matched with the most appropriate structure, such structure facilitates the achievement of the organisation's objectives. The administrative and organisational arrangement of the organisation will have to be realigned or changed, if necessary, in order to cope with the plan's requirements.

### **2.9.2 Human Resource Management**

Armstrong (2006:1) defines human resource management as a strategic and coherent approach to the management of an organisation's most valuable assets, the people working there who individually and collectively contribute to the achievement of its objectives.

Erasmus et al. (2008:4) view human resource management as that part of management concerned with all the factors, decisions, principles, strategies, operations, practices, functions, activities, methods, processes and procedures related to employees in public sector institutions; that is, all the dimensions related to people in their employment relationships and all the dynamics that flow from them.

Baron and Kreps (1999:26) maintain that human resource management activities must be dedicated to accomplishing the municipality's overall strategic plan. Van der Waldt et al. (2007:173) continue to show that the workers must help achieve the strategic objectives of the institution. The fundamental objective of human resource strategy is to ensure that the objectives of the institution are achieved.

Gerber et al. (1998:16) state that the human resource management function in an organisation aims at producing certain outputs in order to achieve the organisational goals. Nel et al. (2004:10) point to the fact that human resources management is a purposeful action aimed at assisting functional managers in the optimal application and utilisation of the human resources under their control in order to achieve the goals of the organisation. It is clear from the arguments above

that effective human resource management assists managers in leading the organisation to the achievement of its objectives. Effective human resource management includes appropriate utilisation and training of staff, maintenance of discipline and the promotion of sound labour relations (Erasmus et al., 2008:8).

Ehlers and Lazenby (2007:213) contend that the implementation of any policy poses challenges to management, not only in terms of the motivation of employees, but also in terms of the required discipline, commitment and sacrifice. This is in keeping with Naidoo's (2005:109) view that the slow pace of policy implementation by some municipalities may be attributed to a deficiency in leadership competencies among public officials. Therefore, the relationship between leadership and implementation of the IDP needs to be considered.

## **2.10 RELATIONSHIP BETWEEN LEADERSHIP AND IMPLEMENTATION OF THE IDP**

According to Schultz (2003:186) leadership is generally defined as the social process of influencing people to work voluntarily, enthusiastically and persistently towards a purposeful group or organisational role.

Smit et al. (2007:27) point to the fact that leadership is the process of directing the behaviour of others toward the accomplishment of organisational goals. A perspective provided by Kunze and Simon (1965:32) is that leadership implies attaining goals through and with people. Humphreys and O'Donnel (2007:75) explain that effective leadership is the cornerstone upon which organisational excellence is built.

Mfene (2008:210) asserts that administrative leadership is provided in the executive institutions when executive functions are carried out. Gordon and Milakovich (1995:240) further indicate that an essential function of leadership is to bring some coherence to the multitude of activities within an organisation, while

Minnaar and Bekker (2005:152) confirm that strong leaders add immense value to an organisation's strategic accomplishments.

Lockert et al. (1991:9) indicate that an effective leader takes steps to ensure that the vision is translated into specifications, usually accomplished with the help of managers and their subordinates. However, Nealer (2009:5) warns that leadership cannot replace management, it should be in addition to management. Fox and Meyer (1995:77) define management in the public sector as that part of a person's task that has to do with policy making, planning, organising, leadership, control and evaluation.

According to Schultz et al. (2003:186), while management is typically involved in activities related to the everyday running of the institution, leaders add an inspirational and emotional dimension to the organisation by creating a shared vision and inspiring people to become passionate about achieving that vision. Following these arguments from different authors, it may be assumed that even if an organisation has the most responsible strategic plan (IDP) imaginable, if leadership is absent, the organisation may have a limited opportunity to achieve its goals and objectives effectively.

Thomson and Strickland (1998:255) show that an organisation's culture is an important contributor (or obstacle) to the successful execution of a plan. To implement and execute a strategic plan, an organisation's culture must be closely aligned with its strategy. It is the task of management, once a plan has been adopted, to bring institutional culture into close alignment. In the section that follows the focus will be on organisational culture and the implementation of the IDP.

## **2.11 ORGANISATIONAL CULTURE AND THE IMPLEMENTATION OF THE IDP**

Schermerhorn, Hunt and Osborn (1997:267) describe organisational culture as a system of shared actions, values and beliefs that develop within an organisation and guides the behaviour of its members. Armstrong (2006:303) also points to the fact that organisational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people behave and things get done.

According to Rossouw, et al. (2007:167), although culture is not the sole determinant of what happens in organisations, it has a significant influence on what an organisation's members accomplish and how they accomplish it. The best organisations have strong cultures that are clear, well defined and widely shared, as such cultures discourage dysfunctional work behaviour and encourage positive ones. Rossouw et al. (2007:169) advocate managing the plan – a culture relationship requires sensitivity to the interaction between the organisation's culture and the changes necessary to implement the new plan.

According to Pearce and Robinson (2004:420) the following are the most common methods of creating and managing a specific organisational culture:

- Emphasise key themes and important values;
- Encourage dissemination of stories and legends about core values;
- Institutionalise practices that systematically reinforce desired beliefs and values; and
- Adapt some very common themes in a unique way.

Hofstede (1994:179) confirms that there is a link between culture and organisational effectiveness and that there is an assumption that the culture will unite all employees behind the stated goals of the organisation. However, Hofstede (1994:179) warns that culture is not necessarily static and that

management, as opposed to other groups, do have control over some things that will affect the culture, for example, the logos and mission statement. The function of organisational culture is that identifying with the organisation, creates greater commitment to organisational goals and objectives.

## **2.12 SUMMARY**

This chapter outlined the evolution as well as the origin, statutory and regulatory framework of IDPs. It further highlighted reasons for developing IDPs, IDP planning methodology and IDPs and budgeting. It concluded by explaining how IDPs are operationalised within municipalities and indicated how external resources, organisational structure, human resource management, leadership and organisational culture support the implementation of the IDPs.

From the discussion in the chapter, it may be inferred that IDPs are important strategic interventions to address development challenges and their implementation is crucial to achieve the developmental priorities and objectives of municipalities. The recurring theme is that IDPs are effective if they enable municipalities to improve and accelerate the delivery of essential services and development.

The next chapter focuses on the connection between Integrated Development Plans and the Performance Management System.



## **CHAPTER 3**

# **INTEGRATED DEVELOPMENT PLANS AND PERFORMANCE MANAGEMENT SYSTEMS: A CONCEPTUAL AND PRACTICAL INTERFACE**

### **3.1 INTRODUCTION**

As explained in the previous chapter, after a strategic plan has been prepared, it needs to be known in detail how an institution will conduct its activities on a day-to-day basis in order to address the challenges and contribute to the realisation of its vision. In a municipal context, Integrated Development Plans are effective if they enable municipalities to improve and accelerate the delivery of essential services and development; a mechanism will therefore be required to determine how an institution is faring in terms of the benefits it intends to deliver to its clients. A Performance Management System (PMS) is such a critical mechanism to monitor the implementation of plans, ensure that scarce resources are utilised efficiently and that clients received the agreed quantity and quality of services. It is thus important to explore and understand the PMS and how it enhances performance within municipalities.

The purpose of this chapter is to explore the link between the IDPs and PMS. This chapter begins by providing a brief outline of the legislative and policy directives on PMS. Before providing an overview discussion on PMS, it defines and conceptualises some key concepts with regard to PMS. Next, it explores principles and best practices associated with PMS. After explaining the purpose for PMS in municipalities, attention is focused on its design and implementation. The conceptual link between the IDP and PMS is also highlighted. The chapter concludes by explaining how the implementation of PMS enables municipalities to achieve developmental objectives through the IDPs.

## **3.2 LEGISLATIVE AND POLICY DIRECTIVES ON PERFORMANCE MANAGEMENT SYSTEMS**

Whereas various pieces of legislation in the South African public sector make reference to performance management systems, such as the Public Service Act, 103 of 1994, the Skills Development Act, 97 of 1998, the Public Service Regulations, 2001 and the White Paper on Transforming Public Service Delivery, 1997, this section will highlight only some of the most key legislation and policies on the matter. The purpose of this sub-section is to provide insight that adequate legislation and policy directives make provision for a PMS and IDPs. The statutory and regulatory framework indicates the requirements that local government has to adhere to in order to link the PMS and IDPs. The following set of legislation and policy guidelines are examined in terms of its contribution to a PMS and IDPs.

### **3.2.1 The Constitution of the Republic of South Africa Act, 108 of 1996**

Section 152 of the Constitution of the Republic of South Africa Act which deals with the objectives of local government paves the way for performance management with the requirement for an accountable government. Section 195 (1) (e) of the Constitution stipulates that people's needs must be responded to and the public must be encouraged to participate in policy making. This stipulation underlines the importance of regulating the conduct of public officials and role of public participation in enhancing performance in every sphere of government.

### **3.2.2 White Paper on Local Government, 1998**

The White Paper on Local Government introduces three interrelated approaches to assist municipalities to focus on priorities within their communities and they include performance management. The White Paper puts performance management as a key approach that can assist municipalities in fulfilling their developmental mandate. In essence, it visualises a process where communities

will be involved in governance matters, including planning, implementation, performance monitoring and review.

### **3.2.3 Local Government: Municipal Systems Act, 32 of 2000**

Chapter 6 of the Municipal Systems Act (MSA) provides the most detailed requirements for a PMS. Section 38(9)(iii) of the MSA stipulates that a municipality must establish a PMS that is in line with the priorities, objectives, indicators and targets contained in its IDP. The provision requires municipalities to develop their own PMS and to set targets, monitor and review their performance based on indicators that are linked to their IDP. Chapter 6 of the MSA also regulates the annual non-financial performance report of municipalities published at the end of the financial year. Section 46 of the Act stipulates that a municipality must prepare a performance report for every financial year that reflects the performance of the municipality and of every external service provider during that financial year. It may be argued that the current performance management approach of South African local governments is dictated by the provisions in the MSA which revolve around increased productivity and outcomes.

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

The Performance Management Guide for Municipalities, 2001 outlines to municipalities how the PMS should be implemented and, if correctly applied, may result in a workable PMS. The Guide is a framework that the former national Department of Provincial Local Government developed to enable municipalities to develop and implement a PMS in terms of the requirements of the legislation. The Performance Management Guide for Municipalities, 2001 stipulates that it strives to establish a common lexicon and thereby ensure some level of consistency and uniformity in the application of concepts.

It may be concluded from the stipulations above that various Acts and regulatory frameworks in South Africa reinforce one another to establish a PMS for the local

sphere of government. A relative mature statutory and regulatory framework is thus in place to facilitate the interface between IDPs and the PMS. The effect is that different pieces of legislation seek to ensure that municipalities conform to their IDP framework and develop a PMS.

### **3.2.5 Local Government: Municipal Finance Management Act, 56 of 2003**

Chapter 7 of the Municipal Finance Management Act (MFMA) outlines requirements for a PMS. Section 53 stipulates that the mayor of a municipality must take all reasonable steps to ensure that the annual performance agreements for the municipal manager and all senior managers are linked to the measurable objectives approved with the budget and to the service delivery and budget implementation plan. The MFMA further provides that, at the end of the financial year, a municipality must produce an annual report on its financial performance. Section 127(5) of the MFMA provides that immediately after an annual report has been tabled in the council, the accounting officer of the municipality must make the annual report public. It is clear from these provisions that the MFMA is promulgated with recognition of a PMS. According to Fourie et al. (2006:7), the MSA and MFMA are complementary and should not be read in isolation as there is a close alignment and connection between the two sets of legislation.

## **3.3 DEFINING AND CONCEPTUALISING KEY PERFORMANCE CONCEPTS**

Before delving into an overview of the PMS, some key related definitions are reviewed. The purpose is to gain a better understanding of the concept of a PMS.

### **3.3.1 The term “performance”**

Ingen and Schneider (1991:73) define performance as what the person or system does. Mohrman et al. (1989:48) explain that performance consists of a performer engaging in behaviour in a situation to achieve results. According to Langdon (2000:13) performance is the actual work that is done to ensure that an

organisation achieves its mission. Lefton et al. (1997:4) view performance as the outcome of actions on the job as well as the very actions that produce that outcome. Boyne et al. (2006:255) refer to government performance as the character and consequences of service provision by public institutions.

Rodgers (1994:21) defines performance as the measurement of outcomes of work because it provides the strongest link to the strategic goals of the institution or organisation, customer satisfaction and economic contributions. In contrast, Campbell (1990:23) describes performance as the behaviour of employees and is of the opinion that it should be distinguished from the processes and outcomes of an institution as system structures may contaminate the behaviour of an employer that is beyond the control of the performer.

It may be seen from the definitions provided above that, although authors seem to point out the difference between organisational performance and human resource performance, they do tend to agree on the goal of performance as assisting the organisation to improve the provision and quality of services to its clients.

Holbeche (2005:243) is of the opinion that performance can thus be seen as an integrated, systematic approach to improve organisational performance to achieve organisational strategic aims and promote the organisation's mission, vision and values. This definition, which is used as the operational definition in this study, clearly seeks to ensure that all parts of the organisation work together to achieve the goals and service targets that are set.

Kearney and Berman (1999:15) identify eight dimensions or means of performance. According to Van der Waldt (2006:133) these dimensions assist in understanding the process of improving organisational performance, illustrate the multi-dimensional nature of performance and clarify why there is some confusion about the various definitions of performance. The following are the eight dimensions or means of performance (Kearney & Berman, 1999:15):

- **Modification of perceptions and attitudes**

It is an attempt to change emotions, beliefs, values and attitudes by increasing the information flow to people, a task accomplished by explaining policies, instituting staff meetings, keeping an open door and other such communication mechanisms.

- **Modification of the authority system**

It is aimed at increasing the responsiveness of management and at improving authority relations, decision processes and communication systems. Attempts to modify the formal chain of command, clarification of authority relations, delegation, the development of policy teams, reassignment of supervisory responsibility are examples.

- **Structural reorganisation**

It is simply a reorganisation of organisational structures. It means changing such things as the size of units, staffing procedures, physical arrangements or budgeting processes.

- **The process of measurement and evaluation**

It involves setting goals and objectives, measuring progress and evaluating results. It is reflected by the implementation of management by objectives, management information systems and programme planning and budgeting.

- **Modification of work methods through technology**

It entails changes in equipment, work methods, control systems, form and tracking devices and work processes. It is most often reflected by attempts at automation and might include computerised placement procedures, receipt posting, case tracking and reporting processes.

- **Retraining and replacement**

Are people changes - Personnel may be taught new skills as a result of redefined duties, responsibilities and job qualifications.

- **Modification of the workflow**

It usually involves rearrangement of units or jobs so that the path or sequence of workflow is altered. Such changes often modify intergroup relationships.

- **Introducing a new programme**

It is the final means or dimension of change to improve performance. Such innovation usually involves new products or services.

### **3.3.2 Performance Management**

Van der Waldt (2008:9) is of the opinion that performance management has to be seen as a method or set of techniques. Cayer (2004:110) maintains that performance management encompasses numerous activities to improve the efficiency and effectiveness of organisations.

Armstrong (2006:3) stated that performance management is about getting results through people. Swanepoel (1998:111) agrees with this statement and indicates that performance management is an approach to managing people that entails planning employee performance and facilitating the achievements of work-related goals.

In contrast, Bouckaert and Halligan (2008:100) articulate the argument that performance management establishes a full programme of managing performance, where performance information is systematically and coherently generated and used. Kanyane and Mabelane (2009:60) confirm this view and show that performance management may be regarded as an ongoing process that determines the planning, managing, reviewing, rewarding and development of performance.

Van der Waldt (2004:39) developed the following definition which will be used as operational definition of this study: performance management refers to all those processes and systems designed to manage and develop performance at the level of the public service, specific organisations, components, teams and individuals. Fourie and Opperman (2007:255) offer a holistic perspective of the concept when indicating that performance management is the means by which a municipality introduces an understanding of the performance of the institution and its employees in the future based on past performance and corrective actions. Van der Waldt et al. (2007:111) sum the scenario that in a municipal context, performance management can be regarded as an umbrella term for total management of municipal performance.

Whereas this study focuses on organisational performance, clearly performance management includes both organisational and human resource performance. Having provided clarification on performance and performance management, the next section addresses PMS.

### **3.4 THEORETICAL OVERVIEW OF PERFORMANCE MANAGEMENT SYSTEMS**

The Performance Management Framework of George Municipality (2008:3) narrowly defines PMS as a framework which describes how performance management will be addressed and implemented in the organisation. Kanyane and Mabelane (2009:60) assert that a PMS may be regarded as an integrated system to measure the performance of an institution and that of its personnel. It sets out to communicate the link between an organisation's mission and strategic direction and the required employee performance informed by skill capacity.

