

**A PERFORMANCE MANAGEMENT MODEL FOR SUPPORTING IMPROVED
LOCAL GOVERNMENT SERVICE DELIVERY: A CASE STUDY OF THE JOE GQABI
DISTRICT MUNICIPALITY**

by

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DECLARATION

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ABSTRACT

Given that local government is the sphere of government closest to the people, it has an important social function in providing basic services to the community. The present study evaluates the tools used in measuring service provision, with its main focus being an evaluation of the balanced scorecard as an effective organisational tool for performance measurement. The critical question addressed in the study was to what extent would a balanced scorecard model for improving performance measurement in service delivery in local government assist in eradicating the current challenges of lack of quality services, poverty and infrastructure development.

The study includes a historical overview of local government with the aim of understanding the reasons and purpose of institutional existence. This is done with the help of international, Africa and national literature on local government. To understand the current context, the state of and current challenges facing service delivery were explored using statistics and opinions of eminent scholars on the subject. A case study of Joe Gqabi District Municipality is reviewed to familiarise the researcher with developments and a better understanding of the environment.

A literature review was undertaken to evaluate theory on organisational effectiveness. Consequently a number of authors were consulted on the matter. The balanced scorecard approach emerged as the preferred tool/instrument because the method offers the researchers the opportunity to review non-financial and financial factors to arrive at a balanced conclusion. Legislative and policy framework applicable to local government in South Africa was perused to better understand the legal environment in which local government operates.

The empirical survey made use of a questionnaire, structured interviews and a focus group. Findings were that while the programmes that the municipality develops are informed by the input of all stakeholders in the area such as the IDP, in practice. The participants were divided on whether performance measurement is focused on shared programme results or on the Service Delivery Budget and Implementation Plan (SDBIP), on which they have little input and influence.

The municipality identifies performance measures and targets in consultation with all stakeholders. When these targets are not met, the current culture or practice in the municipality is that nothing of consequence happens. Although the study findings concluded that there is acknowledgement of the importance of performance measurement instruments in the municipality, yet the municipality still experiences challenges caused by the review process not being transparent and not communicated to all stakeholders, lack of commitment from top management and a reactive approach by management and political office bearers.

The process resulted in a balanced scorecard model for the Joe Gqabi District Municipality environment; the model was validated through a focus group exercise involving all stakeholders to illustrate its practical applicability and to get a benchmark which can be used in the future to evaluate organisational performance and improvement. A populated balanced scorecard model and a value-based service-delivery improvement model tailor-made for the municipality are presented as a contribution to solving the challenges identified in the study.

OPSOMMING

Gegee dat die plaaslike regering die sfeer van regering naaste aan die mense is, het dit 'n belangrike sosiale funksie in die verskaffing van basiese dienste aan die gemeenskap. Die huidige studie evalueer die instrumente wat gebruik word in die meting van dienslewering, met die hoofokus 'n evaluering van die gebalanseerde telkaart as 'n effektiewe organisatoriese instrument vir prestasie-meting. Die kritiese vraag wat in die studie aangespreek word is tot watter mate sou 'n gebalanseerde telkaart model vir die verbetering van prestasie meting in dienslewering in plaaslike regering kan help in die uitwissing van die huidige uitdagings van 'n gebrek aan gehalte dienste, armoede en die ontwikkeling van infrastruktuur.

Die studie sluit 'n historiese oorsig van plaaslike regering in met die doel om die begrip van die redes en die doel van institusionele bestaan te vestig. Dit word gedoen met die hulp van die internasionale, Afrika en nasionale literatuur oor plaaslike regering. Om die huidige konteks, die huidige uitdagings en dienslewering te verstaan, is die onderwerp met behulp van statistiek en menings van vooraanstaande geleerdes oor die onderwerp verken. 'n Gevallestudie van die Joe Gqabi Distriksmunisipaliteit is gebruik om die navorser met ontwikkelings en 'n beter begrip van die omgewing vertrou te maak.

'n Literatuuroorsig was onderneem om teorie ten opsigte van organisatoriese doeltreffendheid te evalueer. Gevolglik is 'n aantal skrywers geraadpleeg oor die aangeleentheid. Die gebalanseerde telkaart benadering het na vore gekom as die voorkeur-instrument omdat die metode die navorsers die geleentheid bied om nie-finansiële en finansiële faktore te bestudeer om tot 'n gebalanseerde gevolgtrekking te kom. Die wetgewende en beleidsraamwerk van toepassing op plaaslike regering in Suid-Afrika is bestudeer om die wetlike omgewing waarin plaaslike regering bedryf word, beter te verstaan.

Die empiriese ondersoek het gebruik gemaak van 'n vraelys, gestruktureerde onderhoude en fokusgroep. Bevindinge was dat terwyl die programme wat die munisipaliteit ontwikkel in die praktyk ingelig word deur die insette van alle belanghebbendes in die gebied soos die GOP. Die deelnemers was verdeeld oor of prestasie-meting gefokus is op die gedeelde program resultate of

op die Dienslewering Begroting en (SDBIP), waarop hulle min insette en invloed het. Die munisipaliteit identifiseer prestasiemaatstawwe en teikens in oorleg met alle belanghebbendes. Wanneer hierdie teikens nie gehaal word nie, is die huidige kultuur of praktyk in die munisipaliteit is dat niks van belang gebeur nie. Hoewel die bevindings tot die gevolgtrekking gekom dat daar erkenning van die belangrikheid van prestasie-meting instrumente in die munisipaliteit bestaan, die munisipaliteit nog steeds uitdagings ondervind wat veroorsaak word deur dat die hersieningsproses is nie deursigtig en nie aan alle belanghebbendes gekommunikeer word nie, die gebrek aan toewyding van top bestuur en 'n reaktiewe benadering deur die bestuur en politieke ampsdraers.

Die proses het gelei tot 'n gebalanseerde telkaartmodel vir die Joe Gqabi Distriksmunisipaliteit. Die model is gevalideer deur 'n fokusgroep oefening waarby alle belanghebbendes betrek was om die praktiese toepaslikheid te illustreer en om as 'n maatstaf gebruik te kan word om in die toekoms organisatoriese prestasie en verbetering te evalueer. Die gevalideerde gebalanseerde telkaartmodel en 'n waarde-gebaseerde dienslewering verbeteringsmodel word aan die munisipaliteit aangebied as 'n bydrae tot die oplossing van die uitdagings wat in die studie geïdentifiseer was.

DEDICATION

I would like to dedicate this work to my parents who have encouraged and made me believe that with hard work and perseverance I can achieve my goals. I would also like to dedicate the success of this study project to my late daughter Olonathando Ndevu, umaBhayi, uMvundle, uKhetshe. Lala ngoxolo Msuthu, you will always have a special place in my heart.

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ABBREVIATIONS

AHP:	Analytic Hierarchy Process
ANC:	African National Congress
ASGISA:	Shared Growth Initiative of South Africa
BSC:	Balanced Scorecard
CoGTA:	Co-operative Governance and Traditional Affairs
COSATU:	Congress of South African Trade Union
CRDP:	Comprehensive Rural Development Plan
DEIC:	Dutch East India Company
EPWP:	Expanded Public Works Programme
GEAR:	Growth, Employment and Redistribution Strategy
IDP:	Integrated Development Planning
JDGM:	Joe Gqabi District Municipality
KPI:	Key Performance Indicator
LED:	Local Economic Development
MIG:	Municipal Infrastructure Grants
NP:	National Party
NPM:	New Public Management
PBSC:	Personal Balanced Scorecard
OBSC:	Organisational Balanced Scorecard
RDP:	Reconstruction and Development Programme
RSA:	Republic of South Africa
SACP:	South African Communist Party
SALGA:	South Africa Local Government Association
SDBIP:	Service Delivery Budget and Implementation Plan
SMART:	Specific, Measurable, Realistic and Time-bound

CHAPTER 1

CONTEXT AND RATIONALE OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE STUDY

“The beginning of knowledge is the discovery of something we don’t understand.”

