


**A MODEL FOR THE DELEGATION OF ROLES AND RESPONSIBILITIES  
WITHIN A PERFORMANCE MANAGEMENT  
SYSTEM AT OUDTSHOORN  
MUNICIPALITY.**

by

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**Declaration**

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:

Date:

### **Abstract**

The purpose of this research was to design a model for the delegation of roles and responsibilities within a performance management system (PMS) that will assist Oudtshoorn Municipality in the implementation of PMS.

The motivation for the study was the fact that performance management is a relatively new legislative requirement for local government in South Africa. Local government authorities are currently experiencing many problems in the delivering of services to their respective communities, and this makes performance management a contemporary issue.

The objectives of this research project are to

- Explain what PMS is;
- Explain how PMS fits into the legislative framework in local government in South Africa;
- Explain the importance of defining roles and responsibilities in a PMS;
- Design a model for the delegation of roles and responsibilities within a PMS for Oudtshoorn Municipality;
- Make recommendations for the successful implementation of PMS at Oudtshoorn Municipality.

The research design that was used in this study was a combination of a model-building design and a case study design. The study was qualitative in nature and was a combination of non-empirical and empirical studies. Semi-structured interviews were held with a selected group of individuals who are key role-players in PMS at Oudtshoorn Municipality. Some of the aims of the interviews were to establish the respondents understanding of PMS, and roles and responsibilities. The same respondents were given a table of different roles and responsibilities, to determine whether they knew what the different roles and responsibilities are of the different stakeholders in the PMS.

The data analysis showed that the stakeholders (participants in the research) within the PMS at Oudtshoorn Municipality could not assign roles and responsibilities correctly. In order for PMS to be implemented successfully at Oudtshoorn Municipality, stakeholders in the PMS need to know exactly what is expected of them. It is not only from an organisational point of view that roles and responsibilities are important, but it is also a legislative requirement that roles and responsibilities need to be clarified before implementing a PMS.

This problem created the need to design a model for the delegation of roles and responsibilities within a PMS that will assist Oudtshoorn Municipality in the implementation of PMS. The model is presented and an explanation of the model is given to understand how to use the model.

Since Oudtshoorn Municipality is in the process of developing a PMS, a few recommendations are made to assist the municipality in the implementation of PMS.

## **Opsomming**

Die doel van hierdie navorsing was om 'n model te ontwikkel vir die delegering van rolle en verantwoordelikhede binne 'n prestasie bestuurstelsel, wat Oudtshoorn Munisipaliteit kan help met die implementering van 'n prestasie bestuurstelsel.

Die motivering vir die studie was die feit dat prestasie bestuur 'n relatiewe nuwe wetlike vereiste vir plaaslike regering in Suid-Afrika is. Plaaslike regerings owerhede ondervind tans baie probleme met dienslewering aan hulle onderskeie gemeenskappe en dit maak prestasie bestuur 'n kontemporêre saak.

Die doel van hierdie navorsingsprojek is om,

- Te beskryf wat 'n prestasie bestuurstelsel is;
- Te beskryf hoe 'n prestasie bestuurstelsel inpas in die wetlike raamwerk van plaaslike regering in Suid-Afrika;
- Te beskryf die belangrikheid om rolle en verantwoordelikhede binne 'n prestasie bestuurstelsel te definieer;
- Om 'n model vir die delegering van rolle en verantwoordelikhede binne 'n prestasie bestuurstelsel vir Oudtshoorn Munisipaliteit te ontwikkel; en
- Aanbevelings te maak vir die suksesvolle implementering van 'n prestasie bestuurstelsel by Oudtshoorn Munisipaliteit.

Die navorsingsontwerp wat gebruik was in hierdie studie was 'n kombinasie van modelbou ontwerp en 'n gevallestudie ontwerp. Die studie was kwalitatief van aard en was 'n kombinasie van nie-empiriese en empiriese studies. Semi-gestruktureerde onderhoude was gevoer met 'n geselekteerde groep individue wat sleutel rolspelers is, in prestasie bestuur, by Oudtshoorn Munisipaliteit. Sommige van die mikpunte van die onderhoude was om vas te stel die respondente se verstaan van prestasie bestuurstelsels en rolle en verantwoordelikhede. Dieselfde respondente het ook 'n tabel voltooi wat verskillende rolle en verantwoordelikhede van die onderskeie rolspelers binne 'n prestasie bestuurstelsel aandui.

Die data analise het getoon dat rolspelers (deelnemers in die navorsing) binne die prestasie bestuurstelsel by Oudtshoorn Munisipaliteit nie rolle en verantwoordelikhede korrek kon toeken nie. Om 'n prestasie bestuurstelsel suksesvol by Oudtshoorn Munisipaliteit te implementeer, is dit belangrik dat elke rolspeler presies sal weet wat van hom/haar verwag word. Dit is nie net vanuit 'n organisatoriese oogpunt belangrik dat rolle en verantwoordelikhede gedefinieer moet word nie, maar wetgewing vereis ook dat rolle en verantwoordelikhede duidelik moet wees voordat 'n prestasie bestuurstelsel geïmplementeer word.

Die probleem wat hier ontstaan het, het die geleentheid geskep om 'n model te ontwikkel vir die delegering van rolle en verantwoordelikhede binne 'n prestasie bestuurstelsel wat Oudtshoorn Munisipaliteit kan help met die implementering van 'n prestasie bestuurstelsel. Die model, met 'n verduideliking hoe om die model te verstaan, word ook voorgestel.

Oudtshoorn Munisipaliteit is tans besig om 'n prestasie bestuurstelsel te ontwikkel. Aanbevelings word gemaak om die munisipaliteit te help met die implementering van 'n prestasie bestuurstelsel.

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## **CHAPTER 1: INTRODUCTION**

### **1.1 INTRODUCTION**

The purpose of this research is to design a model for the delegation of roles and responsibilities within an organisational performance management system at Oudtshoorn Municipality.

The objectives of this chapter are to provide a background to the study as well as to explain the motivation for the study. The research problem and the research question are outlined. The research design and research methodology are explained in detail. An outline of the chapters and the main concepts will be discussed.

### **1.2 MOTIVATION FOR THE STUDY**

Performance management is a relatively new legislative requirement for local government in South Africa. Local government authorities are currently experiencing many problems in the delivery of services to their respective communities. It is therefore of utmost importance to measure the performance of local government authorities in delivering services to their constituencies. Since legislation, such as the Municipal System Act, 32 of 2000 require municipalities to develop a performance management system (PMS), it is important that the implementation of this PMS process takes place without any problems. Roles and responsibilities should therefore be clarified at the start of the PMS process so that each stakeholder in the process knows exactly what is expected from him/her.

### **1.3 BACKGROUND**

Oudtshoorn Municipality, like many other municipalities in South Africa, do not have a PMS in place, and there seems to be confusion about what the process entails. Having spoken to municipal officials and members of the municipal council there seems to be much confusion about what the roles and responsibilities are with regard to PMS. They either have not read or do not understand what the roles and responsibilities of the

different stakeholders in the PMS are. There seem to be different interpretations of the relevant legislation and guidelines on PMS. This apparent confusion or misinterpretation of PMS and the roles and responsibilities in PMS might cause huge problems for the implementation of the process.

#### **1.4 RESEARCH PROBLEM**

It is not only from an organisational point of view that roles and responsibilities are important, but it is also a legislative requirement that roles and responsibilities need to be clarified before implementing a PMS.

Having spoken to some of the officials and councillors at Oudtshoorn Municipality, there seemed to be confusion/misinterpretation and even a lack of knowledge of what a PMS is, as well as confusion over the roles and responsibilities of different stakeholders in the implementation of PMS. The research problem identified is the apparent confusion over the roles and responsibilities of the different stakeholders within the PMS. This confusion could lead to problems with the implementation of the process and might even cause the process to fail. It could also lead to a situation where the different stakeholders in the process do not know what their respective responsibilities within the PMS are.

#### **1.5 RESEARCH QUESTION**

Will the design of a model for the delegation of roles and responsibilities for a PMS assist Oudtshoorn Municipality in the development and implementation of PMS?

The objectives of this research project are to:

1. Explain what a PMS is;
2. Explain how PMS fits into the legislative framework in local government in SA;
3. Explain the importance of defining roles and responsibilities in a PMS;
4. Design a model for the delegation of roles and responsibilities within PMS for Oudtshoorn Municipality;

5. Make recommendations for the successful implementation of PMS at Oudtshoorn Municipality.

## **1.6 RESEARCH DESIGN AND METHODOLOGY**

The research design that will be used in this study is a combination of a model-building design and a case-study design. The study is qualitative in nature and is a combination of non-empirical and empirical studies. For a study to qualify as empirical, it must be a report of a specific incident or collection of incidents in which a classroom-management problem is described, a solution attempted and the outcome assessed. On the other hand, non-empirical studies include philosophical analysis, conceptual analysis, theory building, model building, and literature reviews (Thomas, 2003:125).

A model is a set of statements that aims to represent a phenomenon or a set of phenomena as accurately as possible. Good models provide casual accounts of the world, allow one to make predictive claims under certain conditions, bring conceptual coherence to a domain of science, and simplify our understanding of the world (Mouton, 2001:177).

According to Mouton (2001:176) and Thomas (2003:136), model-building design is non-empirical. In the case of Oudtshoorn Municipality, conceptual-type questions will be asked to them. The purpose of these types of questions will be to evaluate if the concept of a PMS is understood.

Building models occurs mainly through inductive and deductive strategies. Deduction involves drawing conclusions from premises. Inductive generalisation involves applying inferences from specific observations (a case study) to a theoretical population. Another form of inductive inference involves using inferences from observations in order to construct an explanation of such observations (Mouton, 2001:176 and Thomas, 2003:136).

In the case of Oudtshoorn Municipality, deductive strategies will include using theory of performance management, local government guidelines on PMS and theory on roles

and responsibilities. Inductive strategies will be to make observations at the municipality and then to construct an explanation for such observations. These two strategies will be used together to construct a model for the delegation of roles and responsibilities within a PMS at the Oudtshoorn Municipality. According to Mouton (2001:149) and Thomas (2003:33), a case study design typically consists of a description of an entity and the entity's action. Case studies aim to provide an in-depth description of a small number of cases. This type of research design fits well into this research study, as Oudtshoorn Municipality is considered as the case study.

Semi-structured interviewing (see annexure), the use of documentary sources, and other existing data are characteristic of case studies. In this case study, semi-structured interviews will be held with a few selected individuals at the municipality including the mayor, the municipal manager, the person in charge of PMS at the municipality, the integrated development plan (IDP) manager, one of the heads of department and a member of the audit committee of the municipality. The above individuals were chosen because they represent the different stakeholders at various levels in the PMS and are directly involved in the PMS.

The combination of these two research design types, namely model building and case studies will answer the research question in this study. The two design types will help to construct a diagrammatic model, which can be easily understood. The interviews will be held first, and then the model will be designed.

## **1.7 CHAPTER OUTLINE**

The first chapter is an introduction on the topic with an explanation for the motivation of the study as well as the background rationale. In this chapter, the research problem is outlined and the research question is formulated. The research design and research methodology is discussed. Some of the relevant concepts used in this research paper are defined.

Chapter two is a theoretical study on organisational performance management. Different views relating to organisational performance management are discussed. The importance of performance management and how it works, is outlined. Some models on performance management that are of importance to this study are discussed. Theory on roles and responsibilities are discussed and their relation to performance management is mentioned.

Chapter three outlines the case study, that of Oudtshoorn Municipality. Performance management in the South African local government context is explained. Key legislation relating to PMS and roles and responsibilities concerning PMS are discussed. The current situation at Oudtshoorn Municipality relating to PMS is outlined.

Chapter four outlines the collection of data and presents an analysis of the data. This includes the interviews, and the table of roles and responsibilities that were completed by the selected stakeholders in the PMS at Oudtshoorn Municipality. The analysis of each question in the interview and the table are discussed.

The model for the delegation of roles and responsibilities for a PMS is presented diagrammatically in chapter five. The model is explained in detail to ensure that it is understood.

Chapter six is the recommendations and conclusion of the thesis. Recommendations are made to ensure that the implementation process of the PMS at Oudtshoorn Municipality is successful. A conclusion of the whole thesis is provided and possible future research areas are given.

## **1.8 CONCEPTUALISATION**

1. Performance management is a multi-faceted, strategic and integrated approach to create a shared vision of the purpose and aims of the organisation, helping each employee to understand and recognise their part in contributing to them, and in so doing, manage and enhance the performance of both individual and the organisation (Armstrong & Baron, 1999:7 and Williams, 1998:62).

2. A municipality's performance management system entails a framework that describes how the municipality's cycle and processes of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players (Department of Provincial and Local Government Municipal Planning and Performance Management Regulations, 2001: 9).
3. Roles: A role is the expected pattern of behaviours associated with members occupying a particular position within the structure of the organisation (Mullins, 1999: 470).
4. Responsibility involves an obligation to perform certain duties or make certain decisions and having to accept possible reprimand for unsatisfactory performance (Mullins, 1999:576).

## **1.9 CONCLUSION**

The objectives of this chapter were to provide a background on the study as well as to explain the motivation for the study.

Roles and responsibilities should be clarified at the start of the PMS process so that each stakeholder in the process knows exactly what is expected from them. Oudtshoorn Municipality, like many other municipalities in South Africa, do not have a PMS in place, and there seem to be confusion about what the process entails. This apparent confusion or misinterpretation of PMS as well as the roles and responsibilities in PMS, might cause huge problems for the implementation of the process.

It is not only from an organisational point of view that roles and responsibilities are important, but it is also a legislative requirement that roles and responsibilities need to be clarified before implementing a PMS. The research question is: "Will the design of a model for the delegation of roles and responsibilities for a PMS within Oudtshoorn Municipality assist in the development and implementation of PMS?"



The research design that will be used in this study is a combination of a model-building design and a case study design. The combination of these two research design types, namely model building and case studies will answer the research question in this study.

The two design types will help to construct a diagrammatic model, which can easily be understood by the stakeholders in the PMS.

Because PMS is a relatively new requirement in local government and has become a contemporary issue, it is important to understand existing theory on performance management. Chapter two will discuss the theory on performance management from an organisational perspective.

## **CHAPTER 2: PERFORMANCE MANAGEMENT**

### **2.1 INTRODUCTION**

This chapter will focus on the theory of organisational performance management. The management of performance has become one of the most important aspects in any organisation. Many scholars including Armstrong and Baron, Rogers, agree with each other on the importance as well as on certain aspects of performance management. In this chapter the different views on performance management as well as its importance are outlined. Attention will be given as to how performance management works. Certain models on performance management that are of relevance to this study, are outlined. Theory on roles and responsibilities described. The focus of this chapter will be on organisational performance management although individual performance does influence the performance of the organisation.

### **2.2 DEFINING PERFORMANCE MANAGEMENT**

According to Grobler, Warnich, Carrel, Elbert and Hatfield (2002:260) performance management became popular in the 1980s as total quality management (TQM) programmes emphasised using all the management tools, including performance appraisal, to ensure achievement of performance goals. Tools such as reward systems, job design, leadership, and training should join performance appraisals as part of a comprehensive approach to organisational performance management.

In order to understand organisational performance management, it is important to know what individual performance management entails.