The PMS in national and provincial spheres of government is prescribed in the Performance Management and Development Guide issued by the national Department of Public Service and Administration (<http://www.dpsa.gov.za>: online). Within the local sphere of government a Performance Management Guide for

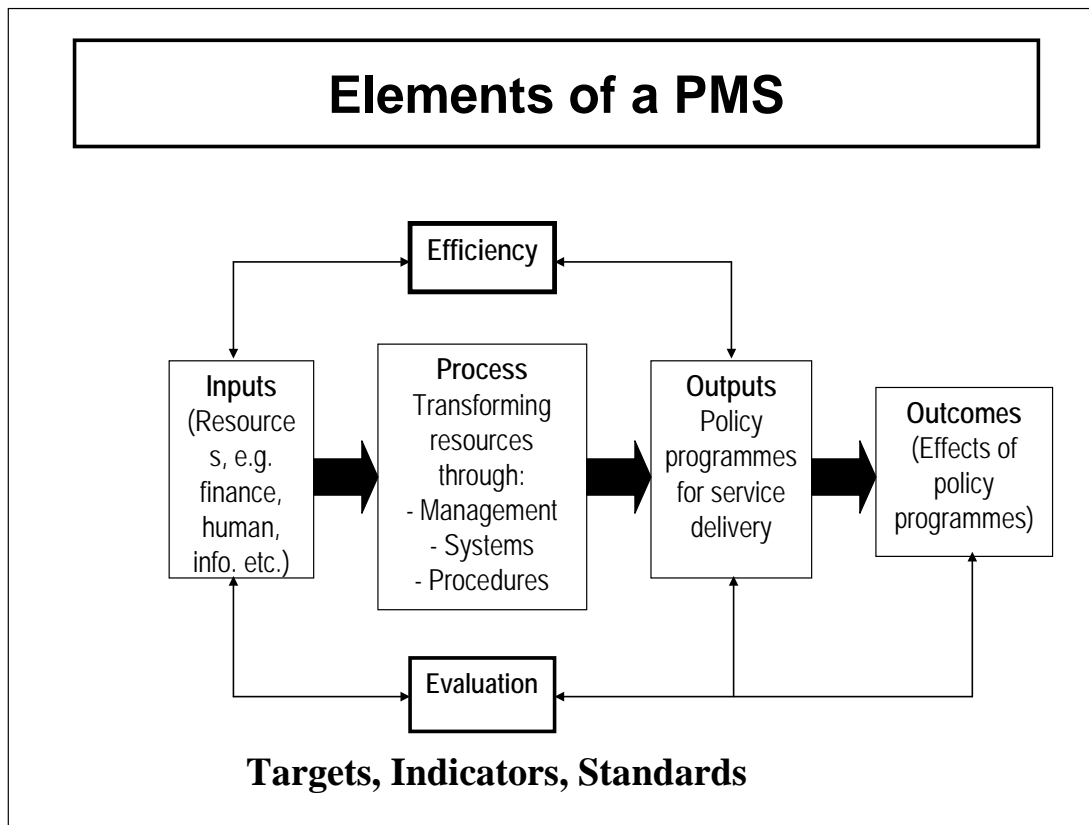


Municipalities, 2001 assists councillors, managers, officials and local government stakeholders in developing and implementing a PMS. According to Van der Waldt (2004:170) the public managers on all spheres of Government are under constant pressure to improve the performance and quality of service delivery. Public institutions should account to the community by ensuring that plans are implemented, the desired development impact is achieved and that the scarce resources are utilised efficiently.

In contrast, according to the Humanitarian Policy Group Research Report (2004:14) in the business world the impact with regard to achieving the organisational objectives is ultimately measured by profitability. The Organisation for Economic Development (2002:24) defines impact as the positive or negative, primary or secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended. Thompson et al. (2010:14) also write that in the private sector enterprise's business approach should indicate how revenues will be generated to cover costs and realise profit.

According to Ramamurti (1986:142) profit orientated approach is inappropriate in the context of the public sector as profitability is not their primary goal. Kanyane and Mabelane (2009: 62) contend that the government sector is generally a provider of public services and not so much a producer of goods and services. It may be concluded that recognising the significant difference in emphasis with regard to the impact in private and public organisations, a PMS utilised in municipalities should be unique to those in the private sector.

In a municipal context, Fourie and Opperman (2007:256) declare that a PMS entails a framework that describes and represents how a municipality's cycle and processes of performance planning, measurement, review, reporting and improvement will be conducted, organised and managed, including the roles and responsibilities of the different role-players. The following is a schematic representation of the elements of a PMS:



**Figure 3.1 Elements of a Performance Management System**

(Van der Waldt, 2009:2)

Figure 3.1 above shows the machinery of converting inputs to outputs with optimal efficiency. Thus, a PMS should ensure efficiency in achieving objectives and rendering services. Van der Waldt (2004:71) views efficiency as the measure of the speed and accuracy with which work is completed. The Palmer Development Group (2001) emphasises that efficiency is seen as the ratio of output to input and effectiveness is the ratio of outcome to output. Minnaar and Bekker (2005:128) further highlight that efficiency refers to the relationship between the cost and the expedience of transforming inputs into outputs. Gershon (2004:6) states that the word “efficiency” may be defined in the public sector as those changes (to the utilisation of resources and to the processes of delivery) effected in order to attain a reduced number of units while maintaining the same or a higher level of service delivery. Therefore, in terms of the definitions stated above, efficiency may be referred to as all measures taken to ensure that more is attained with less.

Efficiency should make a significant contribution towards a PMS in satisfying the needs of the community. In the following subsection the key aspects that should be reflected in a PMS are considered.

### **3.4.1 Core components of a PMS**

The following key aspects should be reflected in a PMS:

- A municipality must set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact with regard to its development priorities and objectives as set out in its IDP.
- Measurable performance targets must be set with regard to each of the development priorities and objectives.
- The municipality must monitor, measure and at least once a year review its performance against the set key performance indicators and targets identified for each of its development priorities.
- It must take steps to improve performance where targets are not met.
- It must establish a process of regular reporting to the council, other political structures, political office bearers, staff of the municipality, the community and appropriate organs of state

(Fourie and Opperman, 2007:256).

Clearly, a comprehensive PMS should be used to ensure that all parts of the municipality work together to achieve the goals and service targets that are set.

## **3.5 PRINCIPLES OF A PERFORMANCE MANAGEMENT SYSTEM**

Levin (2005:3) declares that principles are the unchanging, non-negotiable values that underlie a system. Fox and Meyer (1995:101) explain that principles refer to the existence of formal, written procedures, generally not open to public scrutiny, which prescribe specific courses of action to be taken under specific situations and which bureaucrats must follow without regard to personal preferences for special

interests. This implies that the success of any system is underpinned by certain values and procedures that should be satisfied.

Masango (2000:66) argues that the key aspects of an effective performance management system should include, among others, performance targeting, the setting of performance standards and a performance evaluation system. Seemela (2005:23) avers that a PMS should be appropriate to the circumstances of the municipality. Monare (2002:33) also state that a PMS must be commensurate with its resources, best suited to its circumstances and in line with priorities, objectives, indicators and targets contained in the IDP. Resources would include financial and human resources, and infrastructure such as machinery and equipment (Venter & Landsberg, 2006:147). According to the Performance Management Framework of Theewaterskloof Municipality (2009:11), the following principles inform a municipality's PMS:

- **Simplicity:** The system is developed to operate accurately and effectively, but still in a simple and user-friendly manner which will enable the municipality to develop, implement, manage and review the system without placing an unnecessarily great burden on its existing capacity.
- **Politically acceptable and administratively manageable:** The system is developed to be acceptable to political role-players at all levels and flexible enough to be accepted by the municipal council and to enjoy buy-in across political differences. The process would involve both councillors and officials, but the day-to-day management of the process will be conducted administratively with regular progress reporting to the political level.
- **Implementable:** Considering the resource framework of the municipality, the PMS should be implementable within those resources which will include time, institutional, financial, and technical resources.

- **Transparency and accountability:** The development and implementation of a PMS should be inclusive, transparent and open. The general public should be made aware through the system of how the operations of the municipality are being administered, how public resources are being spent and who is responsible for what.
- **Efficient and sustainable:** Like other services within the municipality, the PMS should be cost effective, professionally developed and managed, and operated in a sustainable manner.
- **Public participation:** The constituency of the municipality should be granted their legal rights in terms of the Constitution and the MSA, through encouragement of public participation by the municipality during the development and implementation of a PMS. The implementation framework indicates the time, kind of involvement and responsibilities in terms of public participation.
- **Integration:** The PMS should be developed and implemented in such a manner that it will be integrated into the integrated development process of the municipality and its individual employee performance management.
- **Objectivity:** The PMS must be developed on a sound value system where the management of the system and the information is based on being objective and credible. The adopted performance assessments ensure objectivity and credibility in the management of performance.
- **Reliability:** The PMS should provide reliable information on the progress made by the municipality in achieving the objectives as set out in its IDP. The system provides for the use of source documents to verify the information put into the system.

Fourie and Opperman (2007:256) state that in developing a PMS, a municipality must ensure that it adheres to the following general guidelines:

- It must comply with all the requirements set out in relevant legislation.
- It must demonstrate how the system is to operate and how it is to be managed from the planning stage up to the stages of performance review and reporting.
- The roles and responsibilities of every role-player in the functioning of the system, including the local community (in the form of ward committees), must be clarified.
- The process of implementing the system within the framework of the integrated development planning process must be clarified.
- It must provide the procedure by which the system is linked to the municipality's integrated planning processes.
- The frequency of reporting and the lines of accountability for performance must be determined.
- It must indicate how the system relates to the municipality's employee performance management processes.

Smith (1990:70) warns that the fundamental criterion for adopting any system is whether the benefits of using such a system outweigh the costs of implementing it. A PMS must link the performance of the municipality to community needs (RSA, 2000:39). A perspective by Kraukamp (2007:22) is that the system must serve as an early warning indicator of underperformance and provides for steps to improve performance where performance targets are not met. The next section considers best practices in enhancing a PMS in municipalities.

### **3.6 BEST PRACTICES FOR PERFORMANCE MANAGEMENT SYSTEMS**

According to Thompson et al. (2010:361) a best practice is a technique for performing an activity or business process that at least one company has

demonstrated works particularly well. Kraukamp (2007:22) states that the adoption of best practices is known as benchmarking.

Lamming (1993:21) states that benchmarking involves the detailed study of productivity, quality and value in different departments and activities in relation to performance elsewhere. Kroukamp (2007:22) maintains that benchmarking is a systematic and continuous process to identify, determine, measure, compare, learn, adopt and implement the best practice obtained through internal and external evaluation of an organisation so that performance of a higher standard may be achieved and improved.

It may be deduced that benchmarking therefore influences organisations to look outward and assists in breaking paradigms by providing a new appreciation of how exemplary organisations conduct their processes. It allows an organisation to set performance targets based on a true assessment of the gap between its own practice and best practices. Naidoo (2007:59), however, asserts that it is not sufficient simply to identify best practices of other organisations. These practices need to be modified, adapted and improved over time to the own specific situation of an organisation, involving creativity and innovation in applying the best practices from elsewhere.

### **3.7 PURPOSE OF PERFORMANCE MANAGEMENT SYSTEMS IN MUNICIPALITIES**

Van der Waldt (2004:292) is of the opinion that the purpose of performance management systems is about the overall outcome or impact one wants the system to have on the organisation and its ability to effectively achieve public purposes. A PMS serves as an excellent steering system for business management that commits people to objectives of an institution (Performance Management Policy Framework Theewaterskloof Municipality, 2009:7). It ultimately allows for automatically updated performance data in order to provide the council and its people with the current status of the municipal performance.

Van der Waldt et al. (2007:124) view the following as the basis for a PMS in municipalities:

- It should be the primary mechanism to plan for performance management, and monitor, review and improve the implementation of a municipality's IDP.
- It should facilitate increased accountability among the community and the municipal council, the political and administrative components of the municipality, every municipal department and the office of the municipal manager.
- It should provide a mechanism for learning and improvement.
- It should allow for the municipality to know which approaches are having the desired impact and form the basis for monitoring, evaluation and improving service delivery.
- It should provide the municipality's political leadership and management with diagnostic signals of the potential risks that are likely with the implementation of the IDP.
- It should provide a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review and reporting will take place, be organised and managed while determining the roles of different role-players.

The Performance Management and Development Guide ([www.dpsa.gov.za:online](http://www.dpsa.gov.za/online)) states that the general purposes of a PMS appear to fall into five broad categories, namely;

- Efficiency and cost cutting.
- Administrative fairness in the allocation of rewards, incentives and sanctions.
- Management control ensuring predictable and co-ordinated achievement of pre-planned objectives and results.



- Promoting learning, flexibility and a shared sense of responsibility for outcomes through continuous performance development and participation in planning, reviewing and evaluating achievements.
- Providing a basis for public accountability.

In the following section, attention is focused on the design and implementation of a PMS within municipalities.

### **3.8 DESIGNING AND IMPLEMENTING A PERFORMANCE MANAGEMENT SYSTEM IN MUNICIPALITIES**

The Performance Management Guide for Municipalities, 2001, proposes three phases, each with its accompanying steps, which municipalities should embark on to implement a PMS.

The phases are: starting the Performance Management Process (Phase 1), developing a PMS (Phase 2) and implementing a Performance Management System (Phase 3). The sub-section that follows focuses on starting the performance management process and developing a PMS, including the accompanying steps (Phases 1 and 2).

#### **3.8.1 Starting the Performance Management Process**

According to the Performance Management Guide for Municipalities, 2001, the first phase consists of three steps, namely (1) the delegation of responsibilities and the clarifications of roles, (2) the setting up of internal institutional arrangements and (3) the management of the change process. An explanation follows.

- **Delegation of responsibilities**

It is the responsibility of a local council to adopt a PMS, stipulating clearly what needs to be done, by whom and by when. However, the development of the

system is the responsibility of the executive committee or executive mayor. The executive committee or executive mayor may assign responsibilities to the municipal manager in this regard but remains accountable for the development of the PMS. In turn, the municipal manager may further delegate the responsibility to heads of department.

- **Setting up internal institutional arrangements**

The Performance Management Guide for Municipalities, 2001 recommends that a municipality establishes a project team who should report to the municipal manager who will, in turn, account to the executive mayor or the executive committee and finally to the council. The project team may be responsible for the preparation of the municipality (organisational structures), the development and facilitation of the system and to support the municipality during the implementation of the system.

- **Managing the change process**

To avoid different interpretations and to prepare the municipality for the changes, it is important to reach a common understanding of what performance management entails. Municipal staff must be made aware, understand and accept why performance management is necessary and what principles will govern its development and use. They must further realise that performance management will ensure the accountability of the municipality to citizens and communities. It will also ensure that the various departments are accountable to the council and that employees are accountable to the municipality. These issues may be discussed in focus workshops organised by the municipality.

### **3.8.2 Developing a Performance Management System**

The development phase of a PMS involves the development of a framework within which performance management processes will be operationalised. According to the Performance Management Guide for Municipalities, 2001 this phase involves finding answers to the following questions:

- When does performance management start?
- What are the components of a PMS?
- Who will manage whose performance?
- When will performance be monitored, measured and reviewed?
- What aspects of performance will be managed?
- How to respond to good and poor performance.
- What institutional arrangements have to be established to make this work?

Once these questions have been fully answered, a municipality will need to develop a framework for the system it envisaged for its performance management. The project team needs to plan how the system's development process is to be managed within the framework of the legislation. This should include the identification of stakeholders and the establishment of structure to facilitate the development of the system. The project team should ensure that the development process will be inclusive, participatory and transparent.

- **Current reality**

The project team needs to perform an assessment of how planning, implementation and monitoring occurs within the municipality. The team should also identify gaps in terms of new integrated planning and performance management requirements.

- **Identification of stakeholders**

It is important that municipalities distinguish between various categories of stakeholders. All stakeholder groups will need some level of training and support to fulfil their commitments in planning, monitoring, reviewing and improving performance. Training and support should be customised for every group.

- **Creating structures for stakeholder participation**

Once the respective roles of all stakeholder groupings are clarified and planned for, structures need to be created to facilitate the meaningful participation of stakeholders in the development of the system. The former Department of Provincial and Local Government recommends that municipalities consider the IDP Representative Forum. As far as possible, the Performance Management System structures must be the same as those of IDPs or at least be linked to them.

- **Developing the system**

The project team, in conjunction with the respective stakeholders, needs to develop and propose a PMS. A PMS means a framework that describes and represents how the municipalities cycle and processes of performance planning, monitoring, measurement, review and reporting will happen and be organised and managed while determining the roles of different role-players.

- **Publication of the system**

Once the system has been developed and assessed, the municipality should publish the system in the local media for public comment.

- **Adoption of the system**

Once public comments have been obtained, evaluated and, where necessary, brought into account, the project team should prepare a final draft which is then submitted to Council. The council should adopt the system once it has ascertained that the process was handled in accordance with the legislation and that the proposed system complies with the requirements of the law, particularly with the regulations governing the nature of the system.

The Performance Management Guide for Municipalities (2001:27) indicates that municipalities in South Africa have a choice to examine performance management models developed and adopted by different international municipalities. The next sub-section explains the use of some of the most commonly utilised performance management models, tools and techniques in designing a municipal PMS.