Frank Herbert

Democratic South Africa has introduced two important changes at local government level that have defined the process of service delivery. In the first instance, Section 40 (1) of the Constitution of the Republic of South Africa (RSA, 1996) (previously referred to as Act 108 of 1996 and now only referred to as The Constitution), renders local government as a distinct sphere of government, which in terms of Section 41 (1) is autonomous vis-à-vis the national and provincial spheres of government. Secondly, in terms of Section 152 of the Constitution of the Republic of South Africa (RSA, 1996), one of the objects of this new system of local government is “to promote social and economic development”.

The net effect of these changes has been the establishment of what is generally referred to as developmental local government. The concept of developmental local government was first alluded to in the Constitution of the Republic of South Africa, 1996 (see Section 153). According to Section 153 (a), municipalities must structure and manage their administration, budgeting and planning processes in such a way that priority is given to the basic needs of the community and to promote the social and economic development of the community (RSA, 1996).

Subsequently, the White Paper on Local Government was introduced in 1998, which has given substance to the concept of developmental local government. The White Paper discusses the characteristics of developmental local government, identifies a series of development outcomes and proposes several tools to assist municipalities to become developmental (RSA, 1998:17). This makes the importance that national government attaches to service delivery at local government level quite evident.

Furthermore, the White Paper deals with two interrelated and equally important aspects of developmental local government. The first concept that it deals with is Integrated Development Planning (IDP), which “provides a powerful tool for municipalities to facilitate integrated and co-ordinate service delivery within their locality” (RSA, 1998:19). Secondly, it also refers to the concept of Performance Management that ensures that IDP is being implemented and that municipalities are having the desired development impact. The concepts of IDP and Performance Management are dealt with extensively in Chapters 5 and 6 respectively of the Municipal Systems Act (32 of 2000) (RSA, 2000a).

Local government forms that part of the public sector which is closest to citizens and is therefore indispensable in its role of providing essential goods, services and developing the local area. This study examines the role of local government in improving service delivery in South Africa with special reference to the Joe Gqabi District Municipality in the Province of the Eastern Cape. This province, the second biggest in the country, is a predominantly rural province. Rural development is an important goal of local government in the Province of the Eastern Cape that requires immediate attention.

The provincial Department of Rural Development and Land Reform has been mandated by the ruling African National Congress (ANC) party through National Government to develop a different approach to rural development, an approach that places rural areas at the centre of development and service provision. The approach should enable rural communities to take control of their destiny, receive support from government and deal effectively with rural poverty through optimal resource use and management. This will be achieved through coordinated and integrated agrarian transformation as well as strategic investment in economic and social infrastructure that will benefit rural communities. The approach can only be successful when it becomes apparent that *sustainable and vibrant rural communities* are developing in South Africa (Comprehensive Rural Development Programme, 2009).

South Africa, like other African countries such as Mozambique, Swaziland, Zambia and Zimbabwe, is faced with development challenges such as poverty, unemployment and lack of delivery of basic services. Development initiatives have been undertaken in South Africa such as poverty alleviation projects and provision of basic services, for example, clean running water, electricity, refuse removal and sanitation.

Persistent high levels of poverty and food insecurity in rural areas have implications for public policy and the design of a strategy to reduce poverty and improve service delivery. Due to the geographical dispersion of rural poor, it is more expensive for National Government in South Africa to provide Provincial Government and Local Government with public infrastructure, social services and safety environment equivalent to those provided to urban communities. The above background is given to illustrate problems that municipalities in rural areas encounter in their quest to provide basic municipal services to the communities they serve.

1.2 THE PROBLEM STATEMENT

Post-1994 democratic South Africa has seen much effort being put into the design and implementation of government programmes intended to redress past and present inequalities. These efforts first fell within the framework of the Reconstruction and Development Programme (RDP), designed to reduce poverty and inequality through revival of economic growth, human resource development and broad-based ownership of assets to achieve growth with equity. Then the RDP was supplemented by the Growth, Employment and Redistribution Strategy (GEAR), aimed at minimizing the role of the state in the delivery of services. Then came the Accelerated and Shared Growth Initiative of South Africa (ASGISA), which has now been supplemented by the New Growth Plan. With regard to local government, Project Consolidate (2002) was implemented to improve service delivery but due to resources limitations it was replaced by the Local Government Turnaround Strategy in December 2009 which aimed at addressing challenges and identifying immediate priorities to accelerate service delivery in Local Government, especially in rural areas.

Programmes such as the Municipal Infrastructure Grants (MIG) and Expanded Public Works Programme (EPWP) brought about relatively visible changes for rural communities in the areas of electrification, potable water, sanitation and roads. However, rural communities are still characterised by high levels of poverty.

The income of rural communities is constrained because the rural economy is not sufficiently vibrant to provide either remunerative and sustainable jobs or self-employment opportunities. Part of the explanation for this state of affairs is that rural areas are sparsely populated with a weak manufacturing base and poorly developed infrastructure, exacerbated by weak human resource capacity due to urban migration (Ntsebeza, 2004: 1). Despite all the efforts made by the previous governments of South Africa to address poverty in rural areas of the country, local government, for reasons that remain unresolved, still plays a minimal role in addressing these problems. The lack of infrastructure entrenches the problems of poverty and limits the potential of communities to sustain economic growth, rural livelihoods and social development. Efforts to extend provision of basic services to all the people are slow to reach rural areas and farm-dwellers, even while most urban communities have access to free basic services.

1.3 RESEARCH QUESTIONS PERTAINING TO THE STUDY

The critical question to be addressed in this research is to what extent would a balanced scorecard model for improving performance measurement in service delivery in local government assist in eradicating current challenges?

1.4 THE AIM OF THE STUDY

The aim of the study is to develop a balanced scorecard evaluation model for improving performance measurement in South African local government, although the model will be tailor-made for the Joe Gqabi District Municipality.

1.5 SIGNIFICANCE OF THE STUDY

- The study will make a positive contribution to the field of public administration, service delivery and development alike via a balanced scorecard evaluation model and a set of recommendations to improve the situation.
- The study will contribute to the body of knowledge of the role of local government in service delivery. It will be useful in the sense that students, policy makers and practitioners in the fields of development and public administration will use the study as their point of reference.
- The study will contribute to academic research. This study will keep its relevance to the area of local government. As such, both government institutions and scholars relevant to the discipline of public administration can use the study to further their academic research.
- Local government: the study will be a useful reference for the Joe Gqabi District Municipality. It will open up areas of attention in accelerating service delivery and developing communities. Consequently, the findings of the study will be able to assist in solving developmental challenges. The study results can be used as a benchmark against which improvements can be measured.

1.6 OBJECTIVES OF THE STUDY

The objectives of the study are to:

- Provide a historical overview of South Africa local government in service delivery;
- Investigate the nature and the extent of organisational effectiveness in service delivery at local government;
- Perusal of the legislative and policy framework applicable to local government in South Africa to better understand the legal environment in which local government operates;
- The administration of questionnaires and structured interviews to elicit information from all stakeholders on the role of local government in service delivery;

- Develop a BSC tool/instrument and applied to the Joe Gqabi District Municipality as a case study using the validation of a focus group session to establish the influence of balanced scorecard on service delivery;
- Present a customised BSC for the Joe Gqabi District Municipality as a performance measurement approach; and
- Present a set of recommendations on organisational effectiveness and performance measurements in the Joe Gqabi District Municipality.