When describing individual performance management, Armstrong and Baron (1998:57) state that performance management helps people to get into action to achieve planned and agreed results. It is a work- and people-related activity, and focuses on what has to be done, how it is done, and what is achieved. Nevertheless, it is equally concerned with developing people in helping them to learn, and providing them with the support they need, to do well now and in the future.

According to Cascio (1995:275) individual performance management is the total process of observing an employee's performance in relation to job requirements over a certain period and then making an appraisal of it. Individual performance management does influence the performance of the organisation because organisations consist of individuals.

According to Williams (1998:62) performance is multi-faceted. The concern for organisational productivity has not disappeared, but has been overtaken by a wider ranging desire, to improve all aspects of the organisation's performance and maintain competitiveness. He sees the concept of performance as embracing productivity (efficiency) as well as effectiveness, adaptability and responsiveness.

Hersey and Blanchard (1988:365) agree when they say that organisational performance is the product of many factors as shown in figure 1, the Satellite Model of Organisational Performance.

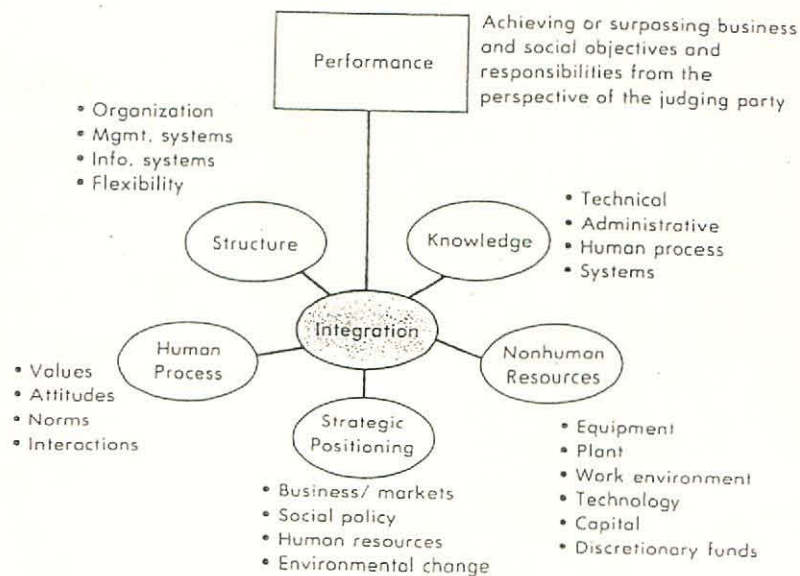


Figure 1: The Satellite Model of Organisational Performance (Hersey and Blanchard, 1988:365)

This model identifies several of the most important factors, including organisational structure, knowledge, non-human resources, strategic positioning, and human process. A strategy is a broad integrated plan of action to accomplish organisational goals.

Because strategy is an integrated plan, all of the factors or variables are interrelated (Hersey and Blanchard, 1988:365).

Performance management, according to Armstrong and Baron (1998:7) is an imprecise term, and performance management processes manifest themselves in many different forms. To them there is not one right way of managing performance. The approach must depend on the context of the organisation – its culture, structure, technology – the views of stakeholders and the type of people involved. However, it is still possible, and desirable, to define in very broad terms what performance management is about and to discuss generally the concerns and scope of fully realised processes of managing performance.

Performance management is a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them, and by developing the capabilities of teams and individual contributors. It is strategic in the sense that it is concerned with the broader issues facing the business if it is to function effectively in its environment and with the general direction in which it intends to go to achieve longer term goals.

Performance management is integrated, in linking or aligning business team and individual objectives, and in linking functional strategies in different parts of the business. It also links different aspects of human resource management (HRM), especially organisational development and human resource development (HRD) and reward, to achieve a coherent approach to the management and development of people and in the integration of individual needs with those of the organisation. Performance management is concerned with performance improvement in order to achieve organisational, team and individual effectiveness, and with development (Armstrong and Baron, 1998:7).

According to Fletcher (1993), in Armstrong and Baron (1998:8): “*The real concept of performance management is associated with an approach to creating a shared vision of the purpose and aims of the organisation, helping each employee understand to recognise their part in contributing to them, and in so doing, manage and enhance the performance of both individuals and the organisation*”.

Cokins (2004:1) defines performance management as the process of managing the execution of an organisation’s strategy. It is how plans are translated into results. He thinks of performance management as an umbrella concept that integrates familiar business improvement methodologies with technology. Performance management comprises the methodologies, metrics, processes, software - tools and systems that manage the performance of organisation. Performance management provides explicit linkages between strategic, operational, and financial objectives. It communicates these linkages to managers and employee teams in a way they can comprehend, thereby empowering employees to act rather than cautiously hesitate or wait for instructions from their managers.

Meyer and Botha (2000:380) define performance management as a purposeful continuous process that is geared towards positively influencing employees’ behaviour for the achievement of the organisation’s strategic goals.

From the above it can be argued that performance management is a strategic and integrated approach to delivering sustained success to organisations, creating a shared vision of the purpose and aims of the organisation and helping each employee to understand and recognise their part in contributing to the sustained success.

Now that performance management is defined, it is necessary to discuss its importance.

### **2.3 THE IMPORTANCE OF PERFORMANCE MANAGEMENT**

After looking at the different and in most instances similar views that the above-mentioned scholars have on performance management, it is clear that performance

management must be a very useful tool for any organisation. It is therefore necessary to discuss the importance of performance management.

### **2.3.1 The Aims of Performance Management**

Bennet and Minty (1999), in Nel, Gerber, van Dyk, Schultz, Sono and Werner (2001:516) state that there are generally three major purposes of performance management, namely:

- It is a process of strategy implementation;
- It is a vehicle for culture change; and
- It provides input to other human resources systems, such as development and remuneration.

According to Armstrong and Baron (1998:51), two simple propositions provide the foundation upon which performance management is built:

- When people (individuals and teams) know and understand what is expected of them, and have taken part in forming the expectations, they will use their best endeavours to meet these expectations.
- The capacity to meet expectations depends on the levels of capability that can be achieved by individuals and teams, the level of support they are given by management, and the processes, systems, and resources made available to them by the organisation.

Armstrong and Baron (1998:51) go on further to say that the above propositions imply that the basic aims of performance management are to share understanding about what is to be achieved, to develop the capacity of people and the organisations to achieve it, and to provide the support and guidance to individuals and teams in order to improve their performance. Another way of putting the overall aim of performance management is that it exists to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skills and contributions. It is about sharing expectations.

According to Meyer and Botha (2000:382), the main purpose of performance management is to harness organisational resources in order to realise the organisational (and individuals') goals.

### **2.3.2 Why is performance management necessary?**

Performance management provides structures to build around the natural planning, monitoring, and reviewing processes of management. Performance management also provides the impetus for planned and systematic learning activities and events that might otherwise be lacking. Finally the skills developed and nurtured by performance management are ones everybody can use to their own benefit as well as that of others (Armstrong and Baron, 1998:56).

According to Cokins (2004:3) performance management provides explicit linkages between strategic, operational, and financial objectives. It communicates these linkages to managers and employee teams in a way they can comprehend, thereby empowering employees to act, rather than cautiously hesitate or wait for instructions from their managers.

The need for performance management is an increasing requirement for specially-skilled workers and equipment. The presence of more skilled workers may give the illusion that workers are more self-directed without requiring supervision, but their breadth of skill in no way removes the interdependencies that collectively lead to productive organisational performance (Cokins, 2004:3).

From the above it can be argued that the overall aim of performance management is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skills and contributions. Performance management is necessary because it provides the impetus for planned and systematic learning activities and events that might otherwise be lacking. Now that it is known why performance management is important, a discussion will follow on how it works.

## 2.4 HOW PERFORMANCE MANAGEMENT WORKS

Scholars, like Armstrong & Baron (1998: 56) and Williams (1998: 11), agree that performance management has some sort of cycle.

There is no 'right' way of carrying out performance management. It must be tailored to the needs of the organisation and it must be operated flexibly in accordance with the needs of the individuals affected by it. Armstrong & Baron (1998:56) set out a typical sequence of processes that in one form or another are found in most performance management arrangements.

Performance management is a process, not an event. It operates as a continuous cycle as shown in Figure 2.

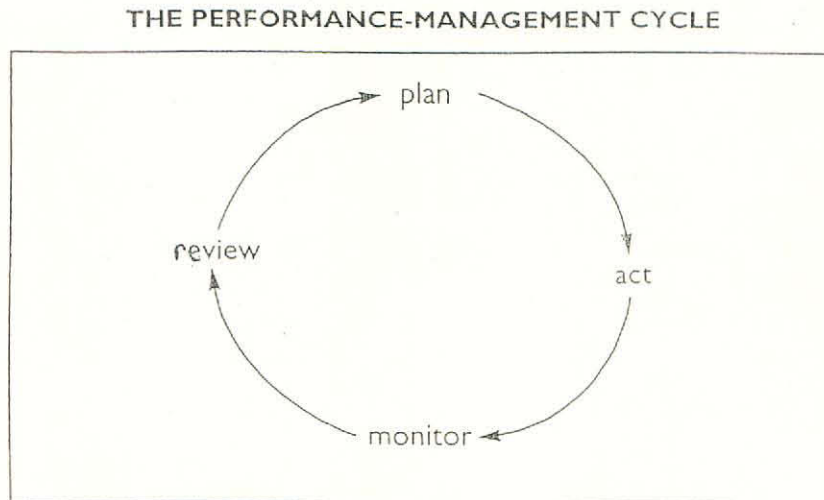


Figure 2: The Performance-Management Cycle (Armstrong & Baron, 1998:57)



According to Armstrong & Baron (1998:62) perhaps one of the most important concepts of performance management, and it bears frequent repetition, is that it is a continuous process of managing and developing performance standards, which reflects normal good practices of direction-setting, monitoring, and measuring performance, providing feedback and taking action accordingly. Formal review meetings between managers and individuals, or team leaders and their teams, may be held annually, but may also take place more frequently. This provides an occasion for structured feedback and reflection in order to improve the performance of the organisation.

## **2.5 DIFFERENT MODELS ON PERFORMANCE MANAGEMENT**

Now that performance management is defined and its importance as well as how it works was outlined, a discussion on the different models of performance management will follow.

According to the Performance Management, Measurement, and Information (PMMI) Project (2004:3), historically much of the focus of performance management and measurement has been on financial management. Increasingly however, in response to more complex environments, higher expectations, the demand for greater accountability and the need for more effective approaches, attention has been turned to developing more holistic models for performance management. Most of the models discussed in this section were received from information in the PMMI Project (2004) and Jupmet/Simeka (2001).

Although there are many performance management models, only a few models that have some importance and relevance to this research study will be discussed. The performance management models described here are holistic frameworks designed to give some structure and rigour to an organisation's performance management approach. They aim to give focus to what is important and monitor progress towards their aims (PMMI Project, 2004:3).

According to Jupmet/Simeka (2001), all models differ on the aspects of performance, the priorities to be measured, and managed. Most models also rely on clearly stated

performance areas, objectives, and indicators. Models differ in how they organise these objectives and indicators into performance areas. Models differ on what they see as the key aspects of performance and can help us make our own decisions that are right for our context. Models can also assist us to see the relationship between areas of performance when planning and evaluating. Models are also of value to help align strategic planning and performance management by directly linking key performance areas to priority areas of the strategic plan. There exist many models of performance management, but the following models of performance management, namely, the Balanced Scorecard, European Foundation for Quality Management (EFQM) Excellence model, the Public Service Excellence model, and the Best Value model will be discussed because these models might have some importance to the public service .

### **2.5.1 Balanced Scorecard model of performance management**

According to Arveson (1998:1) and PMMI Project (2004:9), the Balanced Scorecard, designed by doctors Robert Kaplan and David Norton in the 1990s, having begun as a performance measurement tool, was quickly being used as a multi-dimensional framework for managing strategy by linking objectives, initiatives, targets, and measures across key corporate perspectives. Financial measures, used to gauge performance in many organisations, were not necessarily related to achieving strategic objectives. The scorecard sought to remedy this by providing a more balanced suite of performance measures across a number of key perspectives. Typically, these look at customers, finances, internal processes, and organisational learning (Figure 4). However, they can be adapted depending on what factors are considered important for the success of the particular organisation.

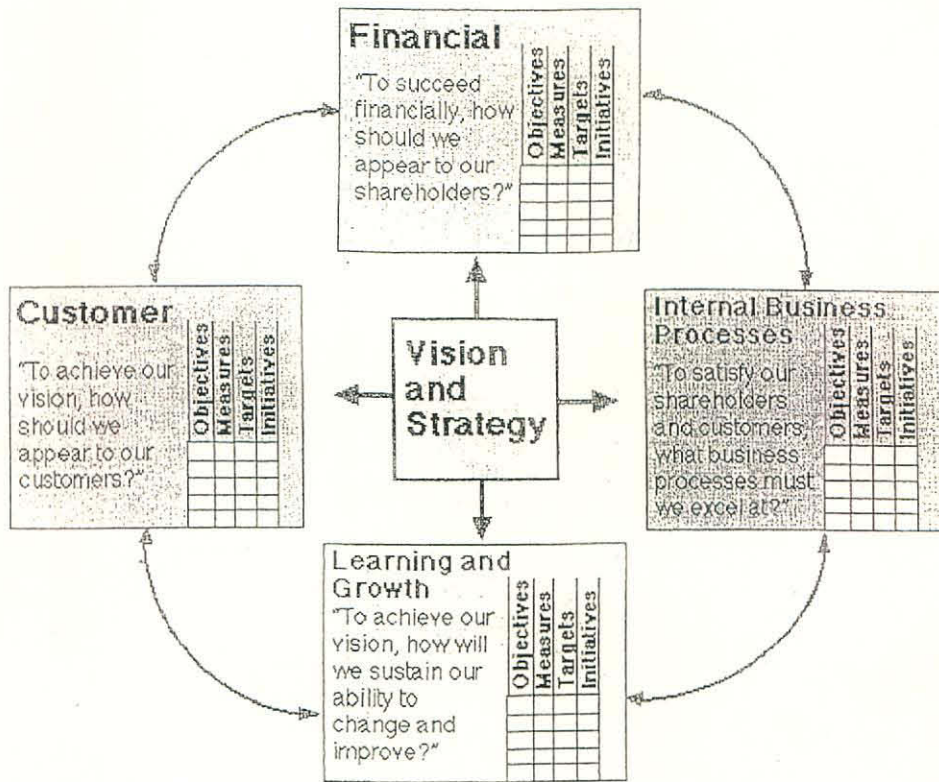


Figure 3: Balanced Scorecard (Kaplan & Norton, 1996:24)

The Balanced Scorecard aims to enable organisations to manage strategy by linking corporate objectives, initiatives, measures, and targets at all levels in the organisation and to achieve a balanced set of performance measures and targets that allow managers to track progress in key areas. It is a holistic model that can be used at various levels across the organisation, service, team, or group. It is used to manage strategy by linking

objectives to initiatives, targets, and measures across a range of corporate perspectives. These perspectives are determined by the organisation using the model. Many organisations use a Balanced Scorecard to formulate and refine strategies, to communicate strategies and priorities throughout the organisation, to link strategic objectives to long-term targets and budgets and to monitor progress and introduce initiatives to improve performance (Arveson, 1998:1 and PMMI Project, 2004:10).