### **3.8.3 Models associated with Performance Management Systems**

According to the Performance Management Framework of George Municipality (2008:14) a model describes which dimensions of performance will be measured. The different models give different pictures by emphasising different dimensions and channel the organisation's goals, objectives and measurements in specific directions. Some of the most commonly utilised models, tools and techniques are briefly discussed below.

#### **3.8.3.1 *Balanced scorecard***

Van der Waldt (2004:187) indicates that a balanced scorecard is a set of measures that could give public managers a fast but comprehensive view of a department's performance and include both process and results measures. It focuses on four indicators, including customer perspective, internal bursary processes, learning and growth and financials to monitor progress towards the organisation's strategic goals. Van der Waldt (2004:187) continues to show that

the complexity of managing policy programmes and projects requires managers to be able to view performance in several areas simultaneously; a balanced scorecard or a balanced set of measures provides that valuable information.

### **3.8.3.2 *Citizen's Charters***

Van der Waldt (2004:186) writes that these are official frameworks for assessing and awarding quality particularly in the public sector, but may also be applied by private companies as part of customer service standards. Bouckaert (1992:18) stresses that charters usually address macro quality as a generic system concept which applies to the public service or citizen relationship. The essential idea behind a charter is to increase the quality of life in society and to pay more attention to the needs of citizens (Van der Waldt, 2004:187).

### **3.8.3.2 *South African Excellence Foundation and Model***

Van der Waldt (2004:185) points out that the excellence model is a generic plan that may be applied to both public and private sectors. The model provides a framework and direction which encourage a culture of performance excellence. Van der Waldt (2004:185) continues to indicate that public managers may use the framework and direction which encourage a culture of performance excellence and predict behaviour and performance consequences within the organisation; that is, cause (organisational conditions) and effect (resulting performance). Public managers could use the framework as a starting point to improve efficiencies in their departments as the model affords them an opportunity to evaluate empirical facts to determine what leads to business success and deliverables.

There are other models that explicitly recognise the multidimensional nature of organisational performance. The other important models such as the Six Sigma quality control techniques, total quality management (TQM) programmes, and the Servqual model, contribute to better implementation of organisational plans and excellence. Municipalities could examine these models to determine if some can

be useful for their own PMS. However, Van der Waldt (2004:171) emphasises the utmost importance that private sector models and techniques are not merely adopted for the public sector as the public sector is far too unique. The Humanitarian Policy Group Research (2004:14) confirms this and further warns that experience from the introduction of PMS within Western governments suggests a need for caution in adopting these approaches uncritically.

Having considered the purpose of a PMS in municipalities, in the next section a connection between IDPs and a PMS is considered. A mechanism is required to determine how a municipality is faring in terms of the benefits it intends to deliver to its clients.

### **3.9 LINK BETWEEN THE INTEGRATED DEVELOPMENT PLANS AND PERFORMANCE MANAGEMENT SYSTEMS**

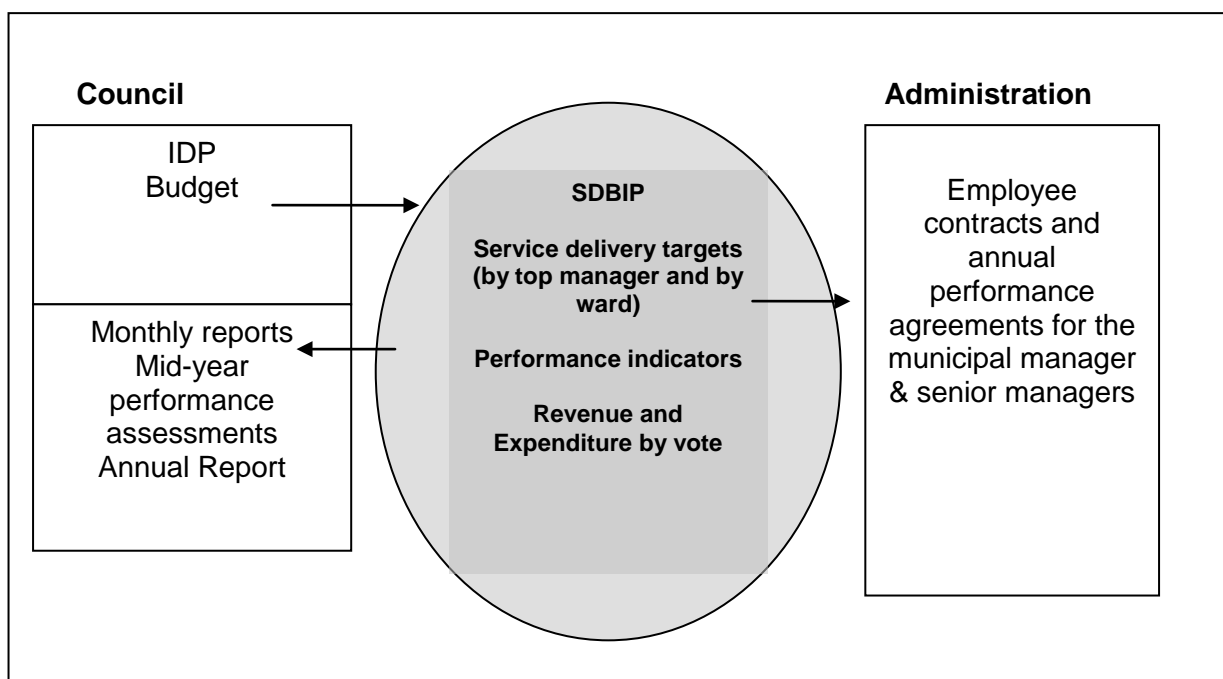
Pauw et al. (2009:89) are adamant that the goals in a strategic plan of a municipality must be measurable. Kraukamp (2007:21) confirms this and points out that one mechanism to ensure the establishment of a PMS at local government level may be found in the legal obligation of municipalities in South Africa to prepare and implement IDPs. The PMS should be the primary mechanism to plan for performance management, monitoring, reviewing and improving the implementation of a municipality's IDP. According to the Performance Management Guide for Municipalities (2001:39), the IDP yields a set of indicators and targets and these become an undertaking of the municipality to the community. Van der Waldt (2004:322) emphasises that the indicators and targets in the SDBIP should be similar to those included in the IDP of the municipality. The National Treasury – MFMA Circular 11 (2005: 2) also states that the IDP and SDBIP should be similar and consistent to enable the linkage between plans and actual performance.

According to the National Treasury – MFMA Circular 13 (2005:1), the SDBIP is the operational plan of a municipality and gives effect to the municipal IDP and budget. The IDP Skills Programme Learner Guide/DPLG (2006:193) indicates that

the SDBIP requires that municipalities be able to divide broad objectives of the IDP into service delivery targets for departmental managers and wards.

Van der Waldt et al. (2007:190) further articulate that performance targets in the SDBIP and annual performance agreements of senior managers responsible for implementing the plan must be aligned with the measurable performance objectives approved by the municipal council in the budget. Thus the PMS is linked to the IDP and SDBIP of the municipality.

Figure 3.2 below provides the basis for measuring performance in service delivery against end-of-year targets and implementing the IDP.



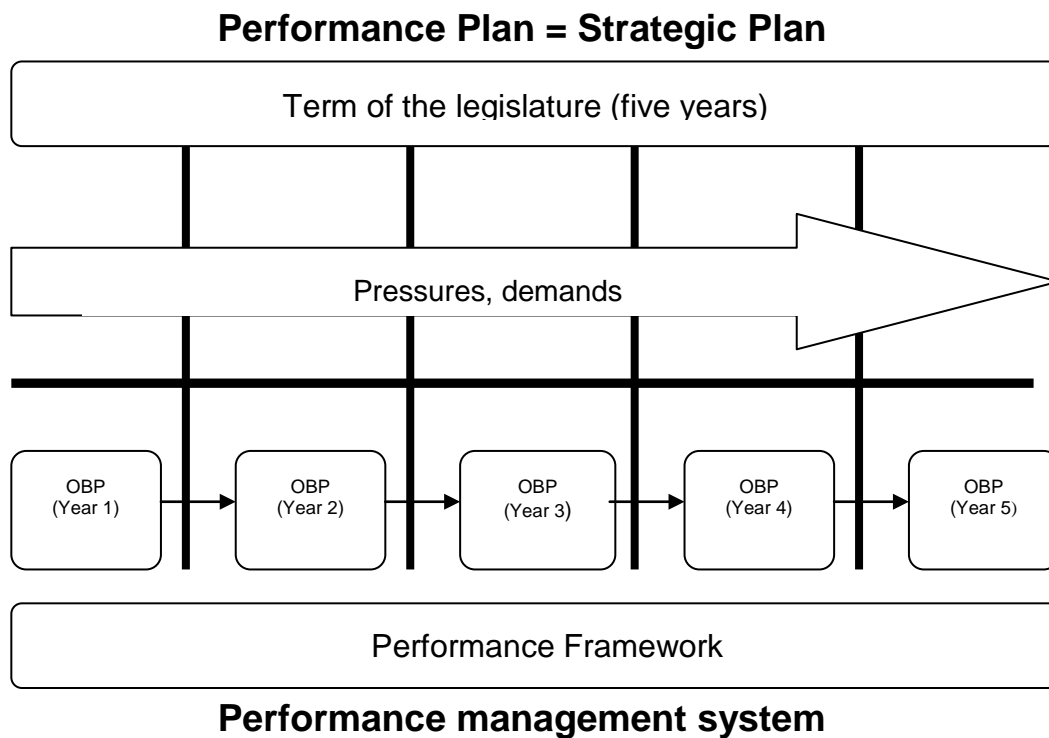
**Figure 3.2: SDBIP “contract”** (National Treasury – MFMA Circular 13: 2005:1)

It is clear from Figure 3.2 that the SDBIP thus serves as a “contract” between the administration, council and community, expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over a period of twelve months. According to the MFMA Circular 13 (2005:2), the SDBIP provides the vital link between the mayor, council (executive)



and the administration and facilitates the process for holding management accountable for its performance.

Minnaar (2010:110) also asserts that an operational business plan (OBP) is a single year plan that exposes the anticipated performance of the institution for a specific financial year within a five-year cycle of the strategic plan. Figure 3.3 below depicts strategic versus in-year institutional performance plans.



**Figure 3.3: Strategic vs in-year institutional business plans**  
(Minnaar 2010:111)

Figure 3.3 above demonstrates that an operational business plan enables the institution to set up a PMS. According to the IDP Guide Packs: Performance Management and the Annual Review of the IDP (2000:115), PMS is always in-year bound and focuses on annual performance periods, subdivided into quarterly performance cycles.

Fourie and Opperman (2007:262) explain that without performance accountability there is no assurance that management of municipalities will actually achieve the targets set out in the IDPs. According to Minnaar and Bekker (2005:63) accountability means holding the management of an organisation responsible for its performance. The Performance Management Guide for Municipalities (2001:7) declares that a municipality may establish a team which will report performance to the municipal manager who will in turn account to the executive mayor or the executive committee and, finally, to council. This implies that the council, may appoint a team that should report on performance to the municipal manager who will, in turn, account to the executive mayor or executive committee and, finally, to the council.

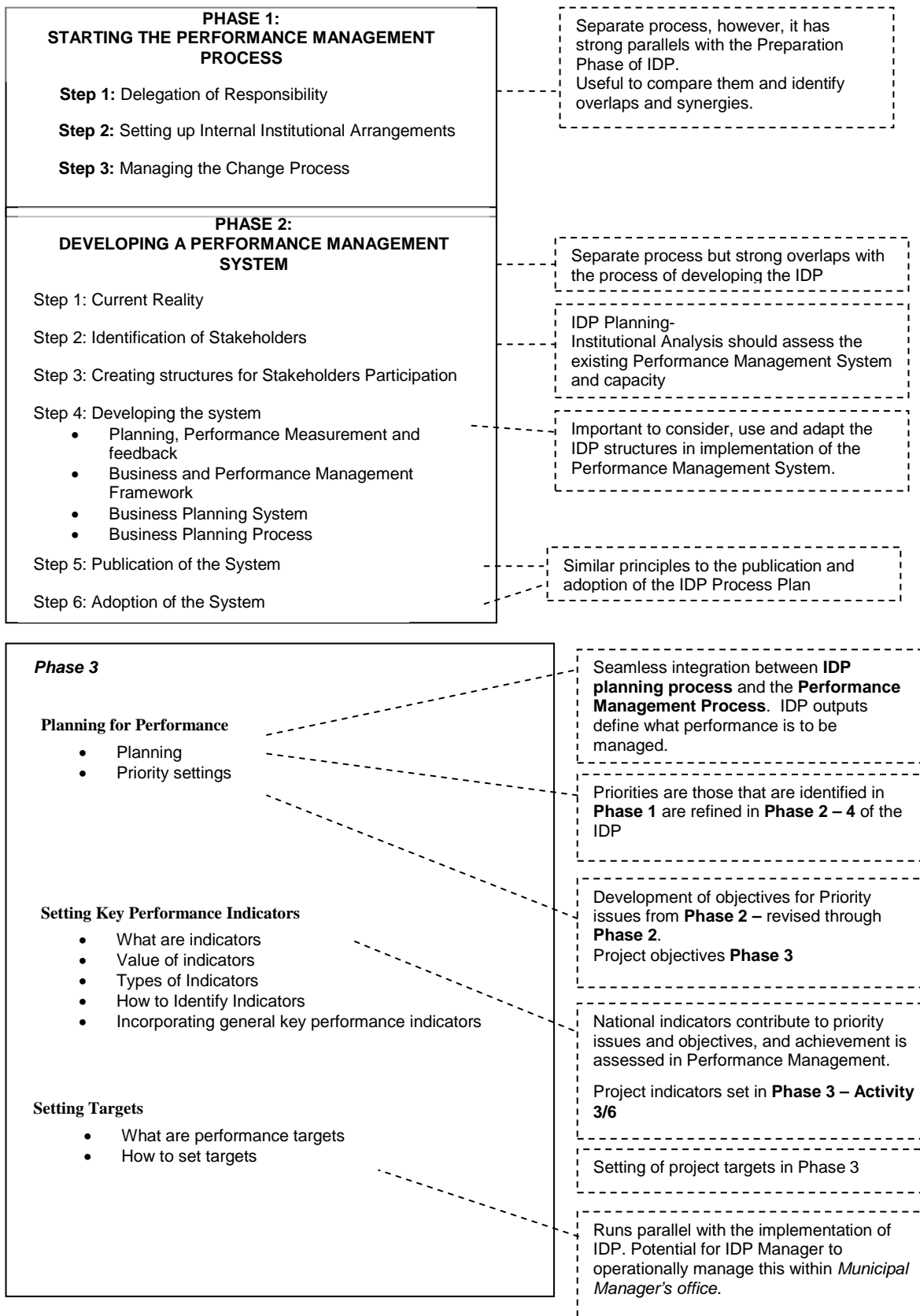
A determination will be explored in the next section as to how the implementation of the PMS enables municipalities to achieve developmental objectives through the IDPs. The implementation of strategic plans has to be monitored to ensure that targets are reached and goals achieved. Thus, a system is required to ensure that implementation takes place according to what is planned.

### **3.10 IMPLEMENTING A PERFORMANCE MANAGEMENT SYSTEM FOR THE ACHIEVEMENT OF DEVELOPMENTAL OBJECTIVES THROUGH INTEGRATED DEVELOPMENT PLANS**

The Performance Management Guide for Municipalities (2001:16) outlines a process which municipalities should embark on to implement a PMS, namely, Phase 3 – Implementing the Performance Management System. According to the Guidelines, once a council has approved and adopted the system, it should give the project team the mandate to implement it. The team who may be the same as the IDP team, should develop an implementation strategy that should be linked to the IDP implementation framework and should entail planning, implementation, monitoring and review.

### **3.10.1 Planning for performance**

Craythorne (2009:121) recognises the fact that a PMS is an integral part of the IDP. Zulu (2006:26) points out that international best practice indicates that a PMS stands the best chance to succeed if it is integrated with the current management cycle of the municipality. The purpose of such a cycle would be to guide the integration of important processes such as the strategic planning or development process in terms of the IDP methodology and the annual budget process. The Integrated Development Planning process and the Performance Management process should appear to be seamlessly integrated. Figure 3.4 below illustrates the approach developed by the former national Department of Provincial and Local Government and shows the important point of linkage between the IDP process and the performance management system.



**Figure 3.4: Important points of linkage between the IDP process and the Performance Management System**

IDP Guide Packs: Performance Management and the Annual Review of the IDP (2000:115)

It may be seen from Figure 3.4 above that a PMS occurs in parallel with the implementation of an IDP, the processes continuously feeding each other. The processes are mutually linked and inform one another. According to the Performance Management Guide for Municipalities (2001:16), the integrated development planning fulfils the planning stage of performance management, while performance management fulfils the implementation management, monitoring and evaluation of the IDP process.

### **3.10.2 Setting priority areas**

In line with the IDP, priorities are essentially the issues that a municipality pronounces to focus on in order of importance to address the needs of the community. These will vary from one municipality to another, but may include water delivery, electrification, sanitation and so forth. A municipality may cluster the priorities into the following key performance areas:

- infrastructure and services;
- social and economic development;
- institutional transformation;
- democracy and governance; and
- financial management.