1.7 CONCEPTUAL CLARIFICATION OF TERMS

1.7.1 Development

Mokale and Scheepers (2006:134) define development as the process of improving the economic dimension of the lives of those who reside and work in a municipal area or municipal district as part of the local government process. The Collins English Dictionary (1982:405) describes the concept as amongst other things a fact, event, or happening, especially one that changes a situation from a currently undesirable to desirable. According to Todaro (1994:16), development must be understood as a multidimensional process involving major changes in social structures, popular attitudes and national institutions as well as the acceleration of economic growth, reduction of inequality and the eradication of poverty.

Development essentially must represent the whole gamut of change by which an entire social system attuned to the diverse basic needs and desires of individuals and social groups within it moves away from a condition of life widely perceived as unsatisfactory toward a situation or condition of life regarded as materially better. In the context of this study, development is a process of change, movement from an unsatisfactory situation to a more desirable situation that is beneficial to the community.

1.7.2 Service delivery

Service delivery is a joint, concerted, uniform and objective process to provide for goods and services. It should meet community expectations through the provision of

goods and services (Du Toit, Van der Walt, Van Niekerk, Doyle and Knipe; 2002:128).

In this context, service delivery refers to the provision of services to communities by municipalities. This is the core business of local government in the country. Failure to deliver these services effectively would signal the incompetence of the municipality to execute its duties adequately and accurately.

1.7.3 Poverty

The term refers to the notion of lack of material, especially resources necessary for survival. At their most crude, poverty studies and definitions have resorted to identifying what goods a person would require to survive. Dignity is also another important aspect as poverty threatens one's self-respect and leads to non-fulfilment of social obligations in society (Mbeki, 2007). In the context of this study, poverty is used to explain the level of access to service delivery that the targeted communities have.

1.7.4 Local government

According to Cameron and Stone (1995:33), local government has the authority and functions necessary to provide services for the maintenance and promotion of the well-being of all people within their area and should provide access to basic services such as water, electricity and health care. For the purposes of this study, local government is referred to as the third government sphere that is closest to the people and located within the community.

1.8 RESEARCH DESIGN AND METHODOLOGY

The approach that was adopted in the study is qualitative and quantitative style of data collection to increase reliability of the results. The qualitative and quantitative methodologies were found to be effective tools for gaining insight through discovering meanings. It is further stated that no single model of reality holds objective authority qualitative and quantitative research: reality is based on perceptions and understanding of the field of research, which is different for each

person/source and changes over time. A transdisciplinary research approach was used in the study, the methodology detailed description found in chapter five of the study.

The researcher used the case study design in answering the research question. A case study approach is an intensive, systematic investigation of a single individual, group or community typically conducted under naturalistic conditions in which the researcher examines in-depth data related to background, current status, environmental characteristics and interactions. In the study, a single case study was chosen by the researcher for conducting in-depth analysis of the Joe Gqabi District Municipality with the focus on service delivery tools within the municipality.

1.8.1 The qualitative component

In the qualitative approach, the researcher made use of interviews to collect data in order to explore the current challenges of service delivery and discover the opinions of different stakeholders regarding service delivery with a view to determining which strategies might work better, according to their knowledge and experience. The various stakeholders within the municipality have potentially given valuable input about factors that might influence service delivery improvement. These factors included the possible risks or opportunities related to stakeholders' approach and attitude towards service delivery performance measurements within the municipality. During these interviews the researcher attempted to get unrestricted answers by using semi-structured questions (see Annexure H). Content analysis was used to analyze the collected data, linking it to the literature review.

1.8.2 The quantitative component

The quantitative method approach was used because it is linked with analytical research methodology: its sole aim is to arrive at a generally acceptable conclusion within the research field. In this approach, the researcher assigns predetermined symbols or figures to observations by counting and measuring outcomes produced by data analysis process through the method discussed in detail in Chapter five. In line with the above explanation, a questionnaire will be used to illicit information from stakeholders within the municipality including but not limited to members of the general public.

1.9 POPULATION SAMPLE

South Africa has nine provinces with municipalities under their jurisdiction; the research focuses on the Eastern Cape Province, which has two metropolitan and six district municipalities. For the purpose of this study, the researcher has selected one district municipality, Joe Gqabi District Municipality, which is classified as a category C municipality. This district has four local municipalities namely Gariiep, Elundini, Maletswai and Senqu.

This municipality was chosen because it is predominantly rural. The samples that will be selected include all role-players within the municipality: political office bearers, officials, members of the public, organized business, and civic and agricultural organisations within the municipal jurisdiction.

1.10 DATA COLLECTION TECHNIQUES

The following data collection techniques will be used in the study, with Figure 1.1 as a summary:

1.10.1 Interviews

The interviews were conducted by the researcher in person. The purpose and reason for the interview session was explained to all respondents in advance by the researcher. The researcher also explained that all information given in the session would be treated confidentially; none of the respondents names would be mentioned in the research document. The commencement dates and times for interviews were determined by arrangement between the researcher and interviewees within the research framework, as outlined in the research framework in Chapter five.

Approximately twenty-five interviews were conducted. A minimum of twenty interviews was regarded as an acceptable representative of the targeted sample of twenty-five. Each interview was planned for duration of thirty minutes at a venue and time convenient to the interviewee.

1.10.2 Questionnaires

The researcher randomly distributed questionnaires to all stakeholders within the municipal jurisdiction, including municipal political office bearers, officials, general members of the public and organized formations within society, with the purpose of gathering data on service delivery within the municipality. The questionnaire allows participants to voice their opinions anonymously, without fear of victimization, so that the answers reflect the interviewees' true feelings and thoughts and indicate the challenges and opportunities that the municipality is faced with.

The questionnaire was distributed amongst a randomly selected sample of members of the public within the municipalities under investigation. Approximately eighty questionnaires were distributed. The questionnaires were written in English, with an option to use isiXhosa with direct translation to be carried out by the researcher where necessary. A minimum of sixty questionnaires returned by participants was regarded as acceptably representative of the target sample of eighty.

1.10.3 Focus group

A focus group comprises a small number of individuals or interviewees drawn together for the purpose of expressing their opinion on a specific set of open questions is used in the study. A session with stakeholders was convened for the purpose of populating the balanced scorecard evaluation model.

1.10.4 Documentations, articles and books

The reports of previous financial years (2011/12 and 2012/13) by the Auditor-General in the Province (Eastern Cape), the Integrated Development Plan (2012/13) and the Service Delivery Basic Plan (2012/13) pertaining to the identified district municipality are reviewed by the researcher to identify gaps in the recommendations and implementation phases. The reviews take into consideration prescriptive legislations, peer-reviewed academic and newspaper articles and textbooks on performance measurement and management. Articles and books relevant to the role of local government in service delivery with specific reference to performance measurements are reviewed to identify shortfalls in both theory and practice.