### 2.5.2 European Foundation for Quality Management: Excellence Model of performance management

According to the European Foundation for Quality Management (2006) and the PMMI Project (2004:12), the EFQM Excellence Model® is a comprehensive organisational development and improvement framework used for assessing strengths and areas for improvement across the spectrum of an organisation's activity. The model is comprised of nine criteria, five 'enablers' and four 'results' (Figure 5). This model is based on the principle that the five key enablers of excellence are leadership, policy and strategy, people, partnerships and resources, and processes. These activities enable excellent organisational performance. Key performance results are the indicators of progress towards the organisation's aims and objectives, and are usually those reported in the organisation's Annual Report.

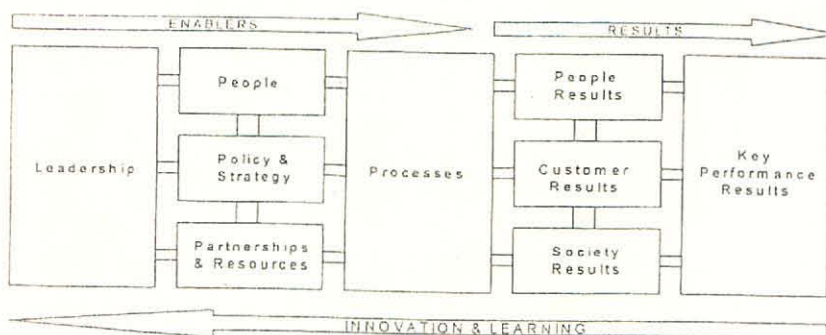


Figure 4: EFQM Model® (European Foundation for Quality Management, 2006)

The EFQM Excellence Model aims to:

- give a comprehensive overview of organisational health identifying strengths and areas for improvement;
- provide evidenced levels of achievement that can be used for year on year assessment;
- facilitate comparison with a range of private and overseas organisations;
- provide an opportunity for achieving a nationally recognised quality award;
- aid internal communication and staff contribution to improvement.

The EFQM model is a holistic organisational development and improvement framework that is generally adopted across the whole organisation, but can be used in smaller business units. It is designed for use in any organisation (European Foundation for Quality Management, 2006 & PMMI Project, 2004:13).

### **2.5.3 Public Service Excellence Model (PSEM)**

The PMMI Project (2004:21) sees the Public Service Excellence Model as *“an organisational improvement framework comprising a comprehensive diagnostic tool for identifying strengths and areas for improvement within an organisation or programme of work.”* The model was developed by Public Futures Consultancy to build upon the EFQM model. It is similar to the EFQM model, in that it is based on a number of ‘enablers’ and ‘results’. However, unlike the EFQM Model, PSEM incorporates the assessment of larger programmes or projects (PMMI Project, 2004:21).



Figure 5: PSEM Model (PMMI Project, 2004:21)

According to the PMMI Project (2004: 21), the model comprises 14 categories and 83 detailed criteria. Organisations use the categories and criteria to carry out a detailed self-assessment of their strengths and areas for improvement. PSEM aims to give a comprehensive overview of organisational health, identifying strengths and areas for improvement; it also aims to provide evidenced levels of achievement that can be used for year on year assessment and to assist in assessing the impact of change initiatives.

The PSEM is an organisational improvement framework and diagnostic tool for identifying strengths and weaknesses within an organisation or programme of work. It was designed specifically for the public sector, but can be used in a variety of ways in any organisation.

The categories and detailed criteria used in the PSEM provide a comprehensive guide and assessment tool, which can be used in a variety of ways such as a benchmarking

assessment tool for use internally and externally; as a framework for strategic performance improvement; for co-coordinating and monitoring existing change initiatives and for developing business plans (PMMI Project, 2004: 21).

#### **2.5.4 Best Value type models**

According to the Institute for Value Management (2006) and Jupmet/Simeka (2001), best value models are based on the recognition that there are different values used to assess effectiveness of any result and that these values are often in tension with one another (for example, quality and quantity).

These models involve agreeing on the values that will be important for assessing how well the organisation is doing and setting indicators for each, as well as establishing what the current baseline situation is for each indicator and/or benchmarking against other similar organisations. It also means setting targets for improvement for each indicator and measuring results (Institute for Value Management, 2006 & Jupmet / Simeka, 2001).

The models are not prescriptive and there is a choice of appropriate values and indicators. It facilitates involvement of communities and can be easily adapted to different contexts. The models recognise that assessment of effective performance often involves a variety of values. It enables the task of balancing different values that are important in the public sector context and the strategic coherence of focus on agreed priority values between spheres of government – agreement on small numbers of key public values and agreement on a core set of (national) standards and indicators for each value. Best value models also enable local level decisions about the balance of priorities between values in terms of local needs and challenges and the choice of relevant indicators at local level. Best value reviews promote continuous improvement and are specifically developed for a local government context (Institute for Value Management, 2006 & Jupmet / Simeka, 2001).

Best Value models do not lay a strong agreed basis for diagnosing causes of performance problems. These models leave far more decisions open than more

prescriptive models and therefore, can be more complex to use. The relevance depends on how the model is developed locally, "... *while relative objectivity cannot be achieved on the standardised basis provided by the Excellence models*" (Institute for Value Management, 2006 & Jupmet / Simeka, 2001).

There are more performance management models, but these few models are of importance to this study as this study focuses on the public service. It is also important to discuss the theory on roles and responsibilities as it forms an important part of this study.

## **2.6 ROLES AND RESPONSIBILITIES**

After looking at the different views on performance management as well as at models of performance management, it is of great importance to discuss what roles and responsibilities are all about. In any organisation, the clarification of roles and responsibilities is of utmost importance in order for that organisation to achieve its goals and objectives.

According to Mullins (1999:470), the work of individuals must be linked into coherent patterns of activities and relationships. This is achieved through the role structure of the organisation. He defines a role as the expected pattern of behaviours associated with members occupying a particular position within the structure of the organisation.

The concept of role is important to the functioning of groups and for an understanding of group processes and behaviour. It is through role differentiation that the structure of the work group and relationships among its members are established. In a working environment, many role expectations are prescribed formally and indicate what the person is expected to do, their duties and obligations. Formal role prescriptions provide guidelines for expected behaviours and may be more prevalent in a mechanistic organisation. Examples are written contracts of employment, rules and regulations, standards, policy decisions, job descriptions, or directives from superiors. Formal role expectations may also be derived from the nature of the task (Mullins, 1999: 470).



According to Quinn, Faerman, Thompson, and McGrath (2003:64) a role is a set of expectations held by the individual and relevant others about how that individual should act in a given situation. In the workplace, they define an employee's role by the specific tasks he or she is expected to perform.

The role of an employee in the workplace should be clarified. If roles are not clarified, role ambiguity and role conflict will occur. Role ambiguity occurs when an individual does not have enough information about what he or she should be doing, what are the appropriate ways of interacting with others, or what are appropriate behaviours and attitudes. Role conflict occurs when an individual perceives information regarding his or her job to be inconsistent or contradictory. Role conflict may also occur when one or more individuals, with whom an employee interacts, send conflicting messages about what is expected (Quinn et al, 2003:64).

According to Mullins (1999:474), role ambiguity occurs when there is a lack of clarity as to the precise requirements of the role and the person is unsure what to do. The person's own perception of their role may differ from the expectations of others. This implies that insufficient information is available for the adequate performance of the role. Role ambiguity may result from a lack of formally prescribed expectations. It is likely to arise in large, diverse groups or at times of constant change. Uncertainty often relates to such matters as the method of performing tasks, the extent of the person's authority and responsibility, standards of work, and the evaluation and appraisal of performance.

Now that the definition of a role is discussed, it is important to look at what is meant by a responsibility:

According to Mullins (1999:576), responsibility, together with authority and accountability forms part of delegation. Delegation means the conferring of a specified authority by a higher authority. The one to whom authority is delegated becomes responsible to the superior for doing the job.

Responsibility involves an obligation to perform certain duties or make certain decisions and having to accept possible reprimand for unsatisfactory performance. Accountability is interpreted as meaning ultimate responsibility. Policies and procedures must be established and defined in order to provide a framework for the exercise of authority and the acceptance of responsibility (Mullins, 1999:576).

According to Morgan (1997:29), defining work responsibilities in a clear-cut manner has the advantage of letting everyone know what is expected of them. It also lets everyone at the workplace know what is not expected of them.

Mechanistic definitions of job responsibilities encourage many organisational members to adopt mindless, unquestioning attitudes such as "*it is not my job to worry about that*". Morgan (1997:28) defines mechanistic organisations as organisations that are designed to achieve predetermined goals – they are not designed for innovation.

According to Badenhorst, MC Cant, de Cronje, du Toit, Erasmus, Grobler, Kruger, Machado, de K Marais, Marx and Strydom (2004:166) the assignment of tasks to sections and members of staff also entails the assignment of responsibility and authority to each post in an organisational structure. This further entails the creation of organisational relations, that is, stipulating the persons from whom subordinates receive instructions, to whom they report, and to whom and for what they are responsible. To them responsibility and authority go hand in hand. No one can take responsibility without the authority necessary to enable him or her to compel action. "*Responsibility is a particular obligation or commitment to carry out tasks in accordance with instructions they have received. Authority is the right to command or to give orders.*" (Badenhorst et al, 2004:166)

For plans to be implemented, someone must perform the necessary tasks to attain the organisation's objectives. Management must determine an effective way of combining and coordinating tasks and people. Leading and controlling are crucial in ensuring that people perform tasks effectively. However, organising is the function most visibly and directly concerned with the systematic coordination of the many tasks of the

organisation and, consequently, the formal relationships between the people who perform them (Brevis, Vrbra and de Klerk, 1992:2009).

The clarification of roles and responsibilities is part of organising. Organising according to Brevis et al, (1992:209) is the process of creating a structure for the organisation that will enable its people to work together effectively towards its objectives. According to Badenhorst et al, (2004:158) organising involves what activities will be carried out and who will perform various activities. This involves the distribution of tasks and giving the necessary authority to certain people to ensure that the tasks are in fact carried out. Organising entails a detailed analysis of work to be done, so that everyone can know their duties, authority and responsibility.

According to Badenhorst et al, (2004:159) successful organising makes it possible for an organisation to achieve its goals. It coordinates activities to avoid the unnecessary duplication of tasks, and it obviates possible conflicts. It also reduces the chances of doubts and misunderstandings, enabling the organisation to reach its goals efficiently.

The clarification of roles and responsibilities can therefore be related to organising. In a PMS, there are different stakeholders with each of them having their unique roles and responsibilities that they need to fulfil in the process. Whenever there are doubts and misunderstandings between the different stakeholders on what their respective roles and responsibilities are within a PMS, the process is likely to fail. This will have a negative influence on the organisation's ability to reach its goals efficiently.

## **2.7 CONCLUSION**

There is a need in all organisations for performance to be well managed. The performance of the individual influences the performance of the organisation. Organisational performance is multi-faceted and is a product of many factors. No clear definition of performance management exists as performance management means different things to different people. Performance management comprises the methodologies, metrics, processes, software - tools and systems that manage the performance of the organisation. Performance management provides explicit linkages

between strategic, operational, and financial objectives. Performance management provides the impetus for planned and systematic learning activities and events that might otherwise be lacking. There is no “right” way of doing performance management but some scholars agree that it has a cycle.

Historically much of the focus of performance management has been on financial management. In response to more complex environments, higher expectations, the demand for greater accountability and the need for more effective approaches, attention has been turned to developing more holistic models for performance management. The performance management models described in this chapter are holistic frameworks designed to give some structure and rigour to an organisation’s performance management approach.

The role of an employee in the workplace should be clarified. If roles are not clarified, an individual does not have enough information about what he or she should be doing. It might also happen that an individual perceives information regarding his or her job to be inconsistent or contradictory. On the other hand, defining work responsibilities in a clear-cut manner has the advantage of letting everyone know what is expected of them.

The clarification of roles and responsibilities is very important in a PMS, because if roles and responsibilities are not clear, doubts and misunderstandings might occur, which can negatively impact the process in reaching its goals.

After discussing the theory of performance management and roles and responsibilities, it is important to look at the case study of Oudtshoorn Municipality. It is important to compare the theory discussed in this chapter with the legislative requirements for PMS in South Africa, and the current realities at Oudtshoorn Municipality.

## **CHAPTER 3: CASE STUDY OF OUDTSHOORN MUNICIPALITY**

### **3.1 INTRODUCTION**

Now that the theory on performance management has been discussed, the case study of Oudtshoorn Municipality will be discussed.

According to Cloete, Merrifield, and Masiteng in Cloete (2004:252) the South African government has adopted an explicit performance-based governance system of public services delivery. This major exercise that cuts across the South African Public Service is co-ordinated by the Department of Public Service and Administration (DPSA).

Performance management is a relatively new requirement for local government in South Africa. It only became part of local government legislation as part of the Municipal Systems Act 32 of 2000.

In this chapter, performance management in a local government context in South Africa will be discussed. Key legislation relating to performance management will be outlined. There will be a discussion of roles and responsibilities with regard to the development of a PMS. Lastly, the current situation, including the progress made in establishing a PMS at Oudtshoorn Municipality, will be discussed.

### **3.2 PERFORMANCE MANAGEMENT IN THE SOUTH AFRICAN LOCAL GOVERNMENT CONTEXT**

Performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness, and impact. Performance management is also an approach, which requires leaders and managers of each organisation to manage in such a manner, that all its components and individual employees are held accountable, thereby ensuring improved delivery and value for money for the local community and its citizens (Department of Provincial and

Local Government Municipal Planning and Performance Management Regulations, 2001; the Department of Provincial and Local Government Performance Management Guide for Municipalities, 2001 and Jupmet / Simeka, 2001).

### **3.2.1 Purpose of performance management**

The overall strategic objective of the PMS is to improve the performance of municipalities through creating pressures for change at various levels and for creating a culture of best practice to encourage a shared learning among municipalities. Through a PMS, accountability will be promoted to contribute towards the overall development of the local government system in the country. PMS will also help to develop meaningful intervention mechanisms and to guide the development of municipal capacity building programmes (Armstrong, 1992:162 & Jupmet / Simeka, 2001).

### **3.2.2 Benefits of performance management**

Councillors can use performance management as a mechanism for monitoring and implementing the IDP. To municipal officials it clarifies goals, targets, and the expectations of employees. The local community and public are provided with a vehicle to inform the council concerning the development agenda. To national government it gives information, enabling planning on equity and resources. Provincial government are warned of underperformance. PMS also enables organised labour and professional bodies to communicate the needs of labour to the municipal council. The media benefits from PMS are to facilitate accurate reporting through reliable information (Jupmet / Simeka, 2001 & McNamara, 1999:1).

### **3.2.3 Pitfalls of performance management**

It is important not to set easy-to-achieve targets. Performance management is sometimes characterised by defensiveness and unhealthy rivalry. It might happen that performance information be abused. Qualified personnel might be lost because of irregularities during the performance management process (Jupmet / Simeka, 2001; LaBarge, 1999:13 and McNamara, 1999:1).