### **3.10.3 Setting objectives**

All components of the Integrated Development Plan (IDP), whether strategies or priority areas, need to be translated into a set of clear and tangible objectives. This is a crucial stage in ensuring that there is clarity on the IDP and that suitable indicators are identified.

### 3.10.4 Setting key performance indicators (KPIs)

According to Midwinter (1994:37) performance indicators are important measures for municipalities to determine performance and the responsiveness of a municipality to meet local needs. Minnaar (2010: 68) emphasises that key performance indicators are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organisation. The Performance Management Guidelines for Municipalities (2001:18) stipulates that indicators are measurements that indicate whether progress is being made in achieving goals. There are various types of indicators:

- **Input indicators** - measure resources
- **Output indicators** - measure activities or processes
- **Outcome indicators** - measure impact
- **Cost, input, output and outcome indicators** - these are sets of different indicators relating to the ingredients, products and effects of organisational processes. Measurement of costs, inputs, process, outputs and outcomes are valuable in developmental local government.
- **Composite indicators** - measure several indicators together to indicate overall performance, simplifying a long list of indicators and identify the complex relationship between them into one index.
- **Baseline indicators** – show the *status quo* or the current situation.

A municipality must identify indicators, brainstorm them and rigorously determine whether they are:

Measurable	- KPIs should be easy to calculate from data that can be generated speedily, easily and at reasonable cost, given the municipality's financial and administrative capacity.
Simple	- can measure one dimension of performance (quality, quantity, efficiency, effectiveness and impact) at one given time. - separate different performance dimensions and set indicators for each separately. - avoid combining too much in one indicator
Precise	- they measure only those dimensions that the municipality intends to measure.
Relevant	- they measure only those dimensions that enable the municipality to measure progress in its objectives. - they measure performance on areas falling within the powers and functions of the municipality. - they the measure performance of the year in question.
Adequate	- they measure quality, quantity, efficiency, effectiveness and impact. - seperate indicators are set for every priority and objective.
Objective	- they state clearly what is to be measured without ambiguity

(Performance Management Guide for Municipalities 2001:23)

According to Naidoo (2007:60), the key performance indicators should measure the following five aspects:

- **Aims and objectives:** Why the service exists and what it wants to achieve.
- **Inputs and outputs:** The resources committed to a service and the efficiency with which they are turned into outputs;
- **Outcomes:** How well the service is being operated;
- **Quality:** To reflect the experience of the users; and
- **Accessibility:** The ease and equality of access to services.

### **3.10.5 Setting targets**

Targets are simply the goals or milestones that an indicator must measure at various timeframes (DPLG, 2001:23). Performance targets are the planned level of performance or the milestones an organisation sets for itself for every indicator identified. Targets are usually expressed in terms of quantity or time. For example, if a municipality identifies the number of small, medium and micro enterprises (SMMEs) supported as an indicator for promotion and development of SMMEs, increase of the number of SMMEs by 20% per year may be the target.

Van der Waldt et al. (2007:118) elaborate that to measure the level of improvement over time, a municipality must first identify baseline measurement. According to the (DPLG, 2001:24), baseline measurement is the measurement of the chosen indicator at the start of the period.

A municipality may then look at all the indicators set and identify targets for each. The targets need to be realistic, measurable and be commensurate with available resources and capacity. Decision makers must make a contractual commitment to achieve the set target within agreed time frames and notify stakeholders of the targets and the time frames. Van der Waldt et al. (2007:120) recommend that municipalities conclude an annual performance agreement with employees. The purpose of such agreements is to specify objectives and targets established for the employee and to communicate the employer's expectations regarding the official's performance expectations and accountabilities.

At the end of the process of designing and implementing its PMS, a municipality may emerge with the following perspective as illustrated in Table 3.2 below. The Economic and Agriculture Cluster is used as an example.



**Table 3.1: Priorities, Objectives, Strategies and Projects: Economic and Agricultural Cluster**

Priority Area	Objective	Strategy	Indicator	Measurement source and frequency	Base line	Target 05/06	Target 06/07	Accountable Official
Agriculture	To increase agricultural output by 20% in 2008	Promote small scale farming by increasing the number of community gardens	No. of community gardens	Quarterly reports	30	31	32	LED Officer
		Training of emerging farmers	No. of people trained	Monthly LED reports	130	150	170	LED Officer
		Provide adequate infrastructure for LED projects	Create a data-base of infrastructure needs	Monthly LED reports	Data-base	Update	Update	LED Officer
SMME	To increase the number of SMMEs by 20% in 2008	Promotion and development of SMMEs focusing on PDIs	No. of SMMEs supported	Monthly LED reports	30	34	36	LED Officer
		Promote utilisation of council's assets and buildings to stimulate entrepreneurship	No. of assets and buildings released	Monthly reports	2	3	-	LED Officer

Source: IDP Skills Programme Learner Guide (2006:201)

It may be deduced from Table 3.2 above that with clear targets for performance management, the PMS should enable municipalities to achieve the objectives set in the IDPs. According to (DPLG, 2000a:113), when management has determined what to deliver, when to deliver it and what resources to use, it is necessary to monitor and measure the actual delivery. DPLG (2000:117) further states that a PMS occurs parallel with implementing the processes, feeding each other and continuously interacting as illustrated in Figure 3.4. It provides significant information and analysis to inform the municipality and relevant stakeholders how well the municipality is doing.

Joubert (2008:39) is of the opinion that it is always important to bear in mind that the IDP and PMS are not two separate plans and that the PMS is informed by a

municipality's approved IDP. Van der Waldt (2004:349) stresses that in order for the PMS to be considered credible and legitimate by stakeholders, performance reports, particularly the annual performance report, must be audited. Audits should ensure that reported performance information is accurate, valid and reliable. Craythorne (2009:121) also mentions that, rather than attempting to be its own judge, a municipality must establish mechanisms to monitor and review its PMS, for example, by using sub-councils, ward committees and the structures of civil society.

According to the Presidency: Improving Government Performance - Our Approach ([www.thepresidency.gov.za:online](http://www.thepresidency.gov.za/online)), a PMS works only if there is a mechanism to hold the responsible person accountable. According to the Performance Management Policy Framework – Theewaterskloof Municipality (2009:20), the individuals should be given performance objectives and targets that are linked to their team, department and the municipality. When projects and programmes are implemented, the municipal managers need to set up a framework to track performance of all managers who would in turn do the same for lower level staff (DPLG, 2001:39). This implies that organisations on their own cannot translate plans into deliverables without the influence of individual performance. Thus, the objectives of an organisation may also be achieved through the management of performance of individual employees. Van der Waldt et al. (2007:112) articulate the argument that a PMS should aim at improving the results of people's efforts by linking them to municipal objectives. According to Performance Management Framework for Mtubatuba ([www.dplg.gov.za:online](http://www.dplg.gov.za/online)), the overall strategic objective of the PMS is to improve the performance of municipalities, using tools such as:

- Measuring and gathering data and information and ordering such in a format which will guide decision making;
- Setting and adhering to time frames;
- Creating report back, review and evaluation mechanisms;
- Ensuring the development of political, administrative and financial accountability and creating trust among all role-players;

- Encouraging the culture of accepting and managing change where needed; and
- Developing early warning signs for any internal or external threats, financial viability, the capacity of the municipality to fulfil its constitutional and developmental mandates and for meaningful and timely intervention.

### **3.11 CONCLUSION**

In this chapter, the legislative and policy directives of the national Government of South Africa as well as the literature survey on a PMS were discussed. Essentially, the chapter deals with the link between the IDPs and PMS. It is clear that, while the IDP is the key implementation programme of the municipality, the PMS has the IDP as its baseline. This implies that once a municipality has developed a realistic strategic plan, it is then that key performance indicators (KPIs) reflecting those plans can be developed.

Having explained how a PMS enables municipalities to achieve their developmental objectives by means of the IDPs, the next chapter explores the impact of the PMS on the IDP in Ngwathe Local Municipality.

## **CHAPTER 4**

# **THE PERFORMANCE MANAGEMENT SYSTEM AS AN IMPLEMENTATION TOOL FOR INTEGRATED DEVELOPMENT PLANS IN NGWATHE LOCAL MUNICIPALITY: EMPIRICAL FINDINGS**

### **4.1 INTRODUCTION**

The previous chapters consider the operationalisation of IDPs within municipalities and were particularly focused on the conceptual and practical interface of IDPs and the PMS. They explained how the implementation of a PMS enables municipalities to achieve developmental objectives through the IDPs.

This chapter determines the extent to which Ngwathe Local Municipality utilises the PMS as a tool for the effective implementation of the IDP to achieve its developmental priorities and objectives. The chapter begins by exploring the efforts of the municipality to utilise the PMS as an implementation tool for the IDP during the period 29 January 2001 to 30 June 2009. The chapter further considers the research methodology used and explains the data gathering techniques and sampling, focusing also on the reliability and validity of the data measuring instruments. Finally, the chapter concludes by presenting the data that was gathered and an analysis of the findings.

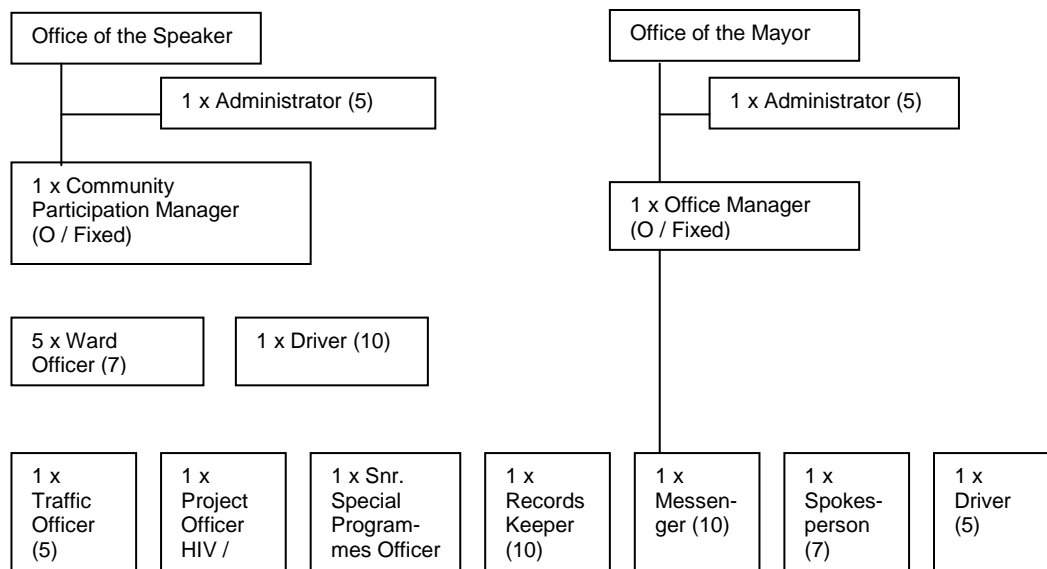
### **4.2 OVERVIEW OF THE CASE STUDY: UTILISING THE PMS AS AN IMPLEMENTATION TOOL FOR THE IDP AT NGWATHE LOCAL MUNICIPALITY**

The Ngwathe Local Municipality is a category B municipality located in the Fezile Dabi District of the Free State Province. It is a municipality with a collective executive system of governance. This implies that public decision-making powers are vested in Council, which in turn may delegate some of the powers to the Mayor in collaboration with the Executive Committee decided by Council. The Municipality has a Mayor and a Speaker. The Executive Committee consists of

nine councillors including the Mayor and the Speaker. The Municipality has six Portfolio Committees, namely:

- Finance and budget
- Corporate services
- Infrastructure and Local Economic Development
- Social and Community Services
- Urban, Rural Planning and Housing
- Public Safety and Transport

Figure 4.1 below illustrates the political structure of the Municipality.

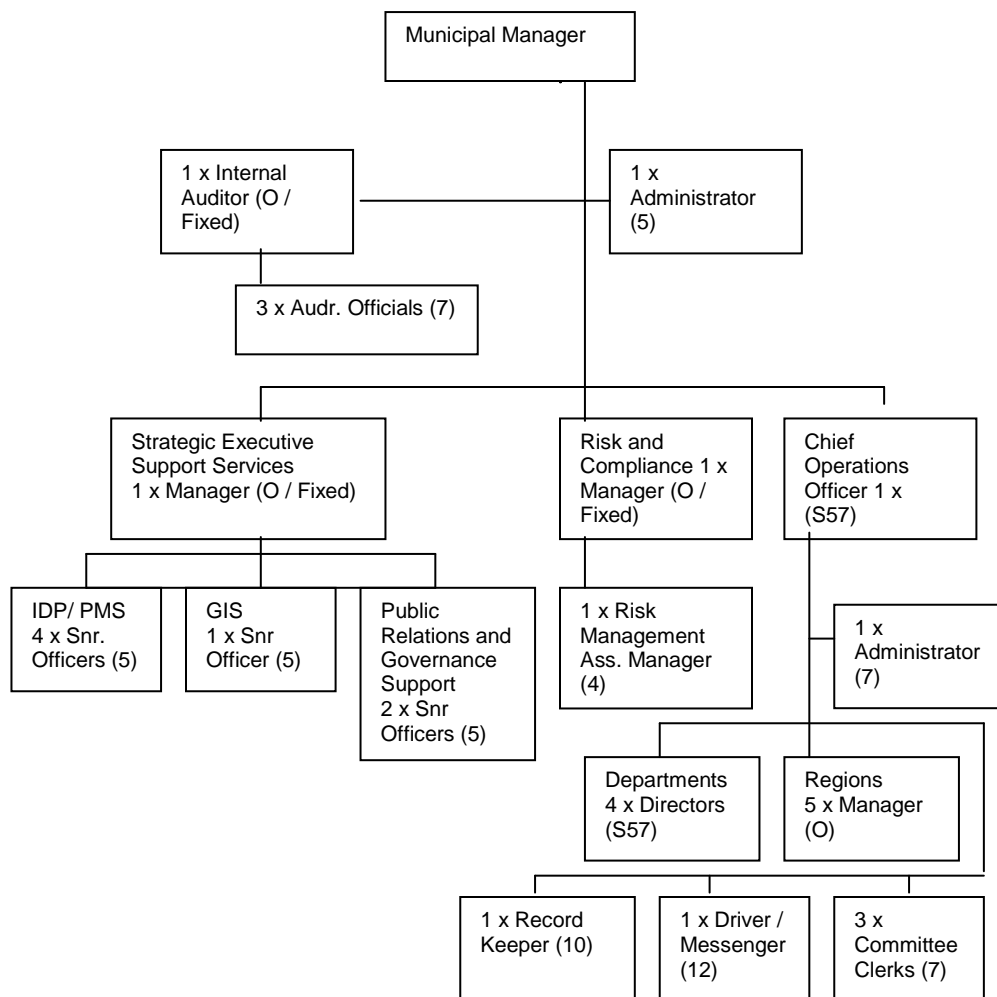


**Figure 4.1: Political structure of Ngwathe Local Municipality**  
Ngwathe Local Municipality Organogram 2009 / 2010

In December 2000 the first democratic local government election took place in South Africa. Following the first election, the Ngwathe Local Municipality had forty seats for Councillors within the municipal Council. However, since the 2006 local government election the municipality has thirty eight seats in terms of both proportional and ward representation. The political composition of Council is currently constituted as follows:

- African National Congress (30)
- Democratic Alliance (5)
- Pan African Congress (1)
- African Peoples Convention (1)
- Rate Payers Association (1)
- Freedom Front (1)

The municipality has a total of 19 ward committees that are established and functioning properly. Figure 4.2 below illustrates the administrative structure of the Municipality.



**Figure 4.2: Administrative structure of Ngwathe Local Municipality**  
(Ngwathe Local Municipality Organogram 2009 / 2010)

The municipality is administratively organised into five programmes, namely:

- **Office of the Municipal Manager** – provides overall management of the strategic programmes of the Municipality.
- **Finance** – programme is responsible for the general management of finances of the municipality.
- **Technical Services** – programme delivers infrastructural services in a manner that achieves a high level of customer satisfaction and cost effectiveness as well as improving on benchmarks.

- **Community Services** – programme attends to the community of the municipality.
- **Corporate Services** – programme provides internal support services, facilitates transformation and ensures service excellence to the community of the Municipality.

As explained in Chapters 2 and 3 of the dissertation, the promulgation of local government legislation in December 2000 introduced a legal requirement for municipalities to adopt and implement the IDPs and a PMS. Once a municipality implements its IDP, a PMS should become a mechanism to monitor such implementation, ensure that scarce resources are utilised efficiently and that clients receive the agreed quantity and quality of services.