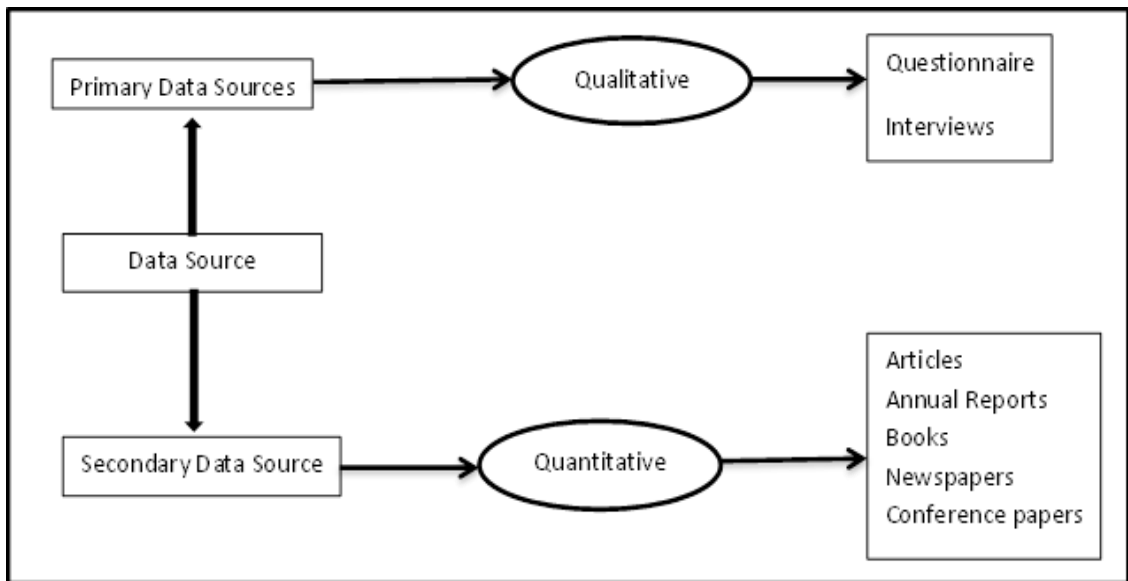


Figure 1.1: Data collection Techniques

Source: Adapted from Lobe (2005: 61)

1.11 STUDY LIMITATIONS

- The scope of this study is limited to the jurisdiction of the Eastern Cape Province and the identified district municipality (Joe Gqabi) only. Other municipalities and provinces in the country and other countries are cited purely for reference and comparative purposes.
- The scope of this study is limited to the Department of Local Government in the Eastern Cape, any reference to other governmental departments of Local Government in the country or elsewhere being purely for reference or comparative purpose.
- The scope of this study is limited to the role of local government in service delivery, any reference to other activities or mandated responsibilities of local government being purely for reference or comparative purpose.

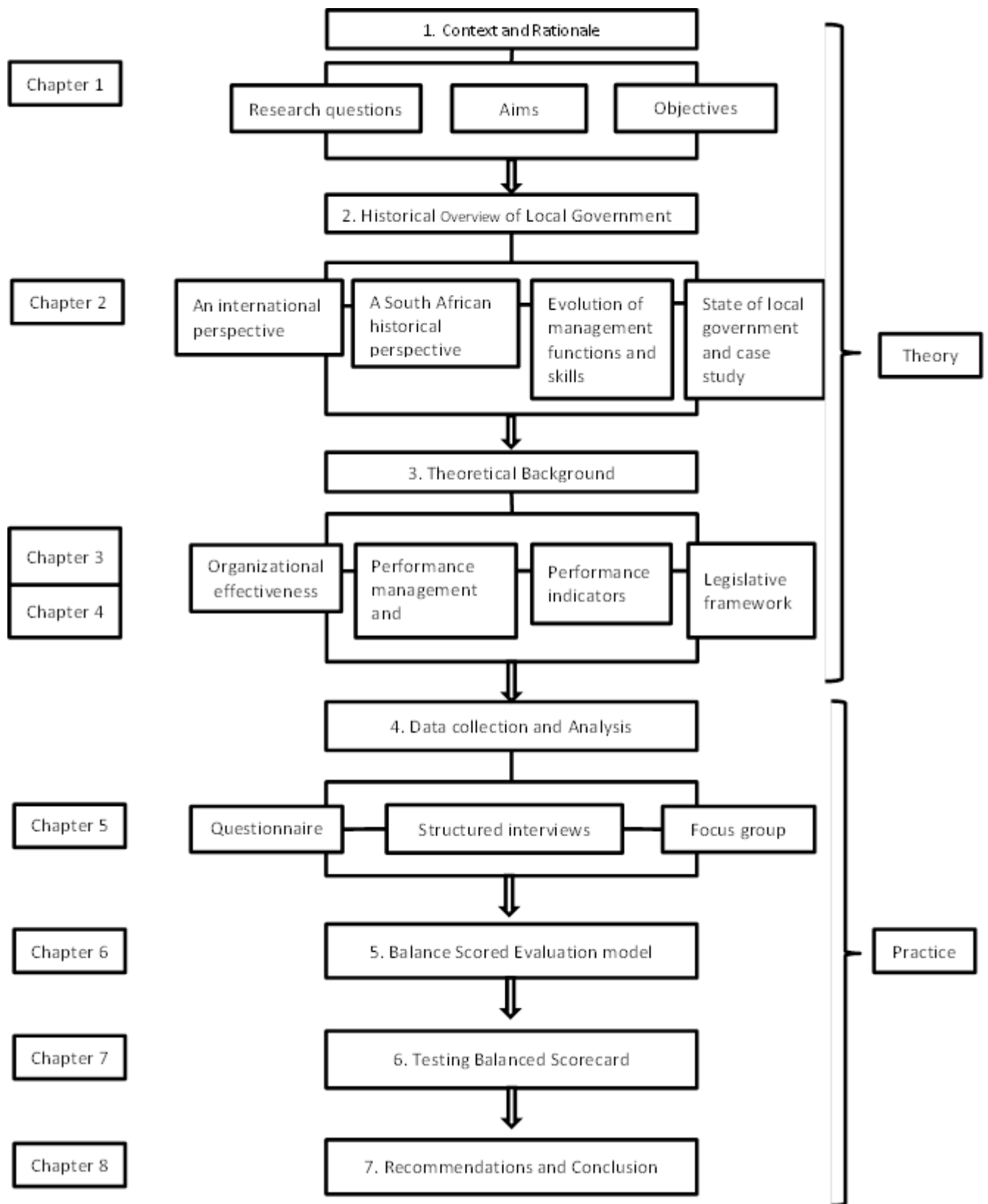


Figure 1.2: Research design and framework

Source: Author

1.12 THE RESEARCH FRAMEWORK

The research design and framework as illustrated in Figure 1.2 proceeds as follows:

Chapter 1: Context and rationale for the study

This chapter comprises an introduction to the study, including clarification of terms, problem statement, study aims and objectives, key research questions, and study significance. Attention is also given to research methodology and study flow.

Chapter 2: A historical overview of local government

This chapter provides an overview of the historical perspective of service delivery in local government with emphasis on international perspective, South African perspective, evolution of management functions and skills, state of local government as a reflection exercise and, lastly, service delivery challenges within the South African context. This chapter also presents more information on the Joe Gqabi District Municipality as a case study.

Chapter 3: A theoretical perspective of organisational effectiveness

This chapter covers the theoretical perspective on organisational effectiveness, looking at approaches, strategies and tactics. Performance management and measurement in the public sector in general and in the South African context in particular are investigated with a view to finding similarities and contrasting views. Methods and strategies used to develop performance indicators are also examined.

Chapter 4: Legislative and policy framework applicable to local government in South Africa and case study

This chapter focuses on the legislative framework pertaining to service delivery in local government, including the Constitution of the Republic of South Africa (1996), the White Paper on Local Government (Notice 423 of 1998), White Paper on Transformation in the Public Service (1995), Municipal Systems Act (32 of 2000), Municipal Structures Act (117 of 1998), the Skills Development Act (97 of 1998) and other relevant policy and legislative frameworks.