### **3.2.4 Challenges of performance management**

PMS should align with other systems. Co-ordination, apportioning responsibility and data consistency is very important. Performance should be compared in a different setting. Data-consistency, quality, reliability, and integrity might cause problems if not well managed. User-friendly performance data must be collected and a performance management culture must be created (Free State Government, 2005 and Jupmet / Simeka, 2001).

## **3.3 KEY LEGISLATION RELATING TO PERFORMANCE MANAGEMENT SYSTEMS IN SOUTH AFRICA**

Performance Management is a relatively new requirement for local government in South Africa. The Constitution, Act 108 of 1996 in chapter 7, section 152(1) mandates local government to:

- *provide democratic and accountable government for local communities;*
- *ensure the provision of services to communities in a sustainable manner;*
- *promote social and economic development;*
- *promote a safe and healthy environment;*
- *encourage the involvement of communities and community organisations in the matters of local government.*

The White Paper on Transforming Public Service Delivery (the so-called *Batho Pele* White Paper) (1997:9) states clearly that national and provincial departments must set standards for the level and quality of services they will provide. Performance against these standards must be regularly measured, and the results published at least once a year and more frequently where appropriate. These steps must also form an essential mechanism to enable the public to hold national and provincial departments accountable for their performance. The White Paper on Transforming Public Service Delivery (197:9), also states that it is important for the efforts of staff, both individuals and groups, who perform well in providing customer service, to be recognised and appropriately rewarded. The development of a service-orientated culture requires the active participation of the wider community. Municipalities need constant feedback

from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture.

The White Paper on Local Government of 1998, section B chapter 3, proposed the introduction of performance management systems to local government as a tool to ensure developmental local government. It concludes that the IDP, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. PMS will enable them to direct resource allocation and institutional systems to a new set of development objectives.

The White Paper on Local Government of 1998, section B chapter 3, adds, *“Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators (KPIs), and in reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced.”*

The Municipal Systems Act (Act 32 of 2000 in chapter 6 section 38a) requires all municipalities to develop a performance management system; to assign responsibilities in this regard to the municipal manager and then to submit the proposed system to the municipal council for adoption. The Municipal Systems Act also requires that a municipality must establish mechanisms to monitor and review its performance management system.

According to the Department of Provincial and Local Government (DPLG) Municipal Planning and Performance Management Regulations (2001:10), a municipality must set appropriate key performance indicators as a yardstick for measuring performance, with regards to the municipality’s development priorities and objectives set out in its IDP.



system consists of a framework, describing how to work with performance information and a model, describing what performance dimensions are worth measuring and managing" (Jupmet / Simeka, 2001).

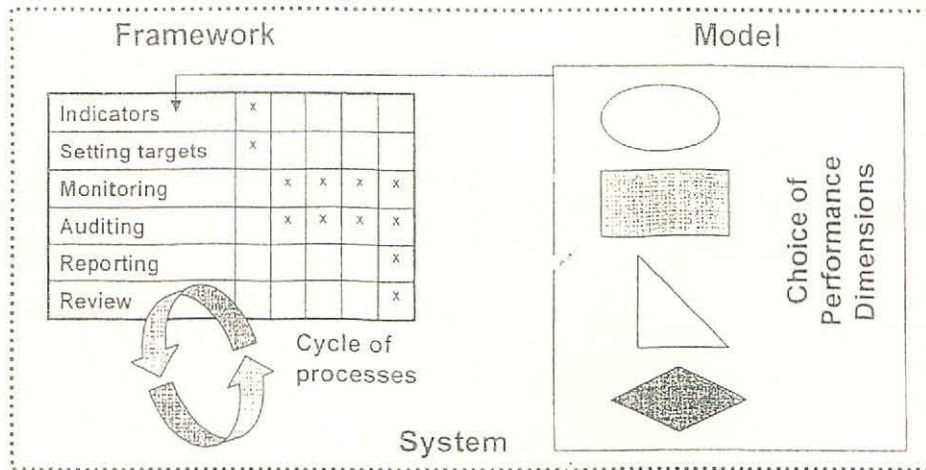


Figure 6: Performance Management System: Jupmet / Simeka (2001)

After discussing the key legislation relating to performance management, to see where performance management fits into the legislative framework, it is important to focus on the different roles and responsibilities of the stakeholders within a PMS.

### 3.4 PERFORMANCE MANAGEMENT SYSTEM: ROLES AND RESPONSIBILITIES

It is not only from an organisational point of view that roles and responsibilities are important, but it is also a legislative requirement that roles and responsibilities need to be clarified before implementing a PMS.

The Municipal Systems Act (Act 32 of 2000 in chapter 6 section 38a) requires municipalities to develop a performance management system suitable to their own circumstances. According to the DPLG Municipal Planning and Performance Management Regulations (2001: 9), in developing its PMS, a municipality must ensure that the system clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system.

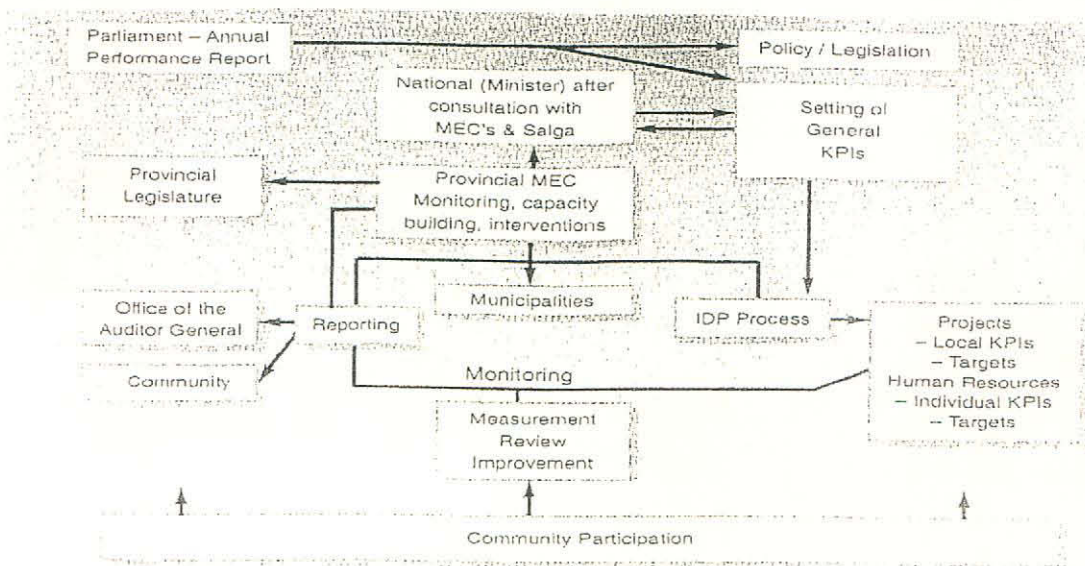


Figure 7: PMS Framework at National and Provincial level (DPLG, 2001)

The above diagram sets out a PMS framework for roles and responsibilities at National & Provincial Level. This diagram shows clearly that PMS is government policy and that national government is responsible for setting the general KPIs after consultation with the MECs for local government in the provinces as well as the South African Local Government Association (SALGA). The municipality's IDP is influenced by the general KPIs.

This framework makes provision for regular reporting to the community, internally within the municipality and to the appropriate organs of state. It is very clear from the framework that the community must be involved throughout the PMS process.

The roles and responsibilities of the different stakeholders in a PMS, according to the Municipal Systems Act 32 of 2000; the DPLG Performance Management Guide for Municipalities (2001) and Jupmet/Simeka (2001) will now be discussed.

#### **3.4.1 Roles and responsibilities of the municipal council**

This section gives a detailed description of the roles and responsibilities of the municipal council.

- Establish a PMS which is commensurate and best suited to the promotion of performance management culture; is economic, effective, efficient and accountable; demonstrates itself; clarifies roles; clarifies processes; determines reporting; is related to employee's performance management process; and provides a procedure for linking to IDP;
- Adopt a PMS before or at the same time as setting KPIs and performance targets in relation to the IDP;
- Set KPIs in respect of IDP priorities and development objectives;
- Ensure communities are involved in setting KPIs;
- Ensure KPIs inform the indicators set for administrative units, employees, and service providers with whom the municipality enters into a service delivery agreement;
- Establish a community forum;

- Allow members of the forum to consult their constituencies 14 days before meetings;
- Afford the local community at least 21 days to comment on the draft IDP/PMS;
- Prepare an annual report, consisting of a performance report, and financial statements and an audit report on financial statements for each financial year;
- Table the annual report within one month of receiving the audit report;
- Within 14 days of its adoption, make copies of the annual report;
- Undertake an annual review of KPIs;
- Review any KPIs that are affected by amendment to the IDP;
- Set annual performance targets for each KPIs;
- Develop mechanisms for monitoring and review of KPIs and performance targets;
- Make KPIs and performance targets known internally, to appropriate organs of state and to the general public;
- Develop mechanisms for internal auditing of performance;
- Annually appoint, and budget for, a performance audit committee;
- Appoint a chairperson of the performance audit committee who is not a councillor or an employee of the municipality;
- Provide secretariat services for the performance audit committee.

#### **3.4.2 Roles and responsibilities of the Mayor/Executive Committee**

This section gives a detailed description of the roles and responsibilities of the mayor/executive committee of the municipality.

- Manage the development of the PMS;
- Assign responsibilities of the PMS to the municipal manager;
- Submit the proposed PMS to the municipal council for adoption.

### **3.4.3 Roles and responsibilities of the Municipal Manager**

In this section the roles and responsibilities of the municipal manager is described. It must be noted that the different heads of department share in this specific responsibilities.

- Inform the local community through the media about the municipal meeting that will be held to discuss the annual report;
- Give written notice to the Auditor-General and the MEC for local government in the province about the annual report meeting;
- Submit copies of the minutes of the annual report meeting to the Auditor-General and the MEC for local government;
- Permit the Auditor-General and the MEC for local government to attend the annual report meeting and be available to reply to questions about the annual report.

### **3.4.4 Roles and responsibilities of the Performance Audit Committee**

The roles and responsibilities of the performance audit committee is outlined below.

- Include at least one person who has expertise in performance management;
- May be remunerated according to tariffs of SAICA;
- Must meet twice during the financial year;
- Special meeting may be called by any member;
- Review the quarterly reports submitted by internal audit;
- Review the PMS and make recommendations;
- Submit an audit report at least twice during the financial year;
- Make use of wide-ranging investigative powers.

### **3.4.5 Roles and responsibilities of the Internal Audit Team**

The internal audit team forms an important part in the PMS and it's roles and responsibilities is outlined below.

- Carry out assessments of the functionality of the PMS, of whether the PMS complies with the Act and of the reliability of the KPIs;
- Continuously audit performance measures;
- Submit quarterly reports to the municipal manager, municipal council, organs of state and the performance audit committee.

#### **3.4.6 Roles and responsibilities of the Minister of Provincial and Local Government**

The Minister of Provincial and Local Government may, after consultation with MECs for local government in the respective provinces and organised local government;

- Prescribe general KPIs through regulation;
- Review and adjust general KPIs when necessary;
- Annually compile, submit and Gazette a consolidated report to Parliament and the MECs for local government;
- Make regulations concerning the design and operation of the PMS.

#### **3.4.7 Roles and responsibilities of the Auditor-General**

The Auditor-General must undertake an annual review of KPIs and performance targets.

#### **3.4.8 Roles and responsibilities of the MEC for Local Government**

The MEC for Local Government must annually compile and submit to the Provincial Legislatures, the Minister, and the National Council of Provinces a consolidated report on the performance of municipalities in the province.

The roles and responsibilities set out above show that it is the responsibility of the municipal council to adopt the PMS, while the executive mayor/committee is responsible for the development of the PMS. The executive mayor/committee assigns this responsibility to the municipal manager but remains accountable for the

development of the PMS. The municipal manager may further delegate the responsibility to another senior manager. This shows that the municipal manager (with the management team) should develop and implement the PMS. It is important that the municipal council, within its policy framework on delegation, should assign responsibilities accordingly. This may be done in writing. In the assignment letter, the council should stipulate quite clearly what needs to be done, by whom and when (DPLG Performance Management Guide for Municipalities, 2001:6).

It is important to note that the community, councillors, executive mayor with executive committee, and organised labour are involved in the planning, monitoring and reviewing of the PMS. The municipal manager, the executive management, sectoral managers and municipal employees are all involved in the planning, implementation, monitoring and reviewing of the PMS.

The municipality's KPIs should be in line with its IDP and the general KPIs. It is worth noting that the Minister of Provincial and Local Government should prescribe the general KPIs, while also reviewing and adjusting them.

After discussing the roles and responsibilities of the different stakeholders within a PMS, as prescribed by legislation, it is now important to discuss the current realities at Oudtshoorn Municipality. This discussion will focus mainly on the IDP and performance management.

### **3.5 OUDTSHOORN MUNICIPALITY: CURRENT REALITIES**

According to the Oudtshoorn Integrated Development Plan Document, (2005:6), *“Oudtshoorn Municipality in the Klein Karoo, along with seven other municipalities, forms part of the Eden District Municipality in the Western Cape. It spans an area of 9040 Ha in extent.”*

The municipality of Oudtshoorn consists of 23 elected councillors, headed by the mayor. The Council is divided into four committees, namely: the Executive; the

Services committee; the Finance and Economic affairs committee and the Administration and Tourism committee. The areas that form part of the Oudtshoorn Municipality are Bongulethu, Bridgton, De Rust, Dysseisdorp and the Oudtshoorn town area. The municipality has approximately 580 officials working at the municipality (Oudtshoorn Integrated Development Plan Document, 2005:6).

The following illustrates the Eden District Municipality. The borders of Oudtshoorn Municipality are highlighted. The map clearly shows all the other municipalities within the Eden District Municipality.