The interim IDP document of the Ngwathe Local Municipality was prepared in compliance with the former national Department of Provincial and Local Government's Interim IDP Guidelines and finalised on 29 January 2001. Following the preparation of the Interim IDP and the integrated planning process, the first IDP for Ngwathe Local Municipality was adopted in Council during June 2002. Thereafter, the IDP has been reviewed annually until 2006 to ensure that plans were implemented as required. The review was also implemented to measure the impact of the projects and services to the community. The minutes of the Extraordinary Council meeting of Ngwathe Local Municipality dated 25 April 2006 state as follows:

***Integrated Development Plan Resolved***

*that the Council of Ngwathe approves the reviewed IDP 2006/07, as adopted by the previous council without amendments, as an interim IDP until such time as a 5-year IDP is drafted and approved, according to the regulations of the Municipal Systems Act, Chapter 5.*



Following this Council resolution of 25 April 2006, the first five-year IDP of the Municipality was approved by Council during May 2007 and has since been reviewed annually. The minutes of the Extraordinary Council meeting of 31 May 2007 state as follows:

***Integrated Development Plan (IDP) 2007 – 2012 Resolved***

- a) that the attached Integrated Development Plan for 2007-2012 be approved.*
- b) that the document be submitted to the Department of Local Government and Housing, Provincial Treasury and to the neighbouring municipalities within the stipulated time frames of the legislation*

From the minutes above it can be seen that the Municipality fairly complied with the legal requirement that all the municipalities prepare an IDP.

The first significant formal process of the Municipality towards implementing a PMS began during 2004. It was found from the minutes of the Ordinary Ngwathe Council meeting that the first Performance Policy Framework of the Municipality was approved on 26 August 2004. During early 2005, the former provincial Department of Local Government and Housing in a notice to municipalities stated that it had come to the conclusion that most municipalities in the Free State Province were not implementing a PMS as required by legislation. Thus on 5 June 2005, the Director: Corporate Services in an invitation to the Mayor, the Speaker and senior officials of the Municipality also wrote as follows: *“Currently the Municipality has the PMS Policy Framework in place but the system itself is not functional.”* It was further discovered from the documents in the archive of the Municipality that a meeting was held on 11 August 2005 where a Process Plan for implementing a PMS was developed. The following are the activities in the Process Plan that had been drawn up:

Activity	Who?	By When?
1. Finalise organisational scorecard	All directors	15 October 2005
2. Present scorecard to Senior	Corporate Vantage	1 December 2005
3. Derive Departmental scorecards from the organisational scorecard	All directors	15 December 2005
4. Communicate PMS to supervisors	All directors	January 2006
5. Develop Performance Plans for employees	All directors	January 2006
6. Departmental meetings to communicate performance plans	All departments	February 2006
7. Implement the system	All departments	February 2006 onwards

**Fig. 4.3: PMS Implementation: Process Plan**

On 26 May 2006 the Operations Manager issued a notice through an internal memorandum whereby all the Senior Managers of the Municipality were required to compile their Departments' scorecards according to the PMS policy. The scorecard of a department is a set of measures that could give senior managers a view of their department's performance towards the realisation of the organisation's goals and objectives. According to the notice, the copies of the organisational scorecard for the financial year 2005/06 and Part 4 of the IDP 2006/07 were attached to the internal memorandum. During 2007 and 2008 various workshops were also conducted on the PMS. On 11 January 2009 the Municipal Manager appointed Jameson Consulting and the terms of reference were as follows, "*The firm is appointed to prepare an Organisational PMS and ensure that the system is fully aligned with the measurable implementation of the IDP.*" From the foregoing description of the case it may be clearly seen that until January 2009, the period on which the study focuses, a need existed for better integration between the IDP and the PMS in the Ngwathe Local Municipality.

The main purpose of the PMS policy framework should be the alignment of the IDP with the operational business plans, Service Delivery and Budget Implementation Plans (SDBIPs), performance areas and performance indicators of the various departments within the Municipality. An effective PMS framework of a Municipality should have coherent flows of logic from the strategic priorities in the IDP. These linkages help to ensure that the work of all municipal units is aligned and focused on achieving important common organisational goals. The IDP fulfils the planning phase and the PMS the implementation, the processes continuously feeding each other. Thus, in the absence of a PMS, a perceived challenge is that there cannot be complete accountability in respect of the IDP. The integrated development planning process and subsequent IDP should culminate in the implementation of projects. The main purpose is to maintain and improve the quality of life in the community. To ensure that the implementation of the IDP is the Municipality's response to the needs of the community, the IDP process should entail the following phases which are illustrated in Figure 4.1 below:

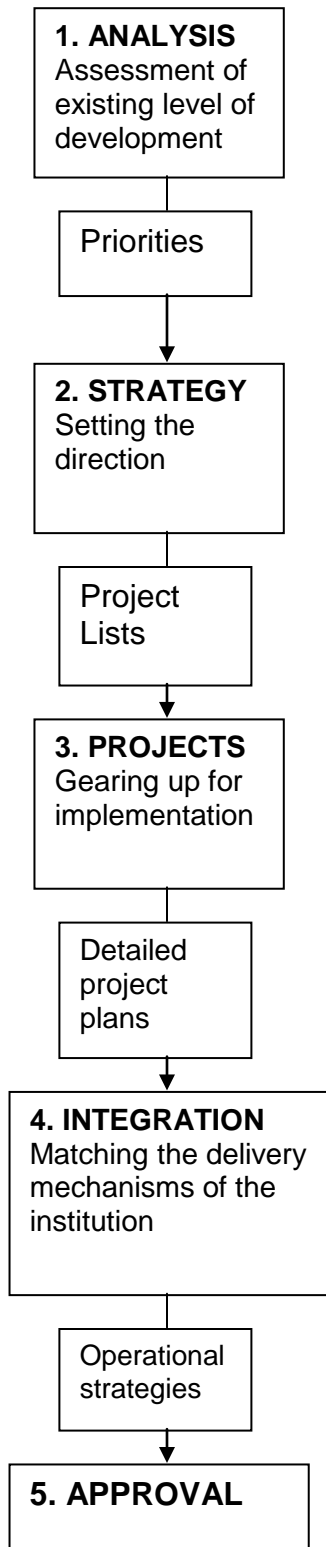


Figure 4.4: Phases of the IDP process

**Phase 1: Analysis** - It is the focused analysis of the type of problems faced by the people in the municipal area. The issues normally range from lack of basic services to crime and unemployment. The phase is about meeting with the community and stakeholder representatives and agreeing on priority issues. Stakeholder and community participation is critical in the phase because the Municipality must not make assumptions on what the problems are in its area.

**Phase 2: Strategy** - Based on the understanding of the problems affecting the communities in its municipal area and the causes of these problems, a municipality should then formulate the solutions to address them. In this phase the municipality develop strategies that represent the most appropriate ways and means to achieving the objectives. The objectives describe what the municipality aims to achieve in terms of the priorities. In Phase 2 there may be an opportunity for a broad public debate on the appropriate ways and means of solving the problem.

**Phase 3: Projects** - This phase deals with the design and specification of projects for implementation. The municipality must ensure that the projects identified have a direct linkage to the priority issues and objectives that were identified in the previous phases. In Phase 3 the communities and / or stakeholders affected by a concrete localised project may be consulted on specific questions relating to the project design, such as how facilities or services should be designed and where they should be located, etc. For example, in respect of the building of a new water purification plant, the municipality may contract a private sector company to deliver this capital project.

**Phase 4: Integration** - Once the projects have been identified, the municipality must ensure that the results of the project planning will be checked for their compliance with the vision, objectives, strategies and resources. Furthermore, it has to be checked that projects are harmonised in terms of contents location and timing in order to arrive at a consolidated and integrated programme. For example, in Phase 4 the IDP Representative Forum will have to

check whether the project proposals are in line with the priorities and strategic guidelines of the municipality.

**Phase 5: Approval** - Council determines whether the IDP identifies the issues (problems) that affect the area as well as the extent to which the strategies and projects will contribute to addressing the problems; and then approves the IDP.

When the process of the development and approval of the IDP has been completed, an SDBIP must be developed based on the strategic direction provided by the IDP. The SDBIP is the annual operational plan of the Municipality. The indicators and targets in the SDBIP should be similar to those included in the IDP of the municipality, as stated earlier. These linkages help to ensure that the work of all the municipal units is aligned and focused on achieving important common organisational goals. It enables the municipality to divide broad objectives of the IDP into service delivery targets for the Departmental Senior Managers. Thus, the PMS evolves from the SDBIP. In other words, the SDBIP enables the municipality to set up a PMS. Similar to the SDBIP, the PMS is also always in-year bound and focuses on annual performance periods subdivided into quarterly performance cycles.

The Municipal Performance Guidelines outline a process through which the PMS should be utilised to monitor and evaluate the performance of the municipalities. According to the guidelines, once the council has approved and adopted the system, through Council Committee, it should give the project team the mandate to implement the system. The team should develop an implementation strategy which is linked to the IDP implementation framework. The strategy should also entail planning, implementation, monitoring and review of performance of the municipality in respect of its priorities and objectives in the IDP.

The municipality should dedicate officials and create structures to support the IDP and PMS. The roles of management and such officials as well as reporting structures on the IDP and PMS may be summarised as follows:

<b>Role-player</b>	<b>Responsibility</b>
Municipal Council	Approving the PMS, monitoring and reviewing the IDP in terms of PMS.
Councillors	Encouraging the community to involve itself in the development, implementation and reviewing the municipality's performance management system and in setting the appropriate key performance indicators and performance targets for the municipality. Providing input into the development and the implementation of the PMS and annual performance report.
Council Committee, Mayor and Portfolio Committee	Decide on the PMS process. Nominate persons to 'drive' the PMS process, monitor the developments, implementation and management process.
Municipal Manager	Overall management and coordination responsibility to ensure that all relevant role-players are involved and that the process is proceeding as planned.
IDP / PMS Manager	Day-to-day management of IDP and PMS.
Director: IDP (Provincial COGTA)	<ul style="list-style-type: none"> <li>• Monitor the process followed by a municipality to draft its IDP.</li> <li>• Assist the municipality with planning, drafting, adoption and review of its IDP.</li> </ul>
Chief Director: Municipal Performance (Provincial COGTA)	<ul style="list-style-type: none"> <li>• Receive quarterly municipal performance reports.</li> <li>• Verify municipal performance information.</li> </ul>

**Figure 4.5: Responsibilities of officials, management and reporting structures**

The municipality should also outline a clear process action plan which the IDP and PMS processes must follow during a particular financial year. The following is a typical process action plan and timeframes that these processes should follow during the financial year within the Medium-Term Expenditure Framework (MTEF). An example of such a process action plan with timeframes is illustrated in Figure 4.6. below.

Activity	Timeframe required in terms of legislation	Responsible Structure	Estimated Timeframe
Performance Planning	Concurrent with development of priorities and objectives of IDP	Citizens and communities Councillors Executive Committee Executive Management Employees Organised Labour	May
Measuring (Setting KPIs and targets)	Concurrent with development of priorities and objectives of IDP	Citizens and communities Councillors Executive Committee Executive Management Employees Organised Labour	May
Monitoring	Continuously	Citizens and communities Councillors Executive Committee Executive Management Employees Organised Labour	July to June
Reviewing	Monthly / Quarterly	Council Municipal Manager PMS Core Project Team PMS Project Team	July to June
Reporting	Quarterly and annually <ul style="list-style-type: none"> <li>July – Sep</li> <li>Oct – Dec</li> <li>Jan – March</li> <li>April – June</li> </ul>	Council Municipal Manager Performance Audit Committee Internal Auditors PMS Core Project Team Finance and SEOs	October January April July
Municipality prepares Annual Report – based on previous year's: a) Performance report b) Financial Statements c) Audit Report on financial statements	3 months after 30 June  Up to 6 months to finalise financial statements received in September	Municipality  Auditor-General	30 Sept – 31 Dec
Municipality arranges public meetings <ul style="list-style-type: none"> <li>Inform community</li> <li>Written notice to AG and MEC for LG</li> <li>Representative for AG and MEC are entitled to speak at meetings and MM to respond to questions</li> <li>Copies of minutes to AG and MEC for LG</li> </ul>		Municipal Manger	31 December
Municipality tables annual report	One month after 1 (c)	Municipality	January
Municipal Council adopts annual report		Council	January
Municipality makes copies to distribute	Within 14 days after adoption	Municipality	
Submit copies to: <ul style="list-style-type: none"> <li>MEC for LG</li> <li>AG</li> <li>Other institutions</li> </ul>			Mid Feb

**Figure 4.6: Action Plan and Timeframes to be considered for implementation for organisational PMS for the Municipality for a specific financial year**



From Figure 4.6 above it may be seen that the plan identifies officials and structures and stipulates the timeframes.

### **4.3 RESEARCH METHODOLOGY**

According to Brynard and Hanekom (2006:35) research methodology is the “how” of collecting and processing data within the framework of the research process. Two basic methodologies for collecting data may be distinguished, namely quantitative and qualitative methods. Maree et al. (2009:51) view qualitative research as a research methodology concerned with understanding the process, and the social and cultural contexts which underlie various behavioural patterns. Struwig and Stead (2010:4) explain quantitative research as a form of conclusive research involving large representative samples and fairly structured data collection procedures. In this study, a qualitative research design was used in order to explore the impact of the PMS on the IDP. The next subsection provides an analysis of qualitative research.

Struwig and Stead (2010:12) warn that as qualitative research may mean many things, a researcher has to be more specific in a description of how qualitative research will be used in a research project. Maree et al. (2009:257) point out that qualitative research is the approach through which data is collected from people immersed in the setting of everyday life in which the study is framed. Maxwell (1996:17) reveals that the strengths of qualitative research derive primarily from its inductive approach, its focus on a specific situation or people and its emphasis on words rather than numbers. Maree et al. (2009:51) agree with this statement and indicate that the emphasis in qualitative research is on the quality and depth of information and not on the scope or breadth of the information provided.

It may be inferred from the definitions above that, in qualitative research, the researcher is trying to see through the eyes of the participants. The emphasis is thus placed on the participants’ frame of reference and how they see things. The next section considers the data collection methods used in the study.

#### 4.4 DATA GATHERING TECHNIQUE

According to Struwig and Stead (2010:98) there are numerous ways of collecting data and they depend on the purpose and aims of the study. Brynard and Hanekom (2006:38) express the opinion that the most frequently used technique of data collection within the two basic research methods (qualitative and quantitative) are the interview, observation and questionnaire. Maree et al. (2009:87) recognise the fact that an interview is a two-way conversation in which the interviewer asks the participant questions to collect data and to learn about the participant's ideas, beliefs, views, opinions and behaviours. Maree et al. (2009:83) further state that observation is the systematic process of recording the behavioural patterns of participants, objects and occurrences without necessarily questioning or communicating with them. Neuman (2000:517) explains that a questionnaire is a written document in a research survey that has a set of questions and recorded answers. De Wet et al. (1981:161) point out that although researchers in Public Management will make use of various methods to collect data, interviewing will most probably be used more frequently than others. Vermeulen (1998:63) agrees with this statement and lists the following as advantages of the use of interviews:

- It allows flexibility of approach;
- It provides the interviewer with the opportunity to clarify misunderstandings; and
- It permits the interviewer to observe the respondent for signs of evasiveness and non-co-operation.

In this study, semi-structured interviews were conducted in order to gather information. Struwig and Stead (2010:98) explain that in a semi-structured interview predetermined questions are posed to every participant in a systematic and consistent manner. Maree et al. (2009:87) also believe that a semi-structured interview usually requires the participant to answer a set of predetermined

questions. It does allow for the probing and clarification of answers. De Vos et al. (2002:303) recognise the fact that if the schedule has been learned in advance, the researcher will be able to concentrate on what the participants are saying during the interview and also monitor the coverage of the schedule topic. However, Bless and Smith (2000:105) warn that the interviewer may intervene by asking for clarification but not give directives or confront the interviewee with a probing question.

The respondents were informed at the beginning of the interviews that information obtained would be used only for the study and names or any identifying data would not be revealed.

An interview schedule was used during the interviews to ensure that all the respondents were asked the same questions. Thus, the reporting of results follows the format of the interview schedule administered. The relevance of the findings will again be discussed in the recommendations in Chapter 5.

#### **4.5 SAMPLING**

According to Maree et al. (2009:79) sampling refers to the process used to select a portion of the population for study. Brynard and Hanekom (2006:54) define sampling as a technique employed to select a small group (the sample) with a view to determining the characteristics of a large group (population). Population is the object of research and consists, among others, of individuals, groups, organisations, events or the conditions to which they are exposed (Fox & Bayat, 2007:51).

The researcher used purposive sampling in this study to select a sample. Babbie (1995:225) observes that purposive sampling is the selection of sample on the basis of the researcher's own knowledge of the population, its elements and the nature of research aims. Maree et al. (2009:79) point to the fact that purposive sampling simply means that participants are selected because of some defining

characteristics that makes them the holders of the data needed for the study. Sampling decisions are therefore made for the explicit purpose of obtaining the richest possible source of information to answer the research questions. Maree et al. (2009:79) also express the opinion that qualitative research is generally based on non-probability and purposive sampling. Struwig and Stead (2010:121) agree that qualitative research focuses primarily on the depth and richness of the data and therefore qualitative researchers generally select samples purposefully rather than randomly.