Chapter 5: The empirical study: data collection, analysis of survey data and findings

This chapter includes a report on the administration of the questionnaire, structured interviews and focus group session conducted by the researcher in order to meet the research objectives. Data received are analysed and interpreted with the assistance of a qualified statistician of Stellenbosch University; research findings are described.

Chapter 6: The Balanced Scorecard model: A performance measurement model

This particular chapter aims to develop a normative model for improving service delivery in the Joe Gqabi District Municipality through a balanced scorecard evaluation form that monitors and accurately reports on performance measurements within the municipality. The chapter builds on the findings of Chapters three, four and five. A proposed balanced scorecard evaluation form is presented in this chapter incorporating data collected in the above mentioned chapters.

Chapter 7: Testing and population of the Balance Scorecard model

This chapter gives an account of the testing of the balanced scorecard evaluation form by invited stakeholders representing all identified sectors within the community, chamber of commerce, organised commercial agriculture and the municipal representatives.

Chapter 8: General conclusions and recommendations

This chapter provides recommendations as well as a summary and conclusion of the study.

CHAPTER 2

A HISTORICAL OVERVIEW OF LOCAL GOVERNMENT

2.1 INTRODUCTION

This section provides a brief historical overview of selected theories and literature from various sources on local government. A critical review of scholarly work from various authors in the field of Public Administration and Management is undertaken to give a scientific context.

According to Reddy (1999:9), local government is a second or third level of government deliberately created to bring government to the local population as well as to give its members a sense of involvement in the political processes that control their daily lives. Binza (2010:242) argues that local government is a government of a city, country, parish, township, municipality, borough, board or district closest to the people and where people are inclusive in its processes of governance, service delivery and sustainable socio-economic development that are central in creating jobs for the masses.

Every country in the world has this level of government, although the nature and the extent to which it improves the lives of citizens and provides local public goods and services differ. The nomenclature for local government varies across government systems, in Britain, for example, it is referred to by the terms *borough* or *parish*, while in Sweden it is called *cantons* and in South Africa it is called a *municipality*, a *metropolitan*, a *district* or a *city* (Binza, 2010:242).

Du Toit and Van der Waldt (1999:22), state that ample proof exists indicating that service delivery to citizens originated thousands of years before the birth of Christ. People were prepared to live in close proximity with others and be subjected to a form of governing body, giving rise to service delivery. Service delivery in this context includes protection by an acceptable governing body. In exchange for being governed and protected, citizens expect the governing body to maintain an orderly community (Hattingh, 1986:1).

This agreement confirms that the governing body's responsibility is to govern on behalf of the citizens of the country and to protect their interests. This responsibility further implies that the governing body is responsible for service delivery to the community. A brief discussion on local government and a broader concept of public administration will serve to set the scene for a more specific discourse on public management and service delivery in local government.

2.2 AN INTERNATIONAL PERSPECTIVE ON LOCAL GOVERNMENT

According to Stromberg and Westerstahl (1984:12), during mediaeval times, early forms of local government were already operating in rural areas in countries like Sweden, where in the absence of hard forms of feudalism, the peasants remained free and enjoyed the right to make their own decisions in local assemblies and executive collective tasks in a framework of voluntary work. This view is also confirmed by Stewart (2000:30), who discusses the emergence of modern British local government from origins embedded in the local community at length.

Another historical form of local government originated from ecclesiastical parishes which, while standing under the direction and guidance of the church, were also engaged in community-related service delivery activities. Local self-government in an already advanced form was exercised in medieval towns and cities which, in England, were founded by royal charters, while in Germany they were quasi-republican islands, enjoying the status of free imperial cities amidst absolutist monarchic states and territories (Wollmann, 2006:1421).

Although ruled by aristocratic, commercial and artisanal elites, such towns and cities were constituted by their citizens collectively, facilitating the emergence of a civic tradition. In line with this development, the introduction and design of modern local government, as it evolved in the late 18th and during the 19th centuries, were premised on the community collectively. The first path-breaking step towards modern local government was taken in Europe by the French revolutionary Assemblée Constituyente, with the adoption of the municipal legislation of 1791 whereby the

communes were created on the territorial basis of France's 40000, century-old, ecclesiastical parishes (Wollmann, 2006:1421).

According to Stewart (2003: 27), the Prussian Municipal Charter of 1808 (Europe's first municipal charter) revolved around the municipal commonwealth, which was seen to be made up of the citizens. When modern local government was introduced to 78 English towns by the Municipal Corporation Act of 1835, the corporation, as the effective local government was known, was understood as being based on the contribution of community members (Stewart, 2003:27).

In the researcher's view, it is important to share a brief historical evolution of local government in Africa so as to lend context to the discussion. According to Reddy in Binza (2010: 246), the evolution of local government in Africa was informed by five stages:

- Pre-colonial period: indigenous self-rule under various forms of traditional chiefdoms and kingdoms.
- Colonial period: modern municipalities were established in urban areas where most Europeans and Westerners resided. In addition, traditional leaders were in charge of some municipalities mostly situated in rural or urban outer peripheries with the colonial power in a system of indirect rule. Indirect rule was common to all the British colonies, including South Africa: the British hand was felt through the indigenous or traditional leaders under supervision of the Colonial District Commissioner responsible for political, law and order and judicial functions. Matters were worse in all French colonies prior to 1918, as French policy was based on assimilation and the direct rule system of governance, with colonial administrators operating from municipal centres right down to village levels.
- Transition period: this is when Africans were preparing for their independence. Agreements between the colonial masters and African leaders were signed, leading to the establishment of democratic local governments; although in some African states they were short lived due to factors such as corruption, tribalism and lack of developmental vision.
- Post-honeymoon period: characterised by administrative and political centralisation by either one party or military regimes. In most states, local

governments served as puppets of central/national government, leading to a progressive decline in competence, resources, legitimacy and service delivery.

- Contemporary new dawn: this period started from the mid-1980s in some states and early 1990s in other states.

2.3 SOUTH AFRICAN LOCAL GOVERNMENT: A HISTORICAL PERSPECTIVE

According to Du Toit *et al.* (2002:100), to transform is to change the character of local government completely. The nature of changes at local government level in South Africa over the past decades matches this definition. As the following discussion will illustrate, not only has there been “complete” democratization of local government structures, there has also been a “complete” paradigm shift from a regulatory system of local government to a developmental one.

2.3.1 The Dutch East India Company

The Dutch were the first Europeans to settle in South Africa. In 1652, Jan van Riebeeck founded the first permanent settlement in the Cape on behalf of the Dutch East India Company (DEIC). Initially, his mandate was limited to establishing a halfway station to revictual ships en route to India with fresh food and provide hospitalisation to sick traders moving from Western Europe to the East and those traveling the opposite direction (Binza, 2005: 71). According to Ismail *et al.* (1997:62), the local governance of Jan van Riebeeck and his successors served only the interests of the DEIC and not those of the general population within the Cape area.

In 1657, when the experiment of having only a halfway station proved too costly and difficult to sustain, the DEIC released nine of its employees to establish their own territories. These free burghers, as they were known, were each given 30 acres of land on which to farm (Ismail *et al.*, 1997:37). According to Parker and Pfukani in Ismail *et al.* (1997:38), this exercise led to the creation of a group of people who were interested primarily in the development of the Cape as a settlement.

By the late 1650s, the burgher population had reached well over 400, which included slaves, half-castes and detribalized Khoi-Khoi. This, together with the need to access more grazing land in order to meet the increasing demand for meat, caused the free burghers to move further inland (Ismail *et al.*, 1997:38).