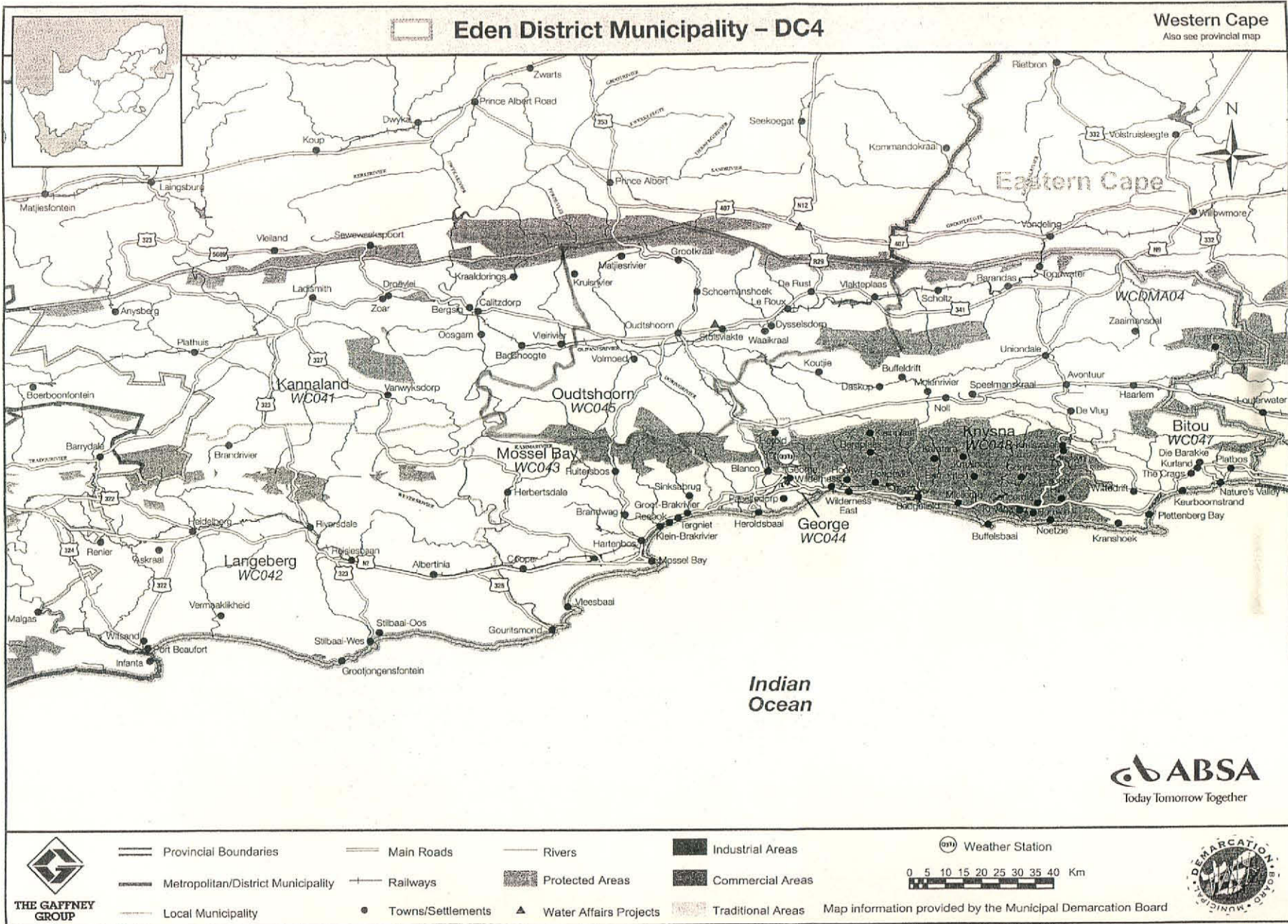


Figure 8: Map of Eden District Municipality (Gaffney, 2004: 334)

### 3.5.1 Strategies

According to the Oudtshoorn IDP Document (2005:16), the municipality's vision is a broad statement of how the municipal council sees the development of the municipal area. It provides a long-term goal, towards which all actions of the strategic plan should be directed. The current vision according to the Oudtshoorn IDP Document (2005:16) is as follows:

*'TOGETHER, PEACE AND PROSPERITY FOR ALL'*

To serve everyone in the Oudtshoorn Municipal Area (Oudtshoorn IDP Document, 2005:16) by:

- *Fulfilling the common Vision, in accordance with the Councils' Development Principles and the IDP Framework in partnership with other role-players;*
- *Guiding, co-ordinating, monitoring, and facilitating planning and service provision;*
- *Providing affordable municipal services.*

### 3.5.2 Integrated Development Planning and Performance Management

Local municipalities in South Africa have to use "integrated development planning" as a method to plan future development in their areas. Integrated development planning is a process through which municipalities prepare a five-year strategic development plan. It is a participatory planning process, aimed at integrating sectoral strategies in order to support the optimal allocation of scarce resources between sectors, geographic areas, and the population in a way that promotes sustainable development and empowerment of the poor and the marginalized (Agyemang, 2002:3).

The Municipal Systems Act (Act 32 of 2000 in section 25) states that each municipal council must adopt an IDP that is a single, inclusive and strategic plan. This plan must: link, integrate and coordinate a municipality's sector specific plans; and align the resources and capacity of the municipality to the overall development objectives of the

municipality. The IDP forms the policy framework on which annual budgets rest and is informed by similar development plans at national and provincial levels.

According to the DPLG Municipal Planning and Performance Management Regulations (2001: 16) the IDP process and the performance management process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring, and evaluation of the IDP process.

It is of great importance to monitor and evaluate; measure and review the performance of municipalities against indicators and targets set in their IDPs. Performance management will assist municipalities to make immediate, appropriate changes in delivery and management of resources, to identify and overcome major or systemic blockages, and to guide future planning on developmental objectives and resource use. To achieve this it requires the pro-active development of a PMS and an annual review of the IDP. Since the IDP plan is the key implementation programme of the Oudtshoorn Municipality, the PMS has the IDP as its baseline (IDP Guide Pack VI, 1999/2000).

### **3.5.3 Development objectives and priorities in context**

According to the Oudtshoorn IDP Document (2005:16), the following are the strategies and development objectives for the Oudtshoorn Municipality:

#### *3.5.3.1 Promote economic development*

- Promote and maintain economic development;
- Promote and develop Oudtshoorn as an attractive tourist destination;
- Extend economic opportunities to disadvantaged communities;
- Develop financially and environmentally sustainable programmes.

#### *3.5.3.2 Provide appropriate infrastructure*

- Provide clean water to all communities;
- Provide electricity to all communities;
- Provide an efficient solid waste management system;

- Plan and co-ordinate a public transport system.

3.5.3.3 *Provide appropriate community infrastructure*

- Promote and develop public library services to encourage life-long learning;
- Promote and develop recreational facilities and co-ordinate sports development activities.

3.5.3.4 *Promote and develop HIV/Aids strategies*

- Promote and develop HIV/Aids training and counselling.

3.5.3.5 *Provide adequate housing*

- Facilitate the efficient delivery of appropriate housing opportunities;
- Promote spatial restructuring;
- Promote social housing to address housing backlogs.

3.5.3.6 *Social development*

- Promote co-operative governance;
- Ensure that widespread issues will be addressed.

3.5.3.7 *Safety and security*

- Promote safety and security.

The development objectives and priorities are an important starting point for PMS. These objectives and priorities form the basis of the IDP document. It is important to derive the KPIs from these development objectives and priorities. It is not always easy to set the KPIs for certain objectives and priorities, as some of the priorities may not fit neatly into each key performance area. It will be difficult to fit some of the objectives and priorities set out above into key performance areas, especially the ones to promote safety and security, and co-operative governance. It is therefore of utmost importance to set good objectives as this will narrow down possible choices of indicators. It might be useful to have a timeframe attached to the commitment in the objective statement (DPLG Performance Management Guide for Municipalities, 2001:14).

### **3.5.4 Performance management**

According to the Project Plan for performance management in Oudtshoorn and Alphen aan den Rijn, (2005), the municipalities of Oudtshoorn and Alphen aan den Rijn (Netherlands) work together mutual interests as twin cities. Alphen aan den Rijn has a contract with the Dutch VNG-international for mutual projects for Oudtshoorn and Alphen aan den Rijn. These projects need to:

- assist in the way that policy-development and implementation can be organised in the new structure of the civil service;
- transfer knowledge and experience on the increase of public participation and the way the public is involved in municipal development-projects and;
- assist in the development and implementation of the Integrated Development Plan.

According to the Project Plan for performance management in Oudtshoorn and Alphen aan den Rijn, (2005), the general goal is to improve management in local government by making theoretical concepts more practical. The project goal is to investigate in what manner PMS can help to deliver the general goal. The goals and objectives of this project for 2005 were the exchange of experience and knowledge on the subject of performance management and the mutual learning and expertise development on the subject of performance management, by searching for barriers and opportunities.

Oudtshoorn Municipality had two previous versions of PMS documents. The one PMS document was developed by consultants and was never used or implemented within the municipality for unknown reasons. The other document was developed by some of the heads of department and did not have the correct focus. This specific document, which consisted mainly of KPIs, focused on individual performance management and not on organisational performance management (Oudtshoorn Municipality Draft PMS, 2004).

From conversations with some officials, involved in PMS at Oudtshoorn Municipality, between December 2005 and June 2006, it was clear that most officials had no

knowledge of the first PMS document. The same officials were not comfortable with the second PMS document that was designed by the heads of department, as they were excluded in the development KPIs and targets.

Consultants from the University of Stellenbosch's School of Public Management and Planning (SOPMP) are currently helping Oudtshoorn Municipality with training in performance management and with the development of a PMS as part of the agreement between Oudtshoorn Municipality and Alphen aan den Rijn. The project, to develop a PMS for Oudtshoorn Municipality, started with training programmes in 2005. The objective of this training programme is to prepare all stakeholders to improve the quality of management by creating an organisational performance management and evaluation framework which is relevant to the competitive demands of the public sector of today. This framework should also further develop the insight, understanding and learning on this model and tool for councilors, officials and other related and relevant role-players and stakeholders, in order to facilitate the mechanisms, systems and processes for implementing the PMS in line with the Vision of the Oudtshoorn Municipality (Consultus and School of Public Management and Planning, 2005:2 and van der Molen, 2006).

Training programmes included background information on PMS, legal requirements on PMS and specific information on what a PMS is. The municipal council, members of the performance audit committee, the executive management, and sectoral managers received training in PMS. The consultants of Stellenbosch University's SOPMP, have already facilitated the development of KPIs for the respective departments. This was done by developing targets and indicator templates for the different departments (Nel, 2006 and van der Molen, 2006).

The feedback regarding the training and development of PMS that was received by some of the stakeholders was very positive. Stakeholders expressed their satisfaction regarding the content and the manner in which training was facilitated, and were satisfied that they were involved in developing KPIs (Booyesen, Coetzee and Nel, 2006).

The project to develop a PMS for Oudtshoorn Municipality is not yet complete. The development of PMS templates for the different departments is almost complete. The different PMS templates then need to be consolidated. Some of the newly elected municipal council members still need to undergo training in PMS. The PMS should also be adopted by the municipal council and published in the media. Afterwards the PMS should be implemented at Oudtshoorn Municipality (van der Molen, 2006).

### **3.6 CONCLUSION**

The South African government has adopted a performance-based governance system to ensure that all spheres of government deliver quality service to their constituencies. The Constitution, Act 108 of 1996, the White Paper on Transforming Public Service Delivery (1997) and the White Paper on Local Government (1998) all address the issue of accountable government and quality service.

Performance management became part of local government legislation in the Municipal Systems Act, 32 of 2000 and the DPLG Performance Management Regulations of 2001. It is now a legislative requirement that all municipalities in South Africa must have a PMS that consists of a framework and a model.

The PMS must be of such a nature that it defines the roles and responsibilities of each of the role-players, including the local community, in the functioning of the system. The DPLG has published a Performance Management Guide for Municipalities that inter alia sets out the roles and responsibilities of all the stakeholders within a PMS. The guidelines clearly show that the community, councillors, executive mayor/ executive committee, and organised labour are involved in the planning monitoring and reviewing of the PMS. The municipal manager, the executive management, sectoral managers and municipal employees are all involved in the planning, implementation, monitoring and reviewing of the PMS.

The setting of development objectives and priorities is an important starting point for a PMS. Some of the development objectives and priorities set out in the IDP document of Oudtshoorn Municipality, do not fit neatly into a key performance area. It is important

that development objectives has specific targets with indicators which can be measured. This might cause problems in setting the KPIs.

Oudtshoorn Municipality has a twin city agreement with Alphen aan den Rijn (Netherlands) for mutual interests. As part of this agreement, consultants from the University of Stellenbosch's School of Public Management and Planning are currently helping Oudtshoorn Municipality in developing a PMS. The development of a PMS for Oudtshoorn Municipality is not yet complete.

In order for a PMS to be successfully implemented at Oudtshoorn Municipality, the roles and responsibilities of the different stakeholders need to be clarified. In the next chapter a data analysis on roles and responsibilities within a PMS will be given.



## **CHAPTER 4: DATA ANALYSIS**

### **4.1 INTRODUCTION**

The research design used in this study is a combination of a model-building design and a case study design.

Semi-structured interviewing, the use of documentary sources, and other existing data are characteristic of case studies. In this case-study, semi-structured interviews were held with selected individuals at the municipality which include the mayor, the municipal manager, the person in charge of PMS at the municipality, the IDP manager, one of the heads of department and a member of the audit committee of the municipality. A table that sets out the different roles and responsibilities against all the stakeholders involved within a PMS was also completed with the same individuals (see annexure 1). The above individuals were chosen because they represent the different stakeholders at various levels in the PMS and are directly involved in the PMS.

In designing the table, the roles and responsibilities, together with all the stakeholders involved in PMS, as set out by the Municipal Systems Act (Act 32 of 2000), the DPLG Guide on Performance Management (2001) and Jupmet/Simeka (2001), were used. The roles and responsibilities were set on the one side, so that the candidate could tick in the corresponding block, to indicate the stakeholder that is responsible for that specific task (see annexure 1).

This chapter will focus on the analysis of the data that was collected through interviews and the completion of the table. All the interview questions as well as the responses regarding roles and responsibilities set out in the table will be discussed separately. An analysis of the responses will also be discussed.

### **4.2 INTERPRETATION**

In this section, a discussion of each of the responses and analysis to the different questions will follow. Firstly, the focus will be on the responses and analysis to the

interview questions. The responses and analysis regarding the roles responsibilities of the different stakeholders in the table will then follow.

The interview questions were designed in such a manner as to analyse the understanding of roles and responsibilities for PMS, as well as the understanding of the concept of PMS. As the study looks at roles and responsibilities, the respondents' understanding of the two concepts, were also determined. The focus of the table was to determine whether the respondents knew the different roles and responsibilities of the stakeholders within a PMS.

#### **4.2.1 Interview questions, results and analysis**

*Can you explain what does a performance management system (PMS) in local government mean to you?*

Three of the six respondents interviewed have no idea what a PMS is. Their explanation as to what a PMS is circles around the idea of improving service delivery. Thus, they explain why a PMS is important but have no idea what it is. Two of the respondents interviewed say that a PMS has to do with measurements of norms set out by government, while one of the above two felt that a PMS has to do with the payment of a bonus to an employee. One respondent said that a PMS is a monitoring system to ensure that objectives set out in IDP are reached. The same respondent also felt that public participation is important in a PMS.

This means that most of the people responsible for working with the PMS do not know what this whole process is about. If the key role-players in the PMS do not understand what the process entails, the whole process will certainly fail, which in turn will not improve service delivery. For the implementation of the PMS process to be successful, a clear understanding of what PMS is, is important.

*Why do you think is performance management important for local government in South Africa?*

One respondent interviewed stated that a PMS is important to local government to build the capacity of council members, to know what direction to move in. The second respondent felt that PMS is important to local government because national government prescribes local government to have a PMS. Four of the respondents interviewed said that PMS is important to local government to improve service delivery to their respective communities. They also stated that a PMS could help to reach organisational objectives so that voters can periodically see how their elected officials perform.

The fact that most of the respondents know why a PMS is important for local government is reassuring. However, it is still worrying that some of the key role-players do not know why a PMS is important, especially when they are the people that need to establish, implement, and manage the system. It is pleasing to see that some of the respondents relate organisational objectives to the PMS.

*Can you explain in your own words your understanding of a "Role"?*

The respondents to this question came up with different views based on their understanding of a role. One respondent viewed a role as a certain position held at the municipality. Two respondents see a role as a responsibility as well as the need to carry out certain duties. To one respondent a role is associated with different parties that are involved in a PMS. Two respondents viewed a role as the person who is responsible for certain tasks, to prevent duplication. To one respondent, there is no difference between a role and a responsibility, to them it is something that needs to be done by a person.