The selected members of the population are the senior politicians and managers at Ngwathe Local Municipality as well as the officials of the Provincial Department of Cooperative Governance and Traditional Affairs. At the Municipality, office-bearers and officials who were interviewed were the Mayor, the Chairperson of a Council Committee on IDP and PMS, a Municipal Manager, the Manager: Corporate Services and the IDP Manager. The key responsibilities of these senior political and administrative officials are directly linked to the IDP of the Ngwathe Local Municipality. The Chief Director: Municipal Performance and Director: Integrated Development Planning of the provincial Department of Cooperative Governance and Traditional Affairs (COGTA) were also interviewed. They are strategic managers responsible for the five districts and twenty local municipalities in the Free State Province.

The next subsection addresses validity and reliability of data measuring instruments.

#### **4.6 RELIABILITY AND VALIDITY**

Brynard and Hanekom (2006:48) declare that reliability pertains to the accuracy and consistency of measures. The same instrument must be able to produce the same results at a later stage under similar conditions. Struwig and Stead (2010:136) maintain that validity refers to the extent to which a research design is scientifically sound or appropriately conducted. Brynard and Hanekom (2006:47)

go further and point out that validity refers to the potential of a design or an instrument to achieve or measure. It is concerned with the “what” of data – collection procedures and measures. Maree et al. (2009:80) make the point that when qualitative researchers speak of research “reliability and validity”, they usually refer to research that is credible and trustworthy.

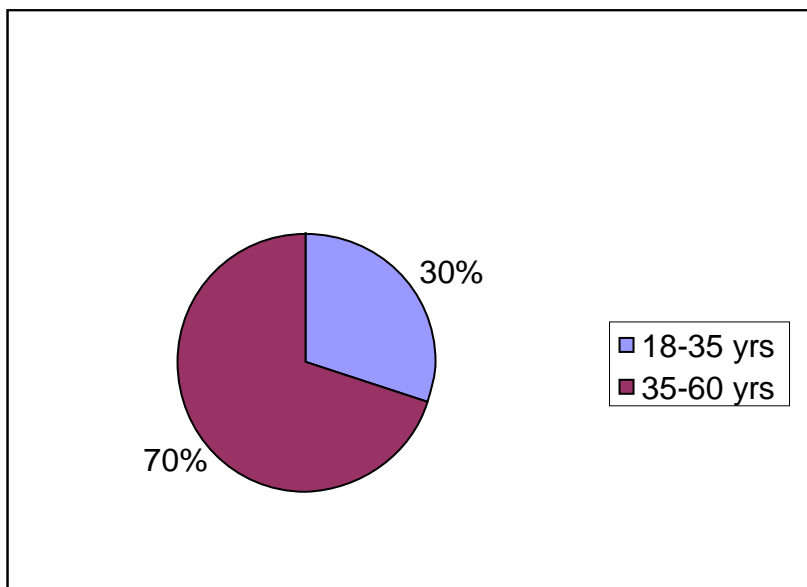
According to Struwig and Stead (2010:143), the following are ways of confirming or validating qualitative data:

- Descriptive validity – It refers to whether the information provided is factually accurate and comprehensive or whether it has been partly omitted or distorted. Acquiring the assistance of the participants or other researchers in examining the accuracy of the data can improve the descriptive validity of the data.
- Interpretative validity – It is indicative of whether the participants’ meaning or perspectives, e.g. of events or behaviours, are accurately reported. Emphasis is placed on the perspectives and language of the participants rather than on the interpretations and terminology of the researcher.
- Theoretical validity – This refers to whether there is common agreement between the researchers and the participants about the concepts or theory used to refer to the phenomena that have been described. It is important for the researcher to discuss the interpretations of the data with the participants in terms of the concepts used and the theory developed from the data.
- Triangulation – It refers to the extent to which independent measures confirm or contradict the findings. Various methods can be used to analyse the data such as observation, quantitative measures, interviews or documents
- Researcher effects – It refers to the degree to which the researcher is biased in reporting and interpreting the findings. The background of the researcher can, for example, include certain biases and prejudices, and these need to be mentioned at the beginning of the study.

#### 4.7 DATA PRESENTATION AND ANALYSIS OF FINDINGS

The following are the findings relating to the efforts of Ngwathe Local Municipality to utilise the PMS as a tool for effective implementation of the IDP.

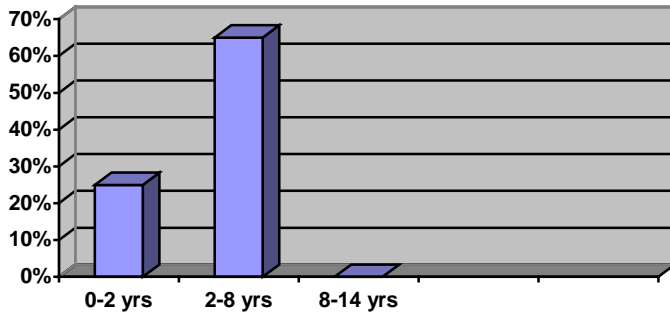
In question 1 of the questionnaire on the biographical details of the respondents, the outcome was as follows:



**Figure 4.7 Ages of Research Participants'**

The pie-chart above shows that 30% of the participants were between the ages of 18 and 35 years and 70% were between the ages of 35 and 60 years. The aim of the question was to draw attention to the age category of the respondents.

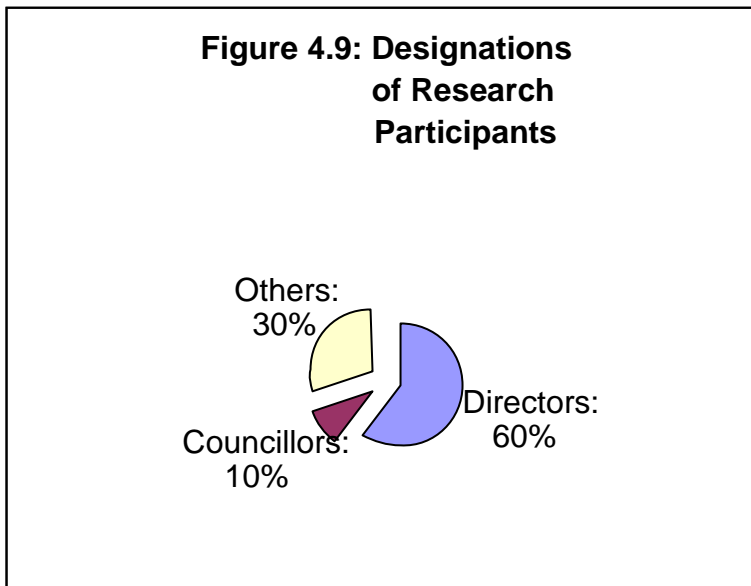
In question 1 of the questionnaire concerning the respondents' years of experience within the municipality, the outcome was as follows:



**Figure 4.8: Years of work experience in Ngwathe Local Municipality**

Figure 4.8 above shows that 65% of the respondents have 2 to 8 years' working experience within the municipality. On the other hand, 25% of the other middle and lower level staff members have less than 2 years. This shows that the majority of senior staff members are more experienced in terms of service in the Municipality.

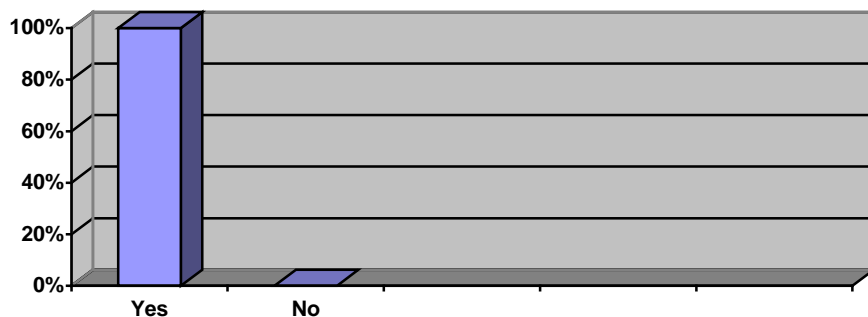
In question 1 of the questionnaire on the designation of the respondents, the results were as follows:



From the above graphical information, 10% of the respondents are senior political office bearers such as the Mayor and Chief Whip. 60% hold senior management positions such as Chief Director: Municipal Performance and Director: IDP, including the Acting Municipal Manager and 30% are at middle management level.

This gives a clear balance with regard to the seniority of respondents from different levels.

The respondents were asked in question 1 whether they were aware of any legislation governing the IDP and PMS in local government. The results were as follows:



**Figure 4.10: Awareness about legislation for Integrated Development Plans and the Performance Management System**

Figure 4.10 shows that 100% of the respondents replied “Yes” to the question whether they were aware of legislation governing the IDP and PMS in local government. Some explained that awareness with regard to legislation was because the municipal officials were provided with study material, including legislation, whenever they had attended workshops on the IDP and PMS.

In question 3 of the questionnaire on the familiarity of the respondents with the former national Department of Provincial and Local Government’s Performance Management Guidelines for Municipalities, 2001, the results were as follows:



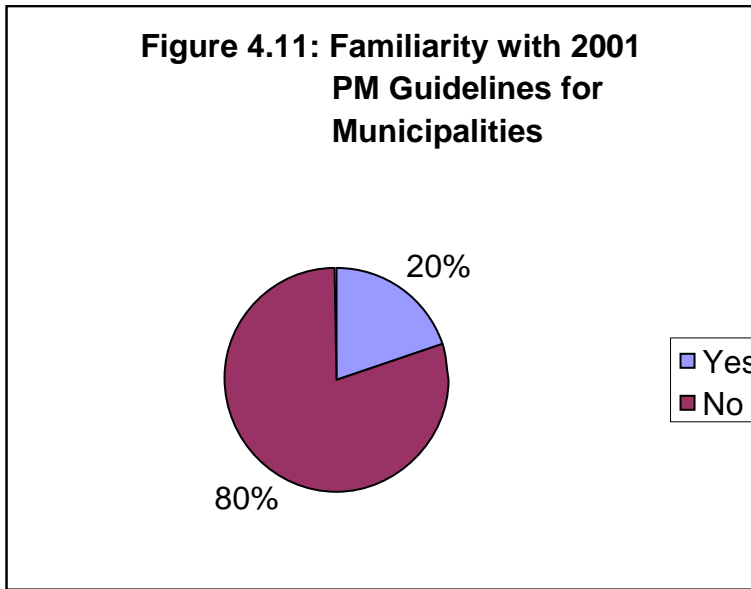
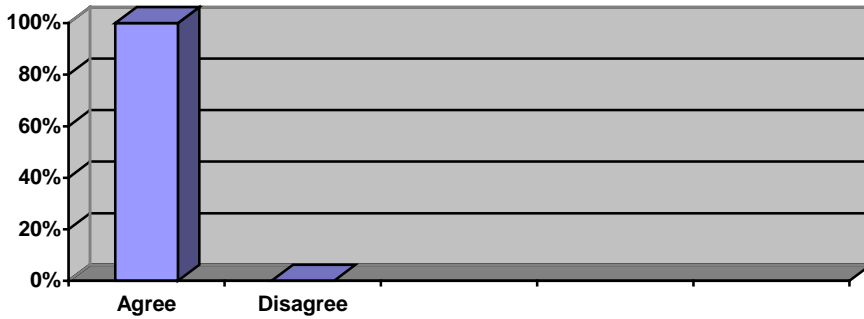


Figure 4.11 shows that 80% indicated that they were not familiar with the guidelines while 20% indicated that they were familiar. Chapter 3 of the study states that the Performance Management Guide for Municipalities (DPLG, 2001) outlines to municipalities how the PMS should be implemented and, if correctly applied, may result in a workable PMS. The conclusion that may be drawn is that if these senior respondents are not familiar with such a crucial framework that was developed solely to enable municipalities to develop and implement a PMS, it is therefore unlikely that the PMS is used as a tool within the municipality to implement the IDP. The scenario above suggests that the IDP Manager's day-to-day management as well as the Portfolio Committee's implementation management and monitoring of the PMS require marked improvement.

Question 4: "Do you think the knowledge of respondents' colleagues is appropriate to implement the IDP and PMS?" The results were as follows:

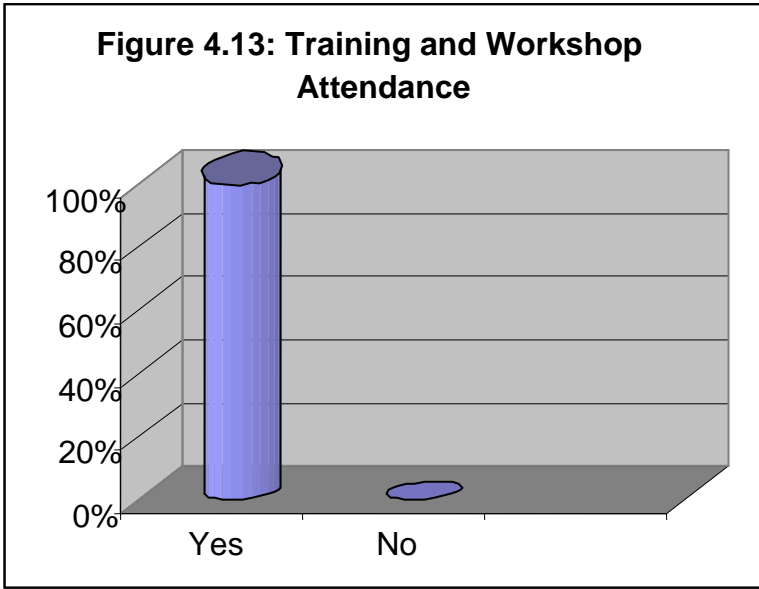


**Figure 4.12: Appropriateness of colleagues' knowledge**

From the graph above one can determine that 100% of the respondents agreed that there is relative appropriate knowledge among officials within the Municipality to implement the IDP but not the PMS. It may be concluded that while the municipal officials have a fair understanding of the IDP, there is still relatively limited knowledge with regard to the concept of a PMS.

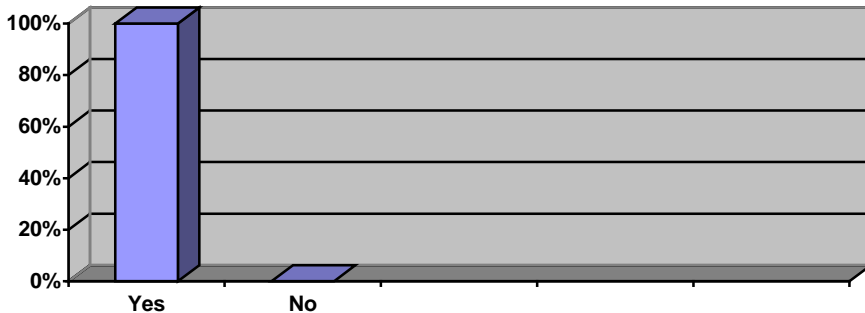
The literature review presented in Chapter 3 of the dissertation found that the PMS should be the primary mechanism to plan for performance management and monitor, review and improve the implementation of a municipality's IDP. It was also seen from Figure 3.4 in Chapter 3 that a PMS occurs in parallel with implementation of the IDP, the processes continuously feeding each other. If the staff do not have adequate knowledge to implement the PMS it is likely that the Municipality may not achieve developmental objectives through its IDP. As stressed in Chapter 2 it is crucial that the municipal staff must understand what principles will govern the development and use of the PMS by the municipality in its municipal area.

On question 5 of the questionnaire on whether the respondents have ever been trained or had attended a workshop on the PMS, the results were as follows:



100% of the respondents showed that they attended and were trained on PMS. However, one respondent elaborated that after attending workshops there were no mechanisms to follow up and to ensure that the acquired knowledge is integrated in the work of the officials or systems and processes undertaken to give effect to the outcome of such workshops. In Chapter 3 implementability was stated as one of the principles of the PMS. This means that the PMS should be implementable within the resources of the Municipality, which should include time.

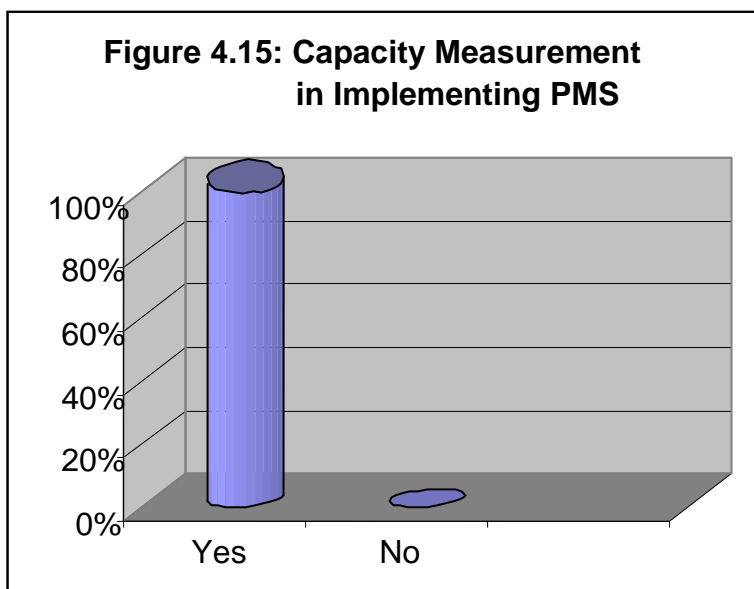
On question 6 of the questionnaire on whether enough time was spent to capacitate managers and relevant personnel in the Ngwathe Local Municipality on the implementation of the IDP and PMS, the outcome was as follows:



**Figure 4.14: Time adequacy for capacity building**

100% of the respondents pointed out that there was not enough time spent to capacitate managers and relevant personnel. The only time spent was when they attended a workshop on the PMS. Some indicated that the Manager: IDP is yet to develop a training schedule on the PMS for all the employees in the Municipality.