It was this movement into the interior that necessitated the development of a system of local government around the Cape (Parker and Pfukani in Ismail *et al.*, 1997:39). Local government had to be established in the rural areas to effectively administer the local affairs of these outlying areas. It can be inferred, therefore, that local government in these areas developed out of a need for control and regulation. Binza (2005:72) states that Stellenbosch in 1679 was the first region to be so administered, followed by Drakenstein in 1687, Swellendam in 1745 and Graaff-Reinet in 1786.

Cloete (in Binza 2005:72) states that the municipalities of that time were governed by 'heemraden'- a council system used to solve farming affairs - and a 'landdros'- a magisterial system used to manage local affairs. This type of local government system stemmed from Holland, where the office of 'heemraad' dates back to the 13th century lower courts.

2.3.2 The British influence

The British occupied the Cape in 1806 for the second time, after a brief initial occupation from 1795 to 1803. According to Binza (2005:73), the second period of British influence serves as a point of departure in explaining the constitutional and administrative developments of local government at the Cape. Binza further characterises the constitutional developments as the introduction of the doctrine of separation of powers. This means there are three components of government:

- the legislative body, which has the responsibility to make laws;
- the executive body, which has the responsibility to implement laws or policies;
and
- the judicial body, which has the responsibility to adjudicate when subjects trespass or act in conflict with the laws..

The British influence introduced the English system of government. In 1836, the Cape Municipal Ordinance (Ordinance 9 of 1836) was promulgated, which relied

extensively on the English Municipal Corporation Act of 1806 (Act 18 of 1806). This resulted in the importation of British local government conventions and terminology such as “mayor”, “town clerk” (currently referred to as municipal managers), “councillors” and “wards” (Craythorne in Binza, 2005:73; Marais, 1989:15).

The administrative developments involved the formation of departments and the development of infrastructure to accelerate service delivery and economic growth. Marais (1989:87) states that the South African public service during this period went through a number of stages culminating in fully representative and adequately suitable legislative institutions. Towns and cities established during this period include Port Elizabeth in 1820, Durban in 1828, Bloemfontein in 1846, Pietermaritzburg in 1839, Pretoria in 1855 and Johannesburg in 1886 (Marais, 1989:64).

2.3.3 The Union of South Africa

In 1910, the Union of South Africa created a unitary state comprising the previously autonomous provinces of the Cape, Transvaal, Orange Free State and Natal, as provided for in the South Africa Act 1909. This, according to Cameron in Ismail *et al.* (1997:43), led to the surrender of most of their powers and functions to the central government.

Local government became the third tier of government after the central and provincial governments. However, it had no autonomy and bylaws could only be made within the parameters of central and provincial legislation (Ismail *et al.*, 1997:43-44).

2.3.4 The National Party Rule

When the National Party (NP) came to power in 1948, it introduced the policies of apartheid and separate development, which divided local authorities along racial lines into White local authorities, Black local authorities, Local Affairs Committees for Indians in Natal, and Management Committees for Coloureds and Indians in the rest of the country (Ismail *et al.*, 1997:45). According to Ismail *et al.* (1997:45), the NP developed one of the most highly centralized and fragmented political and administrative systems in the western world – one which was inherently control oriented.

Ismail *et al.* (1997:47) also point out that local government was viewed as an agent of the State and local authorities; therefore it had to manage their affairs in terms of the apartheid framework. For example, Black local authorities had to quell dissatisfaction and uprisings in the townships, which were directed at the central government (Ismail *et al.*, 1997:51). These apartheid local government structures, according to Ismail *et al.* (1997:62), lacked legitimacy and popular support, serving only to control and regulate local structures on behalf of the central government.

Ismail *et al.* (1997:57-58) observe that the net results of the apartheid local government were the following:

- Racial inequality: there were serious disparities between the affluent White and undeveloped Black local authorities.
- Top-down planning and centralized hierarchies: planning and important decisions were centralized in the top echelons without input from other stakeholders.
- Monopolisation of knowledge: senior professional administrations had a monopoly of knowledge, with the elected politicians having to formulate policies within the constraints and parameters set by them.
- Rules, not quality: officials were judged according to their ability to conform to the rules and procedures, rather than by the quality of services to consumers.
- Marginalisation of the citizen: citizens played a passive role, limited paying for goods and services: no consultation took place to determine their needs.

2.3.5 The post-apartheid era

The post-1994 era is characterised by the promulgation of legislation and policies that establish different spheres of government, leading to the local sphere of municipalities in South Africa. According to Ndletyana and Muzondidya (2010:24), the promulgation of legislation and policy was intended to integrate and de-racialise municipal government, enrich its resource base and capacity and promote popular participation within municipal government to render it accountable to local communities.

Integration, which yielded de-racialised and financially better-resourced local government structures, took precedence over all other aspects, leading to a drastic reduction in the number of municipalities from more than 1000 prior to 1990, down to 830 after 1994 and further down to 278 by December 2000, as illustrated in table 2.1 (Ndletyana & Muzondidya, 2010:24). The new democratic South Africa has introduced two important changes in local government that have marked the process of transformation.

In the first instance, Section 40 (1) of the Constitution (1996) renders local government as a distinct sphere of government which, in terms of Section 41 (1), is autonomous vis-à-vis the national and provincial spheres of government.

Secondly, in terms of Section 152 of the Constitution of the Republic of South Africa (1996), the objectives of local government, include the following:

- Provide democratic and accountable government to local communities;
- Provide services in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of local government (RSA, 1996).

The net effect of these changes has been the birth of what is generally referred to as developmental local government. This concept was first alluded to in the Constitution of the Republic of South Africa (1996) (Section 153). According to Section 153 (a), municipalities must structure and manage their administration, budgeting and planning processes in such a way as to prioritise the community's basic needs and promote its social and economic development.

Section 155(1) in the Constitution of the Republic of South Africa (1996) provides for three categories of local government (municipalities):

- Category A municipality: refers to a municipality that has the authority to make by-laws applicable to its areas of jurisdiction. They are metropolitan types of municipalities.

- Category B municipality: refers to a municipality that shares municipal legislative and executive authority in its areas of jurisdiction with category C municipalities that fall within them.
- Category C municipality: refers to a municipality that has legislative and executive authority in an area that includes more than one municipality. They are district types of municipalities (RSA, 1996).

Table 2.1: Local government structures post-apartheid

Type of local government structure	Prior to 2000	Post 2000
Transitional metro council	6	
Transitional metro substructure	24	
Transitional local council	494	
District	52	
Local council	58	
Representative councils	196	
Category A		10
Category B		228
Category C		46
Total	830	284

Source: Ndletyana and Muzondidya (2010: 25)

Municipalities can make by-laws, according to Section 156(2) of the Constitution (RSA, 1996). However, Section 156(3) states that these should be consistent with legislation passed by other spheres of government (national and provincial). Section 139 of the Constitution (RSA, 1996) mandates the provincial sphere of government to intervene in local government (a municipality) within its provincial jurisdiction when local government does not or cannot fulfil the objectives discussed in the previous paragraph. It can therefore be deduced that clear constitutional provisions exist to hold local government accountable.

However, Thornhill (2010:78) contends that recent service delivery protests in the country indicate that communities believe local government does not respond to their

requests for services and does not satisfy their demands. The introduction of the White Paper on Local Government (referred to henceforth as the White Paper) in 1998 has given substance to the concept of developmental local government. The White Paper discusses the characteristics of developmental local government, identifies a series of development outcomes and proposes several tools to assist municipalities to become developmental (RSA, 1998:17).