When working in a large organisation, such as Oudtshoorn Municipality, it is of utmost importance to know and to understand where you fit into the organisation. Although this is more a theoretical kind of question, people within the organisation must know exactly what a role is, in order to understand their respective/individual roles. It is important that the stakeholders within the PMS process understand the definition of a role to prevent role conflict and role ambiguity.

*Can you explain in your own words your understanding of a "Responsibility"?*

Three respondents associated responsibility with a role. To them, it is a job that needs to be done by a certain person. Two respondents defined a responsibility as a specific action that needs to be done. Another respondent related responsibility with honesty, and fairness, in what needs to be done.

Again, it may well be argued that this is a theoretical type of question. In this case, again, it is important to understand the meaning of responsibility. One should know the connection between a role and the responsibility that is associated with that role.

*Do you think there is there a connection between the IDP and the PMS?*

All the respondents agree that there is a connection (close relationship) between the IDP and the PMS of a municipality.

This was very reassuring especially when looking at the answers to question one, where only one respondent related the IDP to the PMS.

*What is the relationship between the IDP and the PMS?*

One respondent viewed the PMS as a tool used to implement the objectives in the IDP. This respondent together with three others stated that the objectives of the IDP must be included in the PMS. Two respondents see the PMS as a tool to measure whether the objectives of the IDP are reached. One respondent saw the IDP as the origin of the PMS but could not explain the reason for the answer. Two respondents said that the PMS must be set up to reach the objectives of the IDP.

The answers to this question show that the respondents know that the PMS and the IDP walk hand in hand. It is very reassuring to see that one of the respondents saw the IDP as the beginning of the PMS, and also that the PMS is the tool to measure whether the objectives of the IDP have been reached. The answers to this question give the impression that the respondents are beginning to understand what PMS is about.

*Is there a difference between the performance audit committee and the internal audit team?*

All the respondents agree that there is a difference between the performance audit committee and the internal audit team. This does not imply that they know what the difference is, or what the roles and responsibilities of the two committees are. The responses to the next question will be vital to give clarity in this regard.

*Can you explain your answer in the previous question.*

All the respondents agree on the responsibilities of the performance audit committee and the internal audit team. The performance audit committee measures and evaluates the performance of all the officials at the municipality. The internal audit team looks at corruption and verifies whether certain aspects of the municipality are in line with what legislation prescribes them to be.

The answers to this question show that the respondents know there is a difference between the internal audit team and the performance audit committee. There is no clarity on the functions of the performance audit committee and the internal audit team with reference to the PMS. The fact that most of the respondents stated that the performance audit committee is responsible for the measurement and evaluation of all the officials at the municipality, shows that the respondents do not understand the roles and responsibilities of the performance audit committee. There is also confusion about how the internal audit team fits into the whole PMS process, and it seems that the respondents do not know that the internal audit team has a role to play in the PMS.

#### **4.2.2 Results and analysis of the table**

In this section the results of the table(see annexure) will be outlined an also an analysis of the results will be given.

The table was structured in such a way that the stakeholders were placed at the top and the different roles and responsibilities were placed at the left side of the table. The

different roles and responsibilities are listed below in the order that they appear in the table. The responses/results to the different roles and responsibilities from the stakeholders are outlined. This is followed by an analysis of the responses/results.

*Develop a PMS.*

Three respondents indicated that it is the duty of the municipal council, while one of the three indicated that it is also the duty of the MEC for local government. One of the above three respondents indicated that it is also the duty of the municipal manager as well as consultants. Two respondents indicated that it is the duty of the municipal manager, while another one indicated that it is the duty of consultants.

Although it is the duty of the municipal council, they usually assign this responsibility to the municipal manager. As this is a big task for the municipal manager, it is very wise to get the help of consultants to develop the PMS. It is definitely not only the duty of consultants to develop the PMS.

*Set KPIs in respect of IDP priorities and development objectives.*

Two respondents indicated that it is the duty of the municipal council, while one of the two indicated that the community should also be involved. One of the two above respondents indicated that the municipal officials (management and subordinates), should also be involved. Only one respondent indicated that it is the duty of municipal officials, while two respondents indicated that it is the duty of the municipal manager.

The municipal council is responsible for setting KPIs in respect of IDP priorities and development objectives. It is reassuring to see that one of the respondents indicated that the community should also be involved in this process. It is also important that the municipal manager as head of the administration should steer this process.

*Ensure communities are involved in setting KPIs.*

Four of the respondents indicated that it is the duty of the municipal council, while only one of the four indicated that the mayor/executive committee should share this responsibility. Two respondents indicated that it is the duty of the municipal manager.

The municipal manager, who is managing the PMS, should ensure that the community is involved in setting the KPIs. It should be stressed that although the municipal council has many responsibilities concerning the PMS, the municipal manager is managing the process on their behalf.

*Ensure KPIs inform the indicators set for administrative units, employees, and service providers.*

Two respondents indicated that it is the duty of the municipal council, while one of the two indicated that the community and the municipal officials should share this responsibility. One respondent indicated that it is the responsibility of both the mayor/executive committee and the municipal manager. One respondent indicated that it is the responsibility of the municipal manager only, while two others indicated that the municipal officials must fulfil this role.

Here it is important to note that the municipal manager, along with the officials, should ensure that KPIs inform the indicators set for administrative units, employees, and service providers. This is a designated responsibility from the municipal council.

*Set seven general KPIs*

One respondent indicated that it is the responsibility of both the MEC for Local Government and the Minister of Provincial and Local Government. One respondent indicated that it is only the responsibility of the MEC for Local Government. Three respondents indicated that the Minister of Provincial and Local Government should fulfil this role, while only one respondent indicated that it is the job of the municipal manager.

In order to know who is responsible to set the seven general KPIs, it is important to know/understand what the seven general KPIs are. If all the respondents understood what the seven general KPIs entailed, there would have been consensus on what the answer should be. The answers to this question showed that the respondents did not know what the seven general KPIs are. It must be stressed that this is the responsibility of the Minister of Provincial and Local Government.

*Review any KPIs that are affected by amendment to the IDP.*

One respondent indicated that the municipal council and the community should share this responsibility. Two respondents indicated that the community should fulfil this role, while only one respondent indicated that it is the duty of the municipal manager. Two respondents indicated that it is the duty of the performance audit committee.

It is the duty of the municipal council to review the KPIs that are affected by amendments to the IDP. However, it becomes the duty for the municipal manager and his officials to review the KPIs. The community should also be involved in this process. Whenever the IDP is amended, people tend to forget to review the KPIs that are affected by the amendment. This is not a responsibility for one or two role-players. Everyone that was engaged in setting up the KPIs initially should be involved in this step.

*Set annual performance targets for each KPI.*

One respondent indicated that the municipal council, the mayor/executive committee, and the municipal manager should share this responsibility. Another respondent indicated that it is only the duty of the municipal council, while two respondents indicated that it is the job of the mayor/executive committee. Two other respondents indicated that it is the duty of the municipal officials.

This again, is a designated responsibility by the municipal council to the municipal manager as the head of the administration. The community must also be involved in this process as they are the people to whom the service is rendered.



*Develop mechanisms for monitoring and review of KPIs and performance targets.*

One respondent indicated that the municipal council, the municipal manager, and the performance audit committee should share this responsibility. Two respondents indicated that it is the duty of the performance audit committee. Three respondents indicated that it is the duty of the municipal manager, while one of the three indicated that the municipal manager should share this responsibility with the municipal officials. Although it is the duty of the municipal council, the municipal manager must see that such mechanisms are in place and that the community is involved in this process.

*Make KPIs and performance targets known internally.*

One respondent indicated that the municipal council and the municipal manager should share this responsibility. Another respondent indicated that the municipal manager, together with the performance audit committee, should share this responsibility. Two respondents indicated that this responsibility should be shared between the municipal manager and the municipal officials. Another two respondents indicated that it is only the duty of the municipal manager.

This is the duty of the municipal manager, but the heads of department and officials should assist in making this information known internally. If all the stakeholders within the municipality are familiar with the KPIs and performance targets, they will know exactly what is expected from them.

*Develop mechanisms for internal auditing of performance.*

One respondent indicated that the executive committee, the municipal manager and the performance audit committee should share this responsibility. Another respondent indicated that this responsibility should be shared between the executive mayor/committee and the municipal manager. One respondent, each, indicated that it is the duty of the internal audit team and the performance audit committee respectively. Two respondents indicated that it is only the duty of the municipal manager. Although

this is the responsibility of the municipal council, the municipal manager must develop such mechanisms, and the internal audit team must implement them.

*Manage the development of the PMS.*

All the respondents indicated that it is the responsibility of the municipal manager, but only one respondent indicated that the municipal manager should share this responsibility with the municipal officials.

As the head of the administration, this is the responsibility of the municipal manager, but the heads of the different departments should assist in this matter. Consultants could be of assistance in managing the development of the PMS.

*Assign PMS responsibilities to the municipal manager.*

Three respondents indicated that it is the responsibility of the municipal council, but one of the three indicated that the mayor/executive committee should share this responsibility. Two respondents indicated that it is only the responsibility of the mayor/executive committee, while one respondent indicated that it is the duty of the Minister of Provincial and Local Government.

The fact that Oudtshoorn Municipality has a mayoral system makes this the duty of the mayor. Only the mayor/executive committee can assign PMS responsibilities to the municipal manager.

*Submit the proposed PMS to the municipal council for adoption.*

Two respondents indicated that it the duty of the mayor/executive committee, while four respondents indicated that it is the responsibility of the municipal manager.

This is not the responsibility of the municipal manager. It is the responsibility of the mayor/executive committee to submit the proposed PMS to the council for adoption.

*Inform the local community through the media about the municipal meeting that will be held to discuss the annual report.*

Five respondents indicated that it is the duty of the municipal manager, while one of the five indicated that the municipal manager must share this responsibility with the municipal officials. Only one respondent indicated that it is the duty of the mayor/executive committee.

This is only the responsibility of the municipal manager although the officials must assist the municipal manager in this regard.

*Give written notice to the Auditor- General and the MEC for local government in the province about the annual report meeting.*

Two respondents indicated that it is the duty of the municipal council, while one of the above two indicated that the mayor/executive committee must also share in this responsibility. Four respondents indicated that it is the responsibility of the municipal manager, while only one of the four indicated that the municipal officials must share this responsibility.

This is strictly the responsibility of the municipal manager and not the municipal council, the mayor/executive committee, or any official.

*Submit minutes of the annual report meeting to the Auditor-General and the MEC for local government.*

Three of the respondents indicated that it is the duty of the municipal manager, while one of the three indicated that the municipal officials must also share in this duty. Two of the respondents indicated that it is the duty of the mayor/executive committee and only one respondent indicated that the performance audit committee is responsible for this job.

This is strictly the responsibility of the municipal manager and not the municipal council, the mayor/executive committee, or the performance audit committee.

*Review the quarterly reports submitted by internal audit.*

Two respondents indicated that it is the duty of the municipal council, while only one indicated it to be the job of the municipal manager. Three respondents indicated it to be the responsibility of the performance audit committee.

Although half of the respondents correctly noted that it is the duty of the performance audit committee, the internal audit team should also submit quarterly reports to the municipal manager, the municipal council, and the appropriate organs of state.

*Review the PMS and make recommendations.*

Two respondents indicated that it is the duty of the MEC for Local Government, while one of the above two indicated that the mayor/executive committee should share this duty. Two respondents indicated that it is the duty of the municipal manager, while another two respondents indicated that the performance audit committee is responsible for this job.

It must be stressed that this is the responsibility of the performance audit committee, and it is worrying to see that so few of the respondents knew it. This is one of the most important roles of the performance audit committee.

*Submit an audit report at least twice during the financial year.*

Three respondents indicated that it is the responsibility of the performance audit committee, while one of the above three indicated that the municipal manager should share in this responsibility. Three other respondents indicated that it is only the responsibility of the municipal manager.

Most of the respondents tended to give the municipal manager most of the responsibilities regarding PMS. Although the municipal manager is ultimately responsible for the largest part of PMS, this is also a duty of the performance audit committee.

*Carry out assessments of the functionality of the PMS, whether the PMS complies with the Municipal Systems Act 32 of 2000 and the reliability of the KPIs.*

Three respondents indicated that it is the responsibility of the performance audit committee, while one of the three indicated that the MEC for Local Government should share in this responsibility. The other three respondents indicated that it is only the responsibility of the municipal manager.

It is definitely worrisome that not one respondent gave the correct answer to this question. This is the responsibility of the internal audit team. This shows the confusion / lack of clarity over the different roles and responsibilities within the PMS.

*Continuously audit performance measures.*

Three of the respondents indicated that it is the responsibility of the performance audit committee. Two respondents indicated that it is the responsibility of consultants, while only one respondent indicated that it is the responsibility of the municipal manager.

It is of particular concern that not one of the respondents knew the answer to this question, especially when looking at the composition of the respondents. This is the responsibility of the internal team. It might be a good thing to bring in the help of consultants from time to time to assist in this matter.

*Submit quarterly reports to the municipal manager, the performance audit committee, the municipal council and the appropriate organs of state.*

Five respondents indicated that it is the responsibility of the municipal officials. Only one respondent indicated that it is the responsibility of the internal audit team.

Only one respondent answered correctly that this is the responsibility of the internal audit team. The municipal officials are not supposed to submit any PMS reports.

*Prescribe general KPIs through regulation.*

All the respondents indicated that it is the responsibility of the Minister for Provincial and Local Government, while two of them indicated that the MEC for Local Government should share in this responsibility.

Here it is important to note that this is the responsibility of the Minister of Provincial and Local Government and not the MEC for Local Government in the province.

*Review and adjust general KPIs when necessary.*

Three respondents indicated that it is the responsibility of the performance audit committee, while one of the three indicated that the Minister of Provincial and Local Government should share this responsibility. One respondent indicated that it is the responsibility of the municipal council, while another indicated that the municipal officials are responsible. One respondent indicated that it is only the responsibility of the Minister of Provincial and Local Government.

Only one respondent got the correct answer to this question. This clearly shows, as stated earlier, that most of the respondents do not know what the general KPIs are. There is a definite confusion between the general KPIs and the KPIs at municipal level.

#### **4.2.3 Summary**

All the responses to the interview questions as well as the table of roles and responsibilities of the stakeholders, were discussed separately. An analysis of each question in both the interview and the table was also discussed.

Most of the key role-players in the PMS were unclear about what PMS is. Some of them did not even know why this process is important for local government in South Africa. There was some confusion in their understanding of the difference between a role and a responsibility. It seems that the respondents do understand that there is a connection

between the IDP and the PMS and some explained this connection in good terms. It was good to note that the respondents did see the difference between the performance audit committee and the internal audit team. It was also clear from the interviews that the respondents did not know what functions, concerning PMS, the two committees have.

It must be stressed that although the municipal council is responsible for the development of the PMS, the council assigns responsibility to the municipal manager to manage the PMS process. The municipal manager is the head of the administration and therefore most of the responsibilities of PMS lie with the municipal manager.