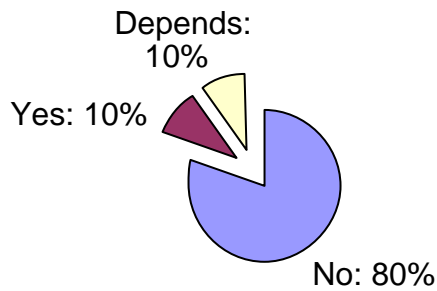
Question 7: “Do you think the Municipality has sufficient manpower to implement a PMS as required by legislation?” The results were as follows:



100% of the respondents explained that there was not sufficient manpower to implement a PMS. They revealed that no person in the Municipality was designated for the PMS and if it was to be implemented, there would be a need for such an official. Currently within the Municipality there is only one official who deals with functions such as IGR and IDP, including PMS.

On question 8 of the questionnaire on whether there are any institutional policies and guidelines to guide the performance management processes in the Municipality, the outcome was as follows:

**Figure 4.16: Existence of Institutional Policies and Guidelines**



The above graphs shows that 80% of the respondents revealed that there was none. 10% indicated that an old PMS policy exists which is yet to be reviewed. Another 10% indicated that even if there could be a policy on the PMS, until such policies are explained to managers, they cannot be implemented. In Chapter 3 it was shown that the council of a municipality should stipulate clearly what needs to be done, by whom and by when with regard to the PMS. It was recommended that a municipality should establish a project team who must report to the municipal manager who will, in turn, account to the executive mayor or the executive committee and, finally, to the council.

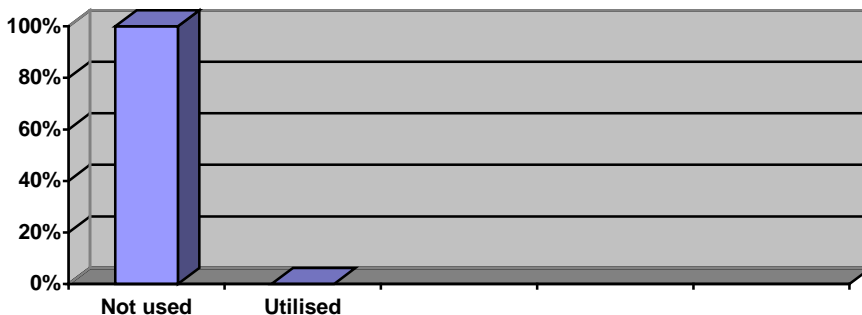
The respondents were asked in question 9 where, in their opinion, the major areas of non-compliance are in respect of the IDP and performance management processes and systems in the Municipality. The results were as follows:

Five respondents pointed out that, regarding the IDP, non-compliance is mainly in not completing the IDP projects within the stipulated time frames. Two other respondents elaborated that the implementation of the PMS does not take place at the beginning of the financial year. The observation is corroborated in Chapter 3 of this study where it is shown that the IDP and PMS are not two separate plans and

that the PMS stands the best chance to succeed if it is integrated with the current management cycle of the municipality.

The other six respondents disclosed that, with regard to the PMS, until it is known within the Municipality what a PMS is and there is a roll-out plan to implement the process, it may remain difficult to identify areas of non-compliance. One other respondent lamented the lack of involvement by the public and stated as follows, “*The Municipality is supposed to share with the public annual targets so that the community knows what to expect in that financial year; as progress is made the public must know.*” It is not surprising that the respondent expressed this opinion; it was seen in Chapter 3 that a municipality may establish a team who will report performance to the municipal manager who will in turn account to the executive mayor or the executive committee and, finally, to council. The overall strategic objective of the PMS is to improve the performance of a municipality, using tools such as creating report back, review and evaluation mechanisms.

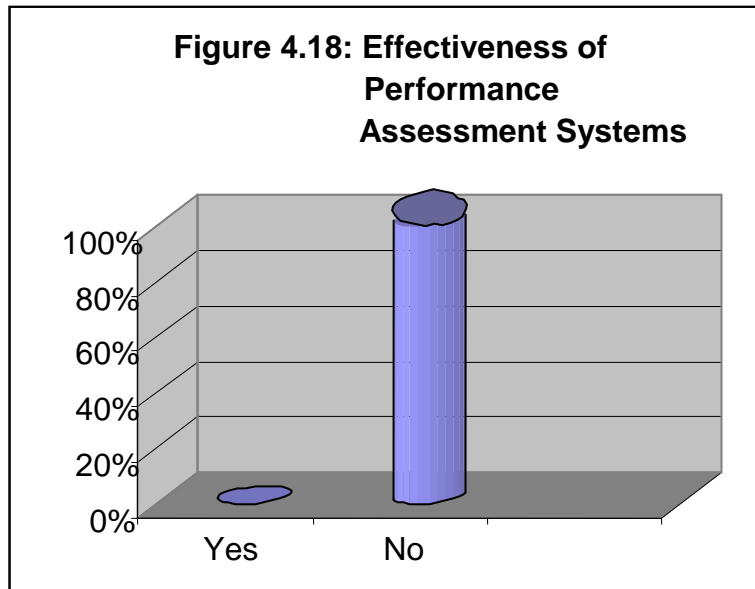
On question 10 of the questionnaire on the extent to which a PMS is in use in the Municipality, the outcome was as follows:



**Figure 4.17: Implementation of Performance Management System**

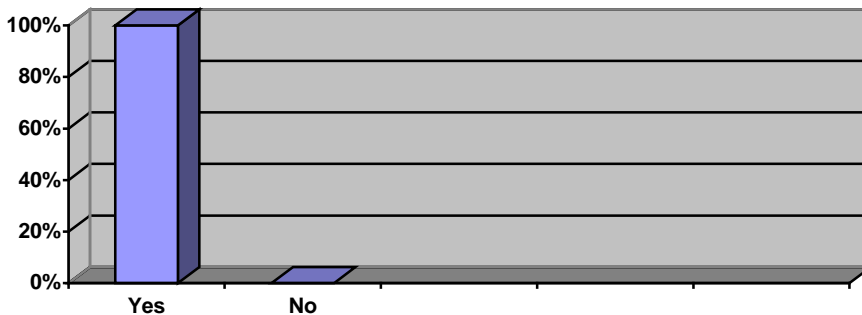
100% of the respondents indicated that a PMS was not in use at all within the Municipality.

In question 11 of the questionnaire on the degree to which the performance assessment system is working in the Municipality, the results were as follows:



100% of the respondents indicated that the assessment system was not working in the Municipality. One respondent elaborated that this could be a result of the fact that over the last four years the Municipality employed four different Municipal Managers.

In question 12 the respondents were asked the following, “Are there regular quarterly performance evaluation meetings held in the Municipality?” The outcome was as follows:

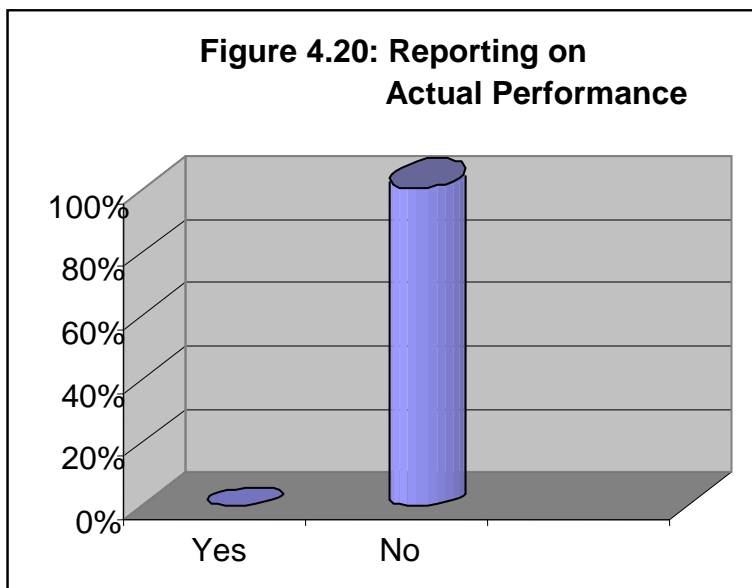


**Figure 4.19: Conducting quarterly meetings**

100% of the respondents indicated that, although meetings were held, individual Departments present reports at such meetings but there is never a consolidated performance report that provides the overall organisational performance picture of the Municipality. 10% of the respondents attributed this to a lack of meaningful quarterly assessment due to lack of leadership.

It is crucial that the Municipal Manager as head of administration convenes quarterly performance evaluation meetings with the management team to assess the current situation and the latest revised IDP and SDBIP. If this is neglected, every Department of the Municipality will run in its own direction, winning their race, but failing to achieve the ultimate common strategic objectives of the Municipality.

In question 13 of the questionnaire on whether reporting on actual performance is done at least twice a year, the results were as follows:

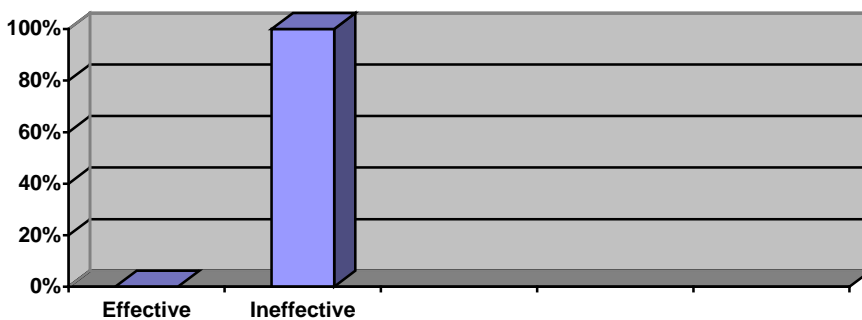


100% of the respondents indicated that reporting on actual performance was not done. Based on the response, a conclusion may be drawn that the PMS is not implemented within the Municipality. As pointed out in Chapter 3, a PMS entails a framework that describes and represents how a municipality's cycle and



processes of performance planning, measurement, review, reporting and improvement are to be conducted and organised. The Municipality must monitor, measure and at least once a year review its performance against the set key performance indicators and targets identified in each of its development priorities.

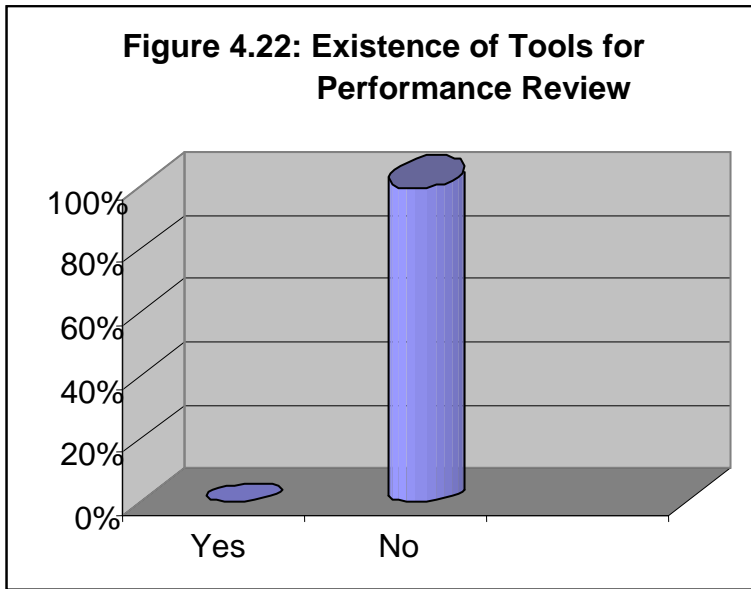
In question 14 of the questionnaire on whether reporting on actual performance is done in a manner that enables the Municipality to detect early indicators of underperformance, the outcome was as follows:



**Figure 4.21: Effectiveness of actual performance reporting**

100% of the respondents indicated that actual performance was not effectively reported. Therefore, the Municipality cannot detect early indicators of underperformance. The question was asked because, as demonstrated in Chapter 3, a PMS must serve as an early warning indicator of underperformance and provide for steps to improve performance where performance targets are not met.

In questions 15 and 16 of the questionnaire on whether mechanisms, systems and processes for reviewing performance exist and whether they assist in at least identifying the strengths, weaknesses, opportunities and threats for the Municipality in meeting its KPIs and targets, the responses were as follows:



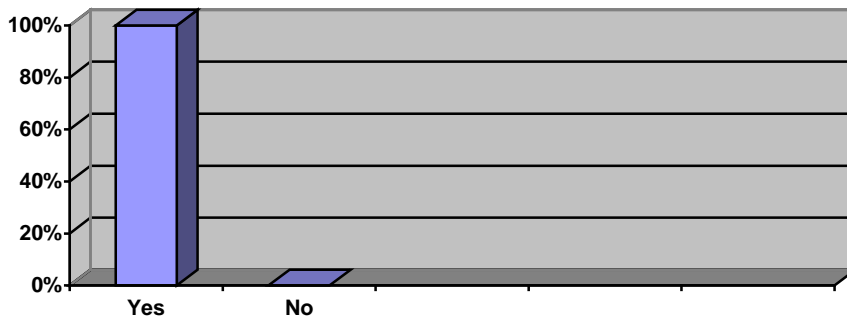
100% of the respondents explained that there were no mechanisms, systems and processes for review of performance within the Municipality. However, one respondent elaborated that the SDBIP does assist in showing progress made in respect of the baseline information. This observation is reconcilable with the literature review in Chapter 3 that indicates that the SDBIP is the operational plan of the municipality and gives effect to the municipal IDP and budget. Figure 3.3 in Chapter 3 shows that an operational business plan enables the institution to set up a PMS.

On question 17 when asked whether there is an SDBIP in place in the Municipality or whether the one that is currently being prepared for implementation is able to project and monitor inputs, outputs and outcomes for every senior manager, the outcome was as follows:

The response was that an SDBIP is in place and able to project and monitor inputs, outputs and outcomes for every Senior Manager. From the literature review in Chapter 3 it was found that performance targets in the SDBIP and annual performance agreements of Senior Managers responsible for implementing the plan must be aligned with the measurable performance objectives approved by the

municipal council in the budget. Thus the PMS is linked to the IDP and SDBIP of a municipality.

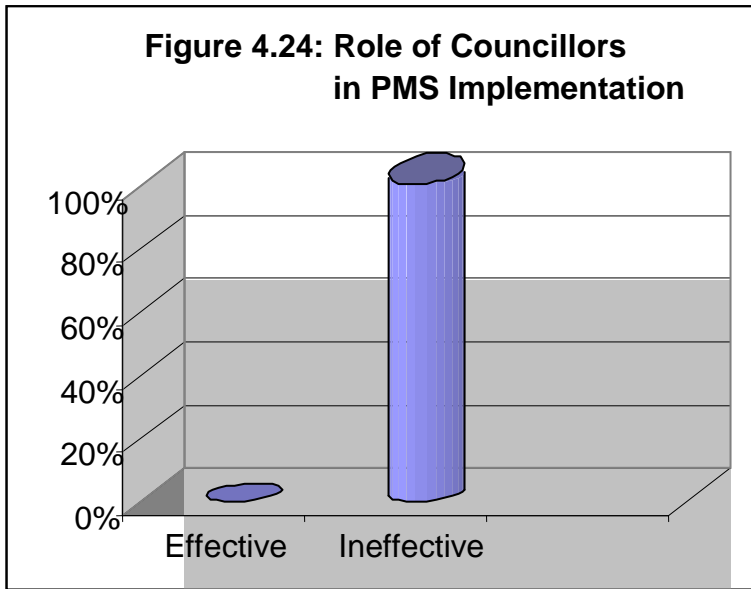
In question 18 when asked whether the Departmental SDBIPs that are in place in the Municipality were designed around the goals expressed in the IDP, the outcome was as follows:



**Figure 4.23: Designing of SDBIPs in line with IDP**

The response of 100% of the respondents was that the Departmental SDBIPs which are in place and indeed designed around the goals of the IDP. The question was asked because based on literature review, the indicators and targets in the SDBIP should be similar to those included in the IDP of the municipality.

In question 19 the respondents were asked how they view the roles Councillors played in the effort to implement the PMS. A summary of their responses follows below:



100% of the respondents remarked that Councillors' involvement is ineffective; they do not yet play any role. Councillors deal only with reports in terms of approving cash bonuses and this also happens after a long time.