The importance that national government attaches to transformation at local government level is quite evident from the following extract taken from the White Paper (RSA, 1998:17):“Where municipalities do not develop their own strategies to meet community needs and improve citizens’ quality of life, national government may have to adopt a more prescriptive approach towards municipal transformation”.

Furthermore, the White Paper deals with two interrelated and equally important aspects of development local government. The first concept is Integrated Development Planning (IDP), which “provides a powerful tool for municipalities to facilitate integrated and co-ordinated delivery within their locality”.

Secondly, it also refers to the concept of Performance Management that “ensures that (Integrated Development) plans are being implemented and that they are having the desired development impact” (RSA, 1998:19).

The concepts of IDP and Performance Management are dealt with extensively in Chapters 5 and 6 respectively of the Municipal Systems Act (32 of 2000) (RSA, 2000a) because of the pivotal role assigned to the IDP and Performance Management concepts within the system of developmental local government in South Africa, discussed in detail in the following section.

2.3.6 **Integrated Development Planning**

Transformation at local government, from regulatory to developmental, is represented by the process of Integrated Development Planning (IDP). Section 35 (1) of the Municipal Systems Act (RSA, 2000a), refers to IDP as the “principal strategic

planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”. Therefore, anything and everything a municipality does will have to comply with the guidelines outlined in the IDP.

What follows is a discussion of the facets of IDP regarded as essential, in terms of the Municipal Systems Act (RSA, 2000a):

- **Adoption and management**

In terms of Section 30 of the Municipal Systems Act (RSA, 2000a), the driving force behind the drafting of the IDP must be the executive committee or the executive mayor or, lacking these, a committee appointed by the Council. The office-bearers or committees in charge of the drafting process must assign the responsibilities of drafting the IDP to the Municipal Manager. Once the IDP has been drafted, the Council must, in terms of Section 24, adopt the plan as the blueprint for the development of the municipality.

- **Minimum content**

The IDP has to comply with the following minimum requirements, as set out in Section 26 of the Municipal Systems Act, before it can be legally adopted by a municipality:

- Assessment of existing levels of development, including an identification of communities excluded from services;
- Development priorities and objectives, including local economic development aims and internal transformation needs;
- Development strategies, which must be aligned with national and provincial plans and planning requirements;
- A spatial development framework, including basic guidelines for land use management;
- Operational strategies;
- Disaster management;
- A financial plan, including a budget projection for at least the next three years; and

- Key performance indicators and key performance targets (RSA, 2000a).

2.3.7 Community participation

Community participation in the IDP process is of paramount importance, in line with Section 152 (1) of the Constitution of the Republic of South Africa (1996), which encourages the involvement of communities and community organisations in local government. It is evident from this discussion that the IDP is essentially about planning. However, it is also important to ensure that those plans are implemented. Performance management serves to fulfil this function and is, for all intents and purposes, an extension of the IDP, as the following discussion shows.

2.3.8 Performance management

Plans could easily be derailed if, after their implementation, they are not evaluated. To safeguard against this possibility, the IDP has a built-in evaluation mechanism. In Section 38 (a) (iii) of the Municipal Systems Act (RSA, 2000a), it is stipulated that “a municipality must establish a performance management system that is in line with the priorities, objectives, indicators and targets contained in its integrated development plan”. Such a performance management system should, in terms of Section 41 (1), include the following key components:

- Key performance indicators (KPIs) that will serve as a yardstick for measuring performance with regard to the municipality’s development priorities and objectives;
- Measurable performance targets with regard to the identified development priorities and objectives;
- Monitoring of performance;
- Measurement and review of performance; and
- A process of regular reporting to the Council, the public and appropriate organs of the state (RSA, 2000a).

As with the IDP, community involvement is also regarded as crucially important, particularly in the development, implementation and review of the municipality's performance management system (Section 42).

2.3.9 Evaluation

Many changes have taken place in local government since the days of the DEIC rule. Considering the state of local government at present, there is little doubt that transformation has taken place. Developmental local government represents a revolution at local government sphere. For human resources, this transformation means a new dispensation with a different set of challenges. It requires a paradigm shift from the previous regulatory and oppressive mind set to one geared towards promotion of economic and social development of local communities.

However, before testing the above theory, it is worth considering the views of certain writers about the implications of transformation in local government for human resources.

2.4 THE STATE OF LOCAL GOVERNMENT AND SERVICE DELIVERY: SOME REFLECTIONS

There is a lack of public confidence in the local government system as evidenced by the spate of service delivery protests in the last two years. In 2009 service delivery protests escalated with Gauteng and North West being the most affected provinces, Northern Cape the least affected and Mpumalanga the worst affected by the destruction of public or local government infrastructure with the burning of a library and municipal offices.

Leggassick (2010: 46) concurs with the above view when he argues that over the last 10 years, the so-called service delivery protests that have swept through South African cities and towns have not only been to protest about inadequate delivery by the local government of sanitation, water, electricity and houses but have also been concerned about lack of democracy and unaccountability of elected officials.

According to the Ministry of Co-operative Governance and Traditional Affairs, party political factionalism within the ruling elite and polarisation of interests over appointments and tender allocations in the last few years played a big role in the current state that local government finds itself in (CoGTA, 2009b).

The ruling party in its weekly publication reaffirms this view by attributing the statistics below to internal political fighting within branches of the African National Congress (ANC) and its alliance, namely the South African Communist Party (SACP) and Congress of South African Trade Union (COSATU), spilling over to local government chambers and council meetings (Burger, 2009).

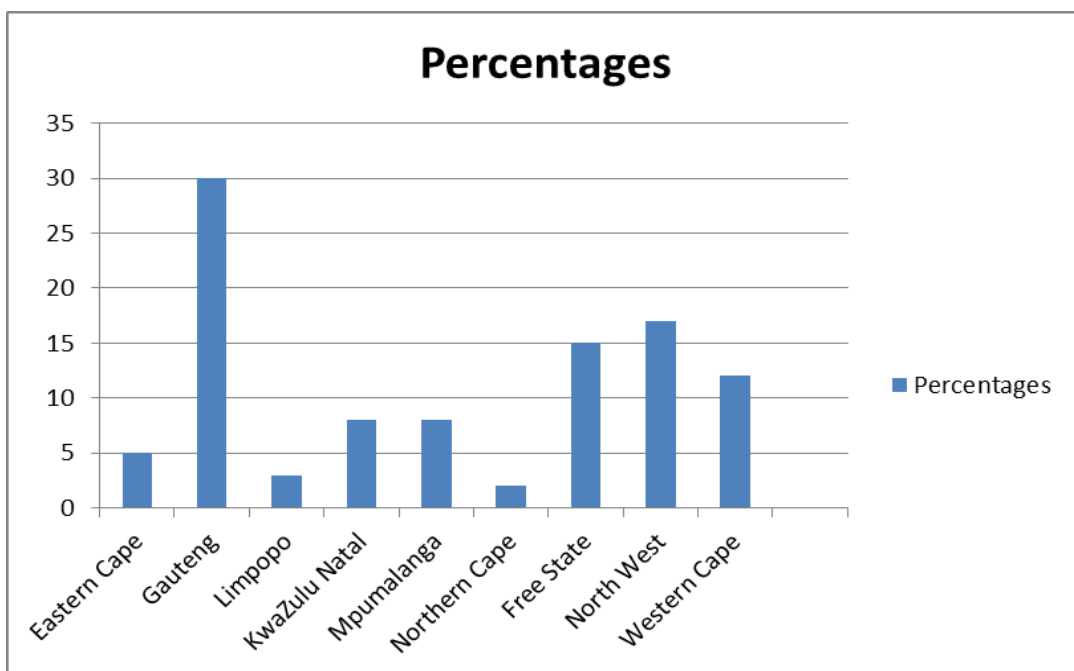


Figure 2.1: The provincial spread of service delivery protests in 2009

Source: Paton, 2011

The Department of Co-operative Governance and Traditional Affairs has actually branded the service delivery protests shown in Figure 2.1 as being less about service delivery than the side effects of delivering the services, such as who benefits from the projects, including which section of the municipality is in charge of the services. At the same time he also acknowledges that in local government there is a huge capacity strain especially in key/strategic positions (Paton, 2011).