It is important to note that there seems to be much confusion as to what the seven general KPIs are, not to mention as to who is responsible for prescribing them. It might well be that some of the respondents did not know what a KPI is (maybe this issue should have been addressed in the interviews). It is worth noting that the community must be involved in setting KPIs in respect of IDP priorities and development objectives, as well as in reviewing any KPIs that are affected by amendments to the IDP.

Another worrisome observation is the fact that the respondents did not seem to know the different functions of the internal audit team and the performance audit committee. What makes this worse is the fact that in the table where the respondents should assign roles and responsibilities to stakeholders, not even one correct answer was found, especially worrying when looking at the composition of the respondents.

It is important to note that the community, councillors and the executive mayor with executive committee are involved in the planning, monitoring and reviewing of the PMS. The municipal manager, the executive management, sectoral managers and municipal employees are all involved in the planning, implementation, monitoring and reviewing of the PMS.

### 4.3 CONCLUSION

This chapter focused on the analysis of the data that was collected through interviews and the table of roles and responsibilities. Only a few selected individuals at the Oudtshoorn Municipality were part of the process. This included the mayor, the municipal manager, the person in charge of PMS at the municipality, the IDP manager, one of the heads of department and a member of the audit committee of the municipality. The reason that these individuals were chosen, was for the fact that they represent the key role-players in the PMS.

This study was qualitative in nature and therefore semi-structured interviews were used to determine whether the people involved in a PMS at Oudtshoorn Municipality understood the theoretical concept of a PMS. The interview gave the people that were interviewed the opportunity to explain their answers to specific questions. The table concentrated on the different roles and responsibilities as set out in the Municipal Systems Act (Act 32 of 2000). The purpose of the table of roles and responsibilities was to determine whether the group members that participated in the research knew the roles and responsibilities of the different stakeholders in the PMS.

All the responses to the interview questions as well as the table of roles and responsibilities of the stakeholders were discussed separately. An analysis of each question in both the interview and the table were also discussed.

The responses to the questions in the interviews, and the responses to the different roles and responsibilities of the stakeholders within a PMS, clearly shows there is a need for a model for the delegation of roles and responsibilities within a PMS. In order to assist stakeholders at Oudtshoorn Municipality to understand roles and responsibilities better, a model for the delegation of roles and responsibilities within a PMS was designed.

The next chapter will present such a model that will certainly help Oudtshoorn Municipality in the implementation of a PMS.



## **CHAPTER 5: PRESENTATION OF THE MODEL**

### **5.1 INTRODUCTION**

For a PMS to be successfully implemented at Oudtshoorn Municipality, it is of great importance that the roles and responsibilities of the different stakeholders should be clarified at the beginning of the process.

From the data analysis in the previous chapter, it was clear that the respondents did not know what the different roles and responsibilities of the respective stakeholders were. Along with the fact that there was some confusion about what a PMS is, questions on the assigning of roles and responsibilities to the different stakeholders were poorly answered.

The data analysis clearly shows the need to understand and to clarify roles and responsibilities within a PMS. The focus of this chapter will be to present a model for the delegation of roles and responsibilities that will help Oudtshoorn Municipality in the implementation of a PMS.

This chapter will focus on an explanation of the model as well as to present the model.

### **5.2 EXPLANATION OF MODEL FOR THE DELEGATION OF ROLES AND RESPONSIBILITIES**

In order to use the model as a tool in PMS for Oudtshoorn Municipality, it is important that much attention be given to this section. This section will assist in the understanding of the model to prevent confusion regarding roles and responsibilities.

The model shows that most of the responsibility of PMS lies with the municipal manager as the person who was assigned this responsibility by the municipal council. The heads of department play a very important role in assisting the municipal manager in the PMS process from target setting, monitoring and improving performance. It is important to note that the municipal officials must understand what the process entails.

and must assist the municipal manager to implement the PMS successfully. The model clearly shows the important role that the community plays in the PMS process, as they are the people who should receive quality service delivery. The community should be involved in setting KPIs and targets, and reviewing performance up to the point where the municipality's audit performance report is discussed. The model shows how reporting should be done, as this forms an integral part of PMS.

The model for the delegation of roles and responsibilities within a PMS fits neatly into the picture in ensuring that the stakeholders within the PMS know exactly what are expected of them.

It is important to understand what the different symbols used in the model, present (see also annexure 3).

- The *rectangular boxes* represent the person/people responsible for a specific task.
- The *oval boxes* represent a specific task that needs to be done.
- The *big rectangular box* in the middle represents the area where most of the designated responsibility for PMS lies. The municipal manager with the municipal employees is responsible for the implementation of the PMS.
- The *boxes of the community* are highlighted in blue to show the important role they play as the beneficiaries of the PMS.
- The *boxes of the different stakeholders* have different colours, to distinguish between them.
- The *oval boxes that represent specific tasks are grouped* together by making the lines the same, or by having the same colour.
- The *double arrows* connecting rectangular and oval boxes show that the process/action is in both directions and that both influence each other.
- The *single arrows* show that the process/action is only in one direction or that the influence is in one direction only.
- The *red arrows* represent time lines, meaning that this specific task should be done within a certain time limit.

- Each of the *arrows are numbered*, which represents the different roles and responsibilities.

An explanation of the different roles and responsibilities of the stakeholders, in numerical order, will be discussed.

1. It is the responsibility of the municipal council to establish a performance management system that is commensurate with its resources; best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in its integrated development plan; that clarifies roles; that clarifies processes; that determines reporting; and that is related to employees' performance management process.
2. The executive mayor/committee of the municipality must
  - manage the development of the municipality's performance management system;
  - assign responsibilities in this regard to the municipal manager; and
  - submit the proposed system to the municipal council for adoption while allowing 21 days for comments on the draft PMS.
3. The Minister of Provincial and Local Government must
  - prescribe general KPIs through regulation; and
  - review and adjust KPIs when necessary.
4. It is the responsibility of the municipal manager as the designated person in charge of PMS, to
  - set appropriate KPIs as a yardstick for measuring performance in terms of the council's performance management system, and in accordance with any regulations and guidelines that may be prescribed;
  - see that the KPIs include outcomes and impacts with regards to the municipality's development priorities and objectives set out in its integrated development plan;

- ensure that KPIs inform the indicators set for administrative units, employees and service providers with whom the municipality enters into a service delivery agreement;
  - review any KPIs that are affected by amendments to the IDP; and
  - ensure that the community is involved in the setting up of the KPIs for the municipality.
5. It is the responsibility of the municipal manager, with the participation of the community, to set measurable performance targets from the KPIs, with regard to each of those development priorities and objectives.
6. The municipal manager should make known, in a manner determined by the municipal council, the targets and KPIs, set by it for the purposes of the PMS,
- internally;
  - to the general public; and
  - to the appropriate organs of state.
7. The municipal manager with the participation of the community, must with regard to each of those development priorities and objectives, and against the KPIs and targets, monitor performance against the targets that have been set.
8. The municipal manager, as the designated person in charge of PMS, must with regard to each of those development priorities and objectives and against the KPIs and targets,
- measure and review performance at least once per year; and
  - ensure the involvement of the community in the review of the municipality's performance.
9. It is the responsibility of the municipal manager, after reviewing performance, to take steps to improve performance with regard to those development priorities and objectives, where performance targets are not met.

10. The internal audit team must,
  - continuously audit the results of performance measurements as part of the municipality's internal auditing processes;
  - carry out assessments of the functionality of the PMS and the reliability of the KPIs; and
  - submit quarterly reports to the municipal manager, the performance audit committee, the municipal council and the appropriate organs of state.
  
11. The performance audit committee must,
  - review quarterly reports submitted by internal audit;
  - review the PMS and make recommendations; and
  - submit an audit report at least twice during the financial year.
  
12. The municipal manager must,
  - prepare for each financial year an annual report consisting of a performance report reflecting, the municipality's and any service provider's performance during that financial year. This should also show comparison with targets of and with performance in the previous financial year. The report must also include development and service delivery priorities and the performance targets set by the municipality for the following financial year; and measures that were or are to be taken to improve performance;
  - table the municipality's annual report within one month of receiving the audit report;
  - by prior notice in the media, inform the local community of the meeting (or council meetings) at which the municipality's annual report will be discussed;
  - give written notice of such meetings to the Auditor-General and the MEC for Local Government in the province;
  - submit copies of the minutes of those meetings to the Auditor-General and the MEC for Local Government in the province; and

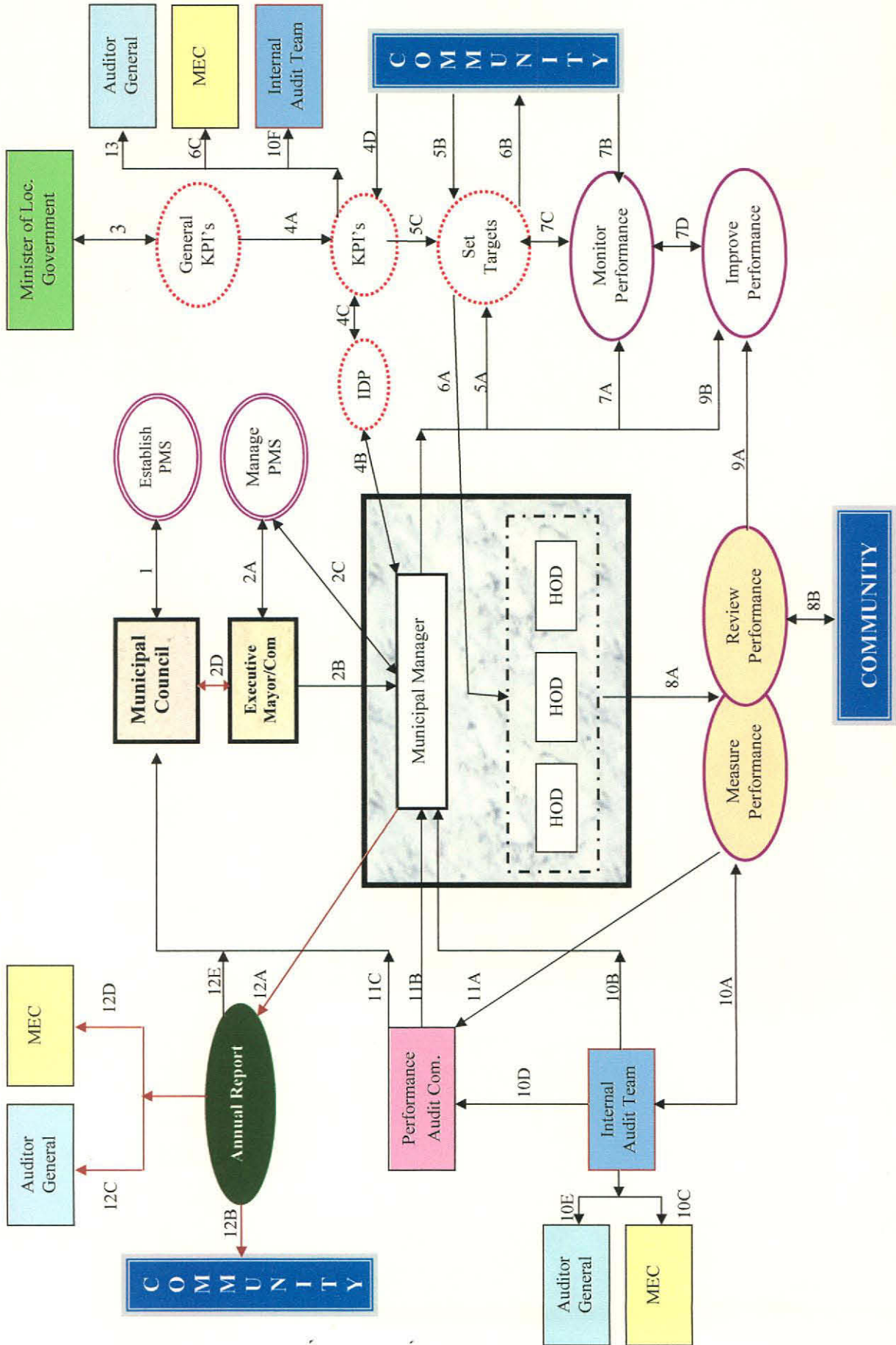
- ensure that the municipal council adopts its annual report and within 14 days submit a copy of the report to the MEC for local government in the province and to the Auditor-General.
13. The Auditor-General must undertake an annual review of KPIs and performance targets.

One of the difficulties that were experienced in designing the model was the fact that the different lines tend to cross each other. This could be ascribed to the fact that there are many stakeholders in the PMS process, with each of them having more than one specific role or responsibility. This is the reason that stakeholders appear on different sides of the model.

### **5.3 MODEL FOR THE DELEGATION OF ROLES AND RESPONSIBILITIES FOR A PMS**

The model for the delegation of roles and responsibilities will now be presented on the following page. It is important to note that the model and its explanation must be seen as a whole.

Figure 9: Model for the delegation of roles and responsibilities within a PMS



## 5.4 CONCLUSION

The data analysis in chapter four provided a need for the design of a model for the delegation of roles and responsibilities of the different stakeholders within a PMS. In order for a PMS to be successfully implemented, it is of utmost importance that roles and responsibilities of the different stakeholders must be clarified at the beginning of the process.

It is important to note that the model without its explanation is useless. Therefore, before attempting to understand the model, the explanation to the model should first be understood.

The model shows that the community, councillors and the executive mayor are involved in the planning, monitoring and reviewing of the PMS. The municipal manager, the heads of department, sectoral managers, and municipal employees are all involved in the planning, implementation, monitoring and reviewing of the PMS.

This model for the delegation of roles and responsibilities will assist Oudtshoorn Municipality in the implementation of PMS, because there are much confusion on the different roles and responsibilities of the stakeholders within a PMS at Oudtshoorn Municipality.

In the next chapter, recommendations will be made in order to successfully implement PMS at Oudtshoorn Municipality. A conclusion of the thesis will also be given.



## **CHAPTER 6: RECOMMENDATIONS AND CONCLUSION**

### **6.1 INTRODUCTION**

The purpose of this research was to design a model for the delegation of roles and responsibilities within a PMS at Oudtshoorn Municipality.

The motivation for the study was the fact that performance management is a relatively new legislative requirement for local government in South Africa. Local government authorities are currently experiencing many problems in the delivery of services to their respective communities, and this makes performance management a contemporary issue.

The research question was whether the design of a model for the delegation of roles and responsibilities within PMS, would assist Oudtshoorn Municipality in the development and implementation of the PMS.

The objectives of this research project were to,

- Explain what PMS is;
- Explain how PMS fits into the legislative framework in local government in South Africa;
- Explain the importance of defining roles and responsibilities in a PMS;
- Design a model for the delegation of roles and responsibilities within a PMS for Oudtshoorn Municipality; and
- Make recommendations for the successful implementation of PMS at Oudtshoorn Municipality.

The research design that was used in this study was a combination of a model-building design and a case-study design. The study was qualitative in nature and was a combination of non-empirical and empirical studies. Semi-structured interviews were held with a selected group of individuals who are key role-players in PMS at Oudtshoorn Municipality. The aims of the interviews were partly to establish the respondents' understanding of PMS, and roles and responsibilities. The same

respondents were given a table of different roles and responsibilities, to determine whether they understood what the different roles and responsibilities are of the different stakeholders in the PMS.