In question 20 of the questionnaire on what the respondents' overall perspective of the Municipality since 2000 has been towards achieving targets stipulated in the IDP and implementation of the PMS, one respondent indicated that the IDP is currently a relatively implementable plan because, unlike in the past, the Municipality is able to implement projects according to the project list and line managers are consulted as to the realistic and achievable targets given available resources and capacity. To this effect, the Directorates submit inputs into the IDP relating to what can be achieved within a financial year. Regarding the PMS, there is a challenge as it is not being implemented. One respondent indicated that the Municipality is aware of the requirement of legislation to implement an IDP and PMS; hence its arranged workshops on the IDP and PMS. The respondent further revealed that there were obstacles such as finances where the Municipality would earmark funds for a project but later divert the funding. Whenever the officials attended a workshop, only some elements of a PMS were addressed and not the area of a PMS as a whole.

Question 21, “How do you evaluate the performance of the consultant(s) who were appointed from December 2000 to June 2009 in order to assist the Municipality with the implementation of the PMS?” The respondents answered as follows:

- 3 respondents answered that the consultants who were appointed were competent, but could not finish projects because whenever a new Municipal Manager was appointed, their original mandate was terminated. They indicated that over a period of four years the Municipality had appointed four Municipal Managers.
- 4 respondents indicated that appointment of consultants did not bring significant impact as there was no implementation.
- 2 respondents pointed out that consultants did not have clear mandates in terms of what they had to do, and the Municipality is unable to manage the consultants.
- 2 respondents agreed that good consultants were appointed, but they came to repeat what other consultants have already done in the Municipality.

In question 22 respondents were asked as to what they would suggest to successfully utilise the PMS to achieve targets set in the IDP of the Municipality. Responses are summarised below:

- Whenever the PMS is to be implemented it must be cascaded down to lower levels (staff) because for as long as it resides only with Senior Managers it will not succeed.
- The quarterly reports are not seriously scrutinised to ensure that they are in line with targets and serve as early indicators of non-performance.
- Provision of feedback to Senior Managers on their performance with a view to improve. When Senior Managers submit their performance reports, let the reports not merely be filed; and where such senior managers have indicated that there are challenges, let them see that there is intervention.
- Senior Managers and Councillors require training in the PMS. Councillors lack knowledge of the PMS.

- Councillors must get feedback to determine where the Municipality is in terms of its PMS. The Municipal Manager is not providing feedback on the status of the PMS within the Municipality.
- Have a dedicated portfolio committee responsible for the PMS and ensure its monitoring and evaluation. The Municipality relies heavily on consultants.
- There must be punitive measures in place for failure of supervisors to implement the PMS accordingly.
- The Municipality must make a budget available to train personnel specifically on the PMS.
- Ensure that the Council and Administration have a common understanding of what PMS entails; clarify the role and responsibility of every official with respect to the PMS.

Finally, in question 23 of the questionnaire, the respondents were requested to briefly explain why, since 2000 to June 2009, the Municipality failed to utilise the PMS as a tool to implement its IDP. Responses are listed below:

- Failure to cascade the PMS down to all the employees.
- Failure to improve on things that led to non-performance.
- The Municipality has relied heavily on consultants for the PMS and does not have dedicated personnel internally.
- The Municipal Manager does not provide feedback to Council on the status of the PMS within the Municipality.
- Turnover of managers (both Municipal Managers and S57 Managers) creates problems.
- Councillors' lack of knowledge of the PMS.
- Poor leadership with regard to performance management.
- The Municipality does not have a PMS unit in place.

## **4.8 SUMMARY**

Chapter 4 provides a brief overview of the Ngwathe Local Municipality's utilisation of the PMS as an implementation tool for the IDP for the period 29 January 2001 to 30 June 2009. The chapter considers qualitative research methodology and explains data gathering techniques and sampling used for the study. Attention is further focused on the reliability and validity of data measuring instruments to ensure that the study is credible and trustworthy. Furthermore, the findings of the interviews that were conducted with the respondents selected from the Ngwathe Local Municipality and Provincial Department of Cooperative Governance and Traditional Affairs are presented and interpreted.

In Chapter 5 a summary is made and a conclusion drawn of Chapters 2, 3 and 4 and recommendations is made to rectify the situation relating to the failure of the Ngwathe Local Municipality to utilise a PMS as an implementation tool for its IDP.

## **CHAPTER 5**

### **THE PERFORMANCE MANAGEMENT SYSTEM AS AN IMPLEMENTATION TOOL FOR INTEGRATED DEVELOPMENT PLANS IN NGWATHE LOCAL MUNICIPALITY: OVERVIEW OF CHAPTERS, RECOMMENDATIONS AND CONCLUDING REMARKS**

#### **5.1 INTRODUCTION**

This chapter begins by focusing on a summary of Chapters 1, 2, 3 and 4. It further provides the research objectives and overview of the extent as well as the ways whereby these objectives have been achieved. Before discussing the relevance of the findings to the recommendations, the chapter reiterates the central theoretical statement proposed in Chapter 1. Finally, the chapter concludes by making recommendations and suggesting a quarterly performance management system implementation checklist for the Municipality.

#### **5.2 OVERVIEW OF CHAPTERS**

The primary aim of the study was to determine the extent to which the Ngwathe Local Municipality utilises its PMS as a tool for the effective implementation of the IDP to achieve its developmental priorities and objectives.

Chapter 1 proposes the orientation and problem statement, research objectives, methodology and procedures as well as provisional chapters of the study.

Chapter 2 provides a foundation for understanding the IDPs and their implementation in South African municipalities. The chapter explains the evolution of IDPs, then examines their statutory and regulatory framework. The information discovered during the development of this chapter established a basis for exploring the conceptual link between the IDP and the PMS in the next chapter.



In Chapter 3 attention was focused on exploring the conceptual and practical interface between the IDPs and the PMS. The chapter illustrated by means of figures the link between the IDP and the PMS; in other words, the seamless integration of processes of the IDP and PMS is demonstrated.

Chapter 4 presented the empirical findings on the PMS as an implementation tool for IDPs in the Ngwathe Local Municipality. It begins by exploring the effort of the Municipality to utilise the PMS as an implementation tool for the IDP during the period 29 January 2001 to 30 June 2009. The chapter highlighted the research method, data gathering techniques and sampling used for the study. Finally, it concluded by presenting the data which was gathered as well as an analysis of the findings.

### **5.3 RESEARCH OBJECTIVES**

As earlier indicated, an attempt is made to reflect on the extent to which the research objectives have been realised and the corresponding research questions proposed in Chapter 1 have been answered. The following were the research objectives of the study:

#### **5.3.1 Objective 1: Providing a theoretical overview of the concept of IDP and PMS**

The following research questions were posed in Chapter 1 of the study:

- What are the key elements of an IDP and best practices associated with its implementation in municipalities?
- What are the theories, principles and best practices associated with performance and a PMS?
- To what extent can the PMS enable municipalities to achieve developmental objectives by means of the IDP?

In order to achieve this research objective and to provide answers to the corresponding research questions, the view of different authors in Chapters 2 and 3 of the literature review should be considered. Chapter 2 outlines the process undertaken to produce an IDP and states that such a process consists of five phases. It indicates that external resources, organisational structure, human resource management, leadership and an organisational culture should support the implementation of IDPs. Chapter 3 defines and conceptualises the concept of performance and performance management. It provides the theoretical overview, principles, best practices of the PMS as well as models associated with the PMS. It further elaborates on the implementation of the PMS for achieving the developmental objectives through the IDP.

### **5.3.2 Objective 2: Exploring policies, systems, structures, approaches and operations on the implementation of the IDP and PMS within Ngwathe Local Municipality**

A question is posed in Chapter 1 as to what the existing policies, systems, structures, approaches and operations are within the Ngwathe Local Municipality to implement the IDP. Chapter 4 explores the effort of the Municipality to utilise the PMS as an implementation tool for the IDP during the period 29 January 2001 to 30 June 2009.

### **5.3.3 Objective 3: Conducting empirical research on PMS to ensure effective implementation of the IDP within the Ngwathe Local Municipality**

The following research questions are posed in Chapter 1: “How effective are the policies, systems, structures, approaches and operations of the IDP and performance measurement within the Ngwathe Local Municipality?” Chapter 4 indicates how an empirical study was undertaken in this regard and a summary of the findings is presented in section 5.5 below.

#### **5.3.4 Objective 4: Making recommendations based on research findings in order to improve performance in respect of the IDP**

A question is posed in Chapter 1: “What recommendation may be made to ensure the effective and efficient implementation of the IDP in municipalities by utilising a PMS?” This chapter concludes by offering the recommendations and further suggesting a quarterly PMS implementation checklist for the Municipality.

### **5.4 CENTRAL THEORETICAL STATEMENT**

The following preliminary statement was made: When PMS is tied into the objectives of the organisation, the resulting performance is more likely to meet the organisational needs.

### **5.5 SUMMARY OF THE FINDINGS**

The following is a summary of the findings in Chapter 4 of the study:

- Senior political and administrative officials are not aware of the crucial guidelines which should enable municipal practitioners to implement a PMS.
- There are no institutional systems or structures to guide performance management.
- The Municipality is unable to detect early indicators of underperformance because actual performance is not reported.
- Councillors and Senior Managers lack knowledge of the PMS and seem to have a differing understanding of the concept of a PMS.
- Council does not get feedback to determine the extent of the PMS implementation within the Municipality.
- There is a dedicated administrative unit and portfolio committee responsible for PMS within the Municipality to ensure monitoring and evaluation.
- Council and administration do not have a common understanding of the PMS.

- The IDP manager is the only official within the Municipality perceived to be responsible for the PMS. There is no involvement of other Senior Managers in this regard and it has not been cascaded down to lower levels (staff).
- Submitted quarterly reports are simply filed and not scrutinised to ensure that they serve as early indicators of non-performance and are in line with the set targets.

## **5.6 RECOMMENDATIONS**

The main purpose of the study was to ensure that the Ngwathe Local Municipality utilises its PMS as a tool for effective implementation of the IDP. Based on the empirical research undertaken, the following are recommended to achieve better integration between the IDP and the PMS:

- A holistic training programme as support to Councillors and administrative staff on the PMS should be developed within the Municipality.
- The Municipality must develop an effective reporting mechanism for the PMS among officials and structures, such as the IDP Manager, Municipal Manager, Council Committee / Portfolio Committee, Mayor and Council.
- The Municipal Council must ensure oversight with regard to the performance of the Municipality.
- The Municipality must ensure that the Council and administration have a common understanding of the concept of the PMS.
- The Municipal Manager must present a consolidated performance report to the Mayor and ultimately to Council.
- A PMS unit must be created within the organogram of the Municipality.
- Every Supervisor and Manager must ensure that the PMS is cascaded down to staff under their direct supervision.
- The Municipality must ensure that there is sufficient leadership support and buy-in for the system from Council to staff at all levels.

Based on the recommendations above, it is suggested that the Municipality should develop a Quarterly Performance Management System Implementation Checklist (QPMSIC). The purpose of the checklist is to assist the Municipality to determine the extent to which it utilises the PMS as an implementation tool for its IDP. It must be completed every quarter and submitted to Council Committee / Portfolio Committee suggested in the recommendation above. The Committee must use the checklist to monitor the implementation of the IDP and the SDBIP and determine further targeted areas for assistance. Figure 5.1 below is a suggested quarterly performance management system implementation checklist:

Municipality Name:	Financial Year:	Quarterly Number:
Question		Response: (Provide supporting documentation where appropriate)
1. Has the Municipality held any training workshop to support Councillors and administration staff on the PMS in this quarter under review?		
2. Is there a reporting mechanism in place to communicate PMS reports among the officials and structures within the Municipality?		
3. Is the municipal Council exercising oversight responsibility with regard to the performance of the Municipality? Provide example(s).		
4. During the quarter under review, did the Municipal Manager present any performance report to the Mayor and / or Council?		
5. Has a PMS been created or is the existing PMS unit fully functional?		
6. Can the Municipality give an indication that every Supervisor or Manager has ensured that the PMS is cascaded to staff under		

their direct supervision?	
7. Has the Municipality appointed a suitably qualified IDP / PMS Manager?	
8. Are regular quarterly performance evaluation meetings held in the Municipality?	
9. Are the reporting mechanisms in the Municipality able to detect early indicators of under-performance?	
10. Do all Managers have access to legislation and policy guidelines on PMS? Were they exposed to training on PMS?	
Other comments:	
<b>Prepared by: IDP / PMS Manager / other</b> <b>Name:</b> <b>Date:</b>  <b>Approved by: Municipal Manager</b> <b>Name:</b> <b>Date:</b>	

**Figure 5.1: Quarterly Performance Management System Implementation Checklist**

## 5.7 CONCLUSION

The chapter focuses on the summary of the entire study and summarises the findings made in the earlier chapters based on the research objectives. Based on the findings, conclusions are drawn, recommendations made and a quarterly performance management system implementation checklist suggested.

The study attempted to make a contribution toward better integration between the IDP and the PMS resulting in the utilisation of a PMS as a tool for effective implementation of the IDP within the Ngwathe Local Municipality.

This dissertation was completed in the hope that the findings recorded here and the recommendations made, will be useful.

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# ANNEXURE A

## Questionnaire:

The Performance Management System as implementation tool for Integrated Development Plans:  
The Case of Ngwathe Local Municipality

### Introduction

The researcher is a student currently pursuing studies for a Master's degree in Development and Management in the Department of Public Management at the North-West University. The purpose of the Questionnaire is to obtain information regarding the extent to which the Ngwathe Local Municipality utilises PMS as a tool for the effective implementation of IDP to achieve its development priorities and objectives.

Kindly take note that the information obtained will be used only for research purposes and no names or any identifying data regarding the participant will be revealed. Furthermore, participation is voluntary.

1. The researcher would like to know the following which will enable him to analyse the responses received on the Questionnaire.

<b>Age</b>	<b>Service Years</b>	<b>Designation</b>	<b>Institution</b>	<b>Gender</b>
25 – 30	0 – 5	Municipal Manager	Ngwathe Local Municipality	Male / Female
31 – 35	6 – 10	Director	Ngwathe Local Municipality	Male / Female
36 – 40	11 – 15	Manager	Ngwathe Local Municipality	Male / Female
41 – 45	16 – 20	Supervisor	Ngwathe Local Municipality	Male / Female
46 – 55	21 – 31	Service Provider	Ngwathe Local Municipality	Male / Female
56 -	30 -	Other	Ngwathe Local Municipality	Male / Female

1. Are you aware of any legislation governing IDP and PMS in local government?
- Yes
- Partly
- No
2. What is the general awareness and knowledge of key legislation, regulations and policies that govern the IDP and performance management processes in the Municipality?
- Poor
  - Excellent
  - Good
3. Are you familiar with the former DPLS guidelines on performance management?
- Yes
- Partly
- No
4. Do you think the knowledge of your colleagues is appropriate to implement the IDP and the PMS?
- Yes
- Partly
- No
5. Have you ever been trained or attended a workshop on the implementation of Performance Management System (PMS)?
- Yes
- Partly
- No



6. Were enough time spent to capacitate managers and relevant personnel in Ngwathe Local Municipality relating to implementation of IDP and PMS?

- Yes
- Partly
- No

7. Do you think Ngwathe Local Municipality has sufficient manpower to implement a PMS as required by legislation?

- Yes
- Partly
- No

8. Are there any institutional policies and guidelines to guide the performance management processes in the Municipality?

- Yes
- No

9. In your opinion, where are the major areas of non-compliance in respect of the IDP and performance management processes and systems in the Municipality?

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10. To what extent is performance management system in use in the municipality.

Not at all	To a moderate extent	To a great extent	Fully
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11. To what degree is performance assessment and evaluation system(s) working in the Municipality?

Never	Seldom	Most of the time	Always
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12. Are there regular quarterly performance evaluation meetings held in the Municipality?

Yes

No

13. Reporting regarding actual performance are done at least twice a year.

Yes

No

14. Reporting regarding actual performance is designed in a manner that enables the Municipality to detect early indicators of under-performance.

Yes

No

15. The mechanisms, systems and processes for review of performance at least identify the strengths, weaknesses, opportunities and threats of the Municipality in meeting the key performance indicators and targets.

Yes

No

16. Appropriate mechanisms and systems are in place to enable the measurement of performance in terms of identified performance indicators and targets.

Yes

No

17. Is the SDBIP in place in the Municipality or the one that is presently prepared for implementation, able to project and monitor inputs, outputs and outcomes for each senior manager?

Yes

No

18. Is the departmental SDBIP in place in the Municipality designed around the goals expressed in the IDP?

Yes

No

19. How do you view the roles Councillors played in the effort to implement PMS?

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20. What is your overall perspective of Ngwathe Local Municipality since December 2000 towards achieving targets stipulated in the IDP and implementation of PMS?

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21. How do you evaluate the performance of the consultants who were appointed since December 2000 to June 2009 to assist with the implementation of PMS?

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22. What would you suggest to successfully utilise PMS to achieve targets set in the IDP of Ngwathe Local Municipality?

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23. Summarise briefly why, since 2000, the Ngwathe Local Municipality failed to utilise PMS as a tool to implement the IDP?

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