The first chapter was an introduction on the topic with an explanation of the motivation of the study as well as the background rationale. Chapter two was a theoretical study on organisational performance management, some models on performance management as well as theory on roles and responsibilities. Chapter three outlined the case study of Oudtshoorn Municipality. Key legislation on PMS and roles and responsibilities with regard to PMS were included in this chapter. In chapter four a data analysis, which included the responses and analysis of the interviews, and a discussion of the table of roles and responsibilities, was given. In chapter five the model for the delegation of roles and responsibilities within a PMS were presented and discussed.

In this chapter, recommendations on how to successfully implement PMS at Oudtshoorn Municipality, will be given to address some of the problems that were highlighted in the data analysis. A conclusion of the thesis will also be given.

## **6.2 RECOMMENDATIONS**

### **6.2.1 Council**

Members from the council are unclear about what a PMS is. It is recommended that all council members, especially newly elected members, must undergo intensive training in PMS, as well as other related areas in municipal management. Because the municipal council (mayor included), is responsible for developing, adopting, and managing the PMS, they must know what PMS entails. It is important that they should know what to measure, how to evaluate, and how to determine if implementation is successful. New council members should be trained in PMS, because many of them did not undergo the training that was carried out by the consultants of Stellenbosch University.

### **6.2.2 The structure of the organisation**

For any organisation to perform effectively, a stable structure is necessary. The structure of Oudtshoorn Municipality is currently not a stable one. In the last six months, two of the three heads of department have been suspended. This can lead to uncertainty within those departments which can negatively influence performance, and so the implementation of the PMS. The PMS needs a stable organisation in order to reach the intended objectives, which are to improve performance by delivering a quality service to its respective communities.

### **6.2.3 Human resource development**

It is of no use to have a PMS that evaluates performance within the municipality, if you do not have human resource development to address the shortcomings that were identified during the evaluation process. Training and development programmes should be in place in order to rectify poor performance. If employees' performances are poor, then this problem should be addressed by skills development through training. This will ensure that the organisation's performance improves.

### **6.2.4 Knowledge of PMS**

The research has shown clearly that there is confusion on what a PMS entails. A common understanding of PMS is crucial. PMS will not work effectively if there are different understandings of why PMS is needed and what it will do. Concepts, like KPIs, are not clearly understood. If stakeholders do not know what the PMS entails they will not be able to implement the process successfully. For the successful implementation of the PMS, it is very important that there should be major training of the municipal officials and council members.

### **6.2.5 Roles and responsibilities**

The table of roles and responsibilities for the different stakeholders showed that the respondents could not assign roles and responsibilities of the stakeholders correctly.

This is crucial if PMS is to be implemented successfully. As the PMS process consists of many stakeholders with different roles and responsibilities, all stakeholders in the PMS process should come together to define the roles and responsibilities of each stakeholder. This will ensure that all stakeholders know exactly what are expected of them.

#### **6.2.6 Model for the delegation of roles and responsibilities**

The model for the delegation of roles and responsibilities within a PMS will definitely assist in defining the roles and responsibilities of each stakeholder. In order for all the stakeholders to know exactly what are expected of them, they should undergo training in the understanding of the model. The model, together with its explanation, should not be seen as separate items, in order for the model to be used as an effective tool to understand the roles and responsibilities of the different stakeholders. The research has shown clearly that there is confusion about the different roles and responsibilities of the stakeholders. It is recommended that stakeholders refer continuously to the model to ensure that the process is on track and that everyone does exactly what is expected of them.

#### **6.2.7 Resources**

Legislation, regulations, and guidelines regarding PMS, should be freely available within the different departments, as well as at the municipality's information centre. The municipal council should make a serious effort to use the local media to inform the community about PMS and the role they need to fulfil in the process. This will ensure that more people (community, officials, and council members) get the opportunity to learn about PMS. For performance to improve it is important that the KPIs and targets, set for the different departments, are known to all the stakeholders, and also that everyone understands the process.

### **6.2.8 Auditing of PMS**

The current situation at Oudtshoorn Municipality, where the person in charge of the PMS, is also in charge of internal auditing, might cause huge problems for the municipality in the future. The reason is that these two committees/teams have different roles and responsibilities. The internal audit team should carry out assessments of the functionality of the PMS (i.e. the reliability of the KPIs), and should continuously audit performance measures. It will definitely be very difficult for the same person to audit performance measures and to carry out assessments of the PMS process, if the person is in charge of PMS at the municipality. It is recommended that the Oudtshoorn Municipality appoint a manager that only manages the PMS process. This is not only due to the audit/PMS overlap, but also because the PMS process is a huge responsibility. It is important to note that the PMS process does not end when performance is measured, but that this process leads to training and development, which should also be co-ordinated. The PMS manager could assist the municipal manager to monitor whether the objectives set out in the IDP have been reached. This person could also identify the skills needed by municipal employees, in order for the municipality to improve its performance.

### **6.2.9 Urgency**

There appears to be no urgency to implement the PMS from top management at Oudtshoorn Municipality. Council members and top management at the municipality should show more urgency with implementing the PMS. Whenever top management and the municipal council are motivated (keen) to make the PMS work, it will filter down to lower levels in the chain. All stakeholders at the municipality should take ownership of the PMS. Whenever the stakeholders own the PMS, there will be an urgency to implement the process successfully.

### **6.2.10 Development objectives and priorities**

Integrated development planning fulfils the planning stage of performance management. It is important that development objectives and priorities must be

developed in such a way that they fit neatly into a key performance area. Since Oudtshoorn Municipality is currently developing a PMS, it is of utmost importance when development objectives and priorities, within the IDP are developed, the KPIs of the PMS should be borne in mind.

### **6.3 CONCLUSION**

There is a need in all organisations that performance should be well managed. Scholars have concluded that the performance of the individual influences the performance of the organisation. Organisational performance is multi-faceted and is a product of many factors. No clear definition of performance management exists as performance management entails different things to different people.

Historically much of the focus of performance management has been on financial management. In response to more complex environments, higher expectations, the demand for greater accountability and the need for more effective approaches, attention has been turned to developing more holistic models for performance management. The performance management models described in this study are holistic frameworks designed to give some structure and rigour to an organisation's performance management approach.

The role of an employee in the workplace should be clarified. If roles are not clarified, an individual does not have enough information about what he or she should be doing. It might also happen that an individual perceives information regarding his or her job to be inconsistent or contradictory. On the other hand, defining work responsibilities in a clear-cut manner has the advantage of letting everyone know what is expected of them.

The South African government has adopted a performance-based governance system to ensure that all spheres of government deliver quality service to its constituencies. The Constitution, Act 108 of 1996, the White Paper on Transforming Public Service Delivery (1997) and the White Paper on Local Government (1998) all address the issue of accountable government and quality service.

Performance management became part of local government legislation in the Municipal Systems Act (Act 32 of 2000) and the Performance Management Regulations (2001). It is now a legislative requirement that all municipalities in South Africa must have a PMS that consists of a framework and a model.

The PMS must be of such a nature that it defines the roles and responsibilities of each of the role-players, including the local community, in the functioning of the system. The DPLG has published a Performance Management Guide for Municipalities that inter alia sets out the roles and responsibilities of all the stakeholders within a PMS. The guidelines clearly show that the community, councillors, executive mayor/committee, and organised labour are involved in the planning monitoring and reviewing of the PMS. The municipal manager, the executive management, sectoral managers and municipal employees are all involved in the planning, implementation, monitoring and reviewing of the PMS.

The setting of development objectives and priorities is an important starting point for a PMS. Some of the development objectives and priorities set out in the IDP document of Oudtshoorn Municipality do not fit neatly into a key performance area. This might cause problems in setting the KPIs.

Oudtshoorn Municipality has a twin city agreement with Alphen aan den Rijn (Netherlands) for mutual interests. As part of this agreement, consultants from the University of Stellenbosch's School of Public Management and Planning are currently helping Oudtshoorn Municipality in developing a PMS. The development of a PMS for Oudtshoorn Municipality is not yet complete.

It is crucial to define roles and responsibilities of the different stakeholders at the beginning of the PMS process. In order to determine the stakeholders' understanding of roles and responsibilities within a PMS, semi-structured interviews were held with a selected group of individuals who are key role-players in PMS at Oudtshoorn Municipality. This included the mayor, the municipal manager, the person in charge of PMS at the municipality, the IDP manager, one of the heads of department and a member of the audit committee of the municipality. Some of the aims of the interviews

were to establish the respondents' understanding of PMS, and roles and responsibilities. The same respondents were given a table of different roles and responsibilities, to determine whether they knew what the different roles and responsibilities are of the different stakeholders in the PMS.

The data analysis in chapter four showed that the stakeholders (participants in the research) within the PMS at Oudtshoorn Municipality could not assign roles and responsibilities correctly. In order for PMS to be implemented successfully at Oudtshoorn Municipality, stakeholders in the PMS need to know exactly what is expected of them. It is not only from an organisational point of view that roles and responsibilities are important, but it is also a legislative requirement that roles and responsibilities need to be clarified before implementing a PMS.

All the responses to the interview questions as well as the table of roles and responsibilities of the stakeholders, were discussed in turn. An analysis of each question in both the interview and the table was also discussed.

The responses to the questions in the interviews, and the responses to the different roles and responsibilities of the stakeholders within a PMS, created the need to design a model for the delegation of roles and responsibilities within a PMS that will assist Oudtshoorn Municipality in the implementation of PMS.

In order to assist stakeholders at Oudtshoorn Municipality to understand roles and responsibilities better, a model for the delegation roles and responsibilities within a PMS was designed.

The model for the delegation of roles and responsibilities, together with an explanation of the model, was presented in chapter five. It is important to note that the model without its explanation is useless. Therefore, before attempting to understand the model, the explanation to the model should first be understood.

The model shows that most of the responsibility of PMS lies with the municipal manager as the person who is assigned this responsibility by the municipal council. It is



important to note that the municipal officials must understand what the process entails and must assist the municipal manager to implement the PMS successfully. The model clearly shows the important role that the community plays in the PMS process, as they are the people who should receive a quality service. The community should be involved in setting KPIs and targets, and reviewing performance up to the point where the municipality's audit performance report is discussed. The model shows how reporting should be done, as this forms an integral part of PMS.

Since Oudtshoorn Municipality is currently, with the help of consultants, developing a PMS, the model will definitely help stakeholders in the PMS, to know what is expected of each of them. The model should be seen as a tool to make it easier for stakeholders within the PMS to understand roles and responsibilities.

The research question was whether the design of a model for the delegation of roles and responsibilities for a PMS within Oudtshoorn Municipality will assist in the development and implementation of the PMS.

Since Oudtshoorn Municipality is in the process of developing a PMS, it will be useful if the stakeholders could consider the recommendations.

In order for PMS to be successfully implemented at Oudtshoorn Municipality, a culture of performance management needs to be created. If stakeholders do not believe in the PMS, the implementation of the process will certainly fail.

The aims of this research project were achieved because,

- PMS was explained;
- An explanation of how PMS fits into the legislative framework in local government was given;
- The importance of defining roles and responsibilities in a PMS was explained;
- A model for the delegation of roles and responsibilities within a PMS for Oudtshoorn Municipality, was designed;

- Recommendations for the successful implementation of PMS at Oudtshoorn Municipality was made.

The researcher has identified the following future research opportunities:

- In which department will PMS fit in best?
- How to manage the change process within Oudtshoorn Municipality while introducing a PMS.
- How training and development programmes, at the municipality should be structured in order to improve service delivery.
- How changes in the municipal council, through elections, influence performance at Oudtshoorn Municipality.

The researcher also sees the above-mentioned research opportunities as challenges facing Oudtshoorn Municipality in implementing PMS. Stakeholders within the PMS should not run away from these challenges, but face them, and take ownership of the PMS in order to deliver quality service to the Oudtshoorn community.

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## ANNEXURE 1

### INTERVIEW QUESTIONS

1. Can you explain what does a performance management system (PMS) in local government mean to you?
2. Why do you think is performance management important for local government in South Africa?
3. Can you explain in your own words your understanding of a “Role”?
4. Can you explain in your own words your understanding of a “Responsibility”?
5.
  - A. Do you think there is there a connection between the IDP and the PMS?
  - B. What is the relationship between the IDP and the PMS?
6.
  - A. Is there a difference between the performance audit committee and the internal audit - team?
  - B. Can you explain your answer in 6A.

**ANNEXURE 2**

**TABLE OF ROLES AND RESPONSIBILITIES**


















Choose the answer, which in your opinion explain the role and responsibility of the different stakeholders and then allocate the respective role and responsibility to them by marking it with a tick (√) on the sheet below.

	QUESTIONS	Municipal Council	MEC for Loc. Gov.	Ex. Mayor/Comm.	Community	Municipal Manager	Mun. Officials – Man. and Consultants	Internal Audit -team	Minister of Prov. And Loc. Gov.	Auditor- General	Performance Audit Committee
1.	Develop a PMS										
2.	Set KPIs in respect of IDP priorities and development objectives										
3.	Ensure communities are involved in setting KPIs										
4.	Ensure KPIs inform the indicators set for administrative units, employees, and service providers										
5.	Set seven general KPIs										
6.	Review any KPIs that are affected by amendment to the IDP										
7.	Set annual performance targets for each KPI										
8.	Develop mechanisms for monitoring and review of KPIs and performance targets										
9.	Make KPIs and performance targets known internally										
10.	Develop mechanisms for internal auditing of performance										

	QUESTIONS	Municipal Council	MEC for Loc. Gov.	Ex. Mayor/Comm.	Community	Municipal Manager	Mun. Officials – Man. and	Consultants	Internal Audit -team	Minister of Prov. And Loc. Gov.	Auditor- General	Performance Audit Committee
11.	Manage the development of the PMS											
12.	Assign PMS responsibilities to the municipal manager											
13.	Submit the proposed PMS to the municipal council for adoption											
14.	Inform the local community through the media about the municipal meeting that will be held to discuss the annual report											
15.	Give written notice to the Auditor-General and the MEC for local government in the province about the annual report meeting											
16.	Submit minutes of the annual report meeting to the Auditor-General and the MEC for local government											
17.	Review the quarterly reports submitted by internal audit											
18.	Review the PMS and make recommendations											
19.	Submit an audit report at least twice during the financial year											
20.	Carry out assessments of the functionality of the PMS, whether the PMS complies with the Act and the reliability of the KPIs											
21.	Continuously audit performance measures											
22.	Submit quarterly reports to the municipal manager and the performance audit committee											
23.	Prescribe general KPIs through regulation											
24.	Review and adjust general KPIs when necessary											

### ANNEXURE 3

Key to the model for the delegation of roles and responsibilities within a PMS

-  Municipal Council
-  Executive Mayor/Committee
-  Establish and Manage PMS: Municipal Council and Executive Mayor/Committee
-  Performance Audit Committee
-  Auditor-General
-  Internal Audit Team
-  MEC
-  Municipal Manager
-  KPIs, Targets and IDP
-  Monitor and Improve Performance
-  Measure and Review Performance
-  Annual Report
-  Community
-  HODs
-  Process/Action is in one direction ( Influence is in one direction only)
-  Process/Action is in both direction ( Influence is in both direction only)
-  Time lines: this specific task should be done within a certain time limit