It is important to provide a brief statistical background of current service delivery figures in order to draw a clear picture of what is happening in the local sphere of government. Table 2.1 demonstrates local government delivering basic service to a satisfactory level with the following points highlighted:

- Access to electricity for lighting
Western Cape has the highest percentage of households with access to electricity for lighting at 94%, with the Eastern Cape having the lowest at 65.5%.
- Access to piped water
Western Cape has the highest percentage access by households at 98.9%, with Eastern Cape is at 70.4%, making it the lowest in the country.
- Access to full and intermediate sanitation
Western Cape has the highest percentage of households with access to full and intermediate sanitation at 93.4%, with Limpopo the lowest at 30.8%.
- Access to refuse removal service
Western Cape has the highest percentage of households with access to refuse removal service at 91.1%, with Limpopo the lowest at 18.7%.

Table 2.1: Percentage access to household services

Access to electricity for lighting	Access to piped water	Access to full & intermediate sanitation	Access to refuse removal service
W Cape (94.0%)	W Cape (98.9%)	W Cape (93.4%)	W Cape (91.1%)
N Cape (87.3%)	Gauteng (97.9%)	Gauteng (87.8%)	Gauteng (86.2%)
F State (86.6%)	F State (97.5%)	N West (81.6%)	F State (76.1%)
Gauteng (83.5%)	N Cape (94.8)	F State (69.4%)	N Cape (72.1%)
N West	N West (89.9)	S Africa (67.6%)	S Africa (61.6%)

(82.3%)			
Mpumalanga (81.7%)	Mpumalanga (91.3%)	KZN (63.9%)	N West (54.8%)
Limpopo (81.0%)	S Africa (88.6%)	N Cape (54.5%)	KZN (51.9%)
S Africa (80.0%)	Limpopo (83.6%)	Mpumalanga (53.9%)	Mpumalanga (41.5%)
KZN (71.5%)	KZN (79.4%)	E Cape (48.9%)	E Cape (40.0%)
E Cape (65.5%)	E Cape (70.4%)	Limpopo (30.8%)	Limpopo (18.7%)

Source: Statistics South Africa, 2007

According to the community survey, Gauteng and North West provinces are not doing badly in provision of services per household compared to the number of service delivery protests as indicated in Figure 2.1.

According to statistics recently released by the Department of Cooperative Governance and Traditional Affairs, only 54% of the country's population has access to all the four basic services, ranging from over 88% of people in the Western Cape to 15% in Limpopo (Paton, 2011).

On the other hand the department's *Turnaround Strategy Plan* of 2009 identified that the key roles of an ideal municipality are to:

- Provide democratic and accountable government for local community;
 - Be responsive to the needs of the local community;
 - 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 community organisations in the matters of local government;
 - Facilitate a culture of public service and accountability amongst its employees;
- and

- Assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms (CoGTA, 2009a).

According to the *Mail and Guardian* (2014), many service delivery protests start peacefully; when service delivery protests get disruptive, it often implies that peaceful means, such as imbizos, local councils, and even the President's hotline and the Public Protector, have been exhausted. This can be deduced, for example, by the appearance of banners saying “all protocol observed”.

There also appears to be no clear relationship between elections and protests. Service delivery protests leapt from 162 in 2008 to 314 in 2009 (Paton, 2011). Although most of the protests happened after the April 2009 elections, this could be explained by people feeling that now that they had "their man" (Jacob Zuma) in office they could press their demands (Mail and Guardian, 2014).

2.5 CHALLENGES OF SERVICE DELIVERY

In a media briefing following the national assessment of local government in the country, the Department of Cooperative Governance and Traditional Affairs (CoGTA, 2009b) identified the following as some of the factors contributing to the state of distress that municipalities find themselves in:

- Tensions between the political and administrative interface;
- Poor ability of many councillors to deal with the demands of local government in terms of the provision of services;
- Insufficient separation of powers between political parties and the municipality;
- Inadequate accountability measures and support systems and resources for local democracy; and
- Poor compliance with the legislative and regulatory frameworks for municipalities.

The following challenges, in no particular order of priority, are some of the issues that contribute to the problems encountered by local government:

- Lack of knowledge;
- Lack of proper communication strategy between politicians in municipalities with officials and communities;
- Lack of capacity pertaining to skills and grasping with policy processes;
- Self-enrichment by both politicians and officials; and
- Lack of resources CoGTA (2009b).

According to Kroukamp (2008: 651), another important contributory factor is management capacity: inadequate or irrelevant training of managers, including minimal usage of competency testing methods in the recruitment of managers and non-rotation of senior managers to ensure exposure to all facets of service delivery.

Kroukamp further mentions human resource management, with reference to unmatched staff to customer ratios, mismanagement of disciplinary issues and the general lack of service commitment by officials. Then there is information, referring to the quality, nature, availability and accessibility of information provided in service delivery improvement plans are generally poor, making it difficult to accurately measure performance.

Finally, Kroukamp points out adherence to regulatory requirements, indicating that misconceptions and lack of knowledge regarding the regulatory framework of government exist, leading to cumbersome procedures, delays in turnaround time, lengthy decision-making processes and compromises in the quality of services.

According to Thornhill (2011), the South African public service is characterised by three debilitating factors, namely the prevalence of corruption, the interference of politicians in administrative functions and a lack of appropriate skills and therefore a lack of commitment on the part of officials. He argues that in the municipal sector (local government), 32% of municipal managers have less than five years of managerial experience, 46% of municipal managers have less than one year's experience, and 68% less than two years of experience. He concludes that this mainly

occurs because of the practice of cadre deployment (the appointment of a person based on political affiliation).

2.6 CASE STUDY: JOE GQABI DISTRICT MUNICIPALITY

The Joe Gqabi District Municipality (JGDM) is located within the Eastern Cape Province, bordering on the Free State Province and the Lesotho to the north side. JGDM, one of the six Category C District municipalities in the Eastern Cape Province, is located to the west of Alfred Nzo, north of OR Tambo and Chris Hani District municipalities and to the east of Northern Cape Province. JGDM is made of four local municipalities: Gariiep (Burgersdorp, Steynsburg, Venterstad), Maletswai (Aliwal North, Jamestown), Senqu (Barkly East, Rhodes, Rossouw, Lady Grey, Sterkspruit) and Elundini (Maclear, Ugie, Mount Fletcher), as depicted in Figure 2.2.

Maletswai is the main economic centre within the district. Aliwal North is strategically located on the national N6 route linking East London with Bloemfontein and Johannesburg. The District Headquarters are located in Barkly East, in the Senqu local municipality. A satellite Disaster Unit and the Roads Section are located in Aliwal North in the Maletswai local municipality. In terms of the South African Constitution, local government's primary objectives are to ensure sustainable, efficient and effective provision of municipal services to local community (RSA, 1996: 81). These services include provision of water, building of local roads, electricity and housing amongst others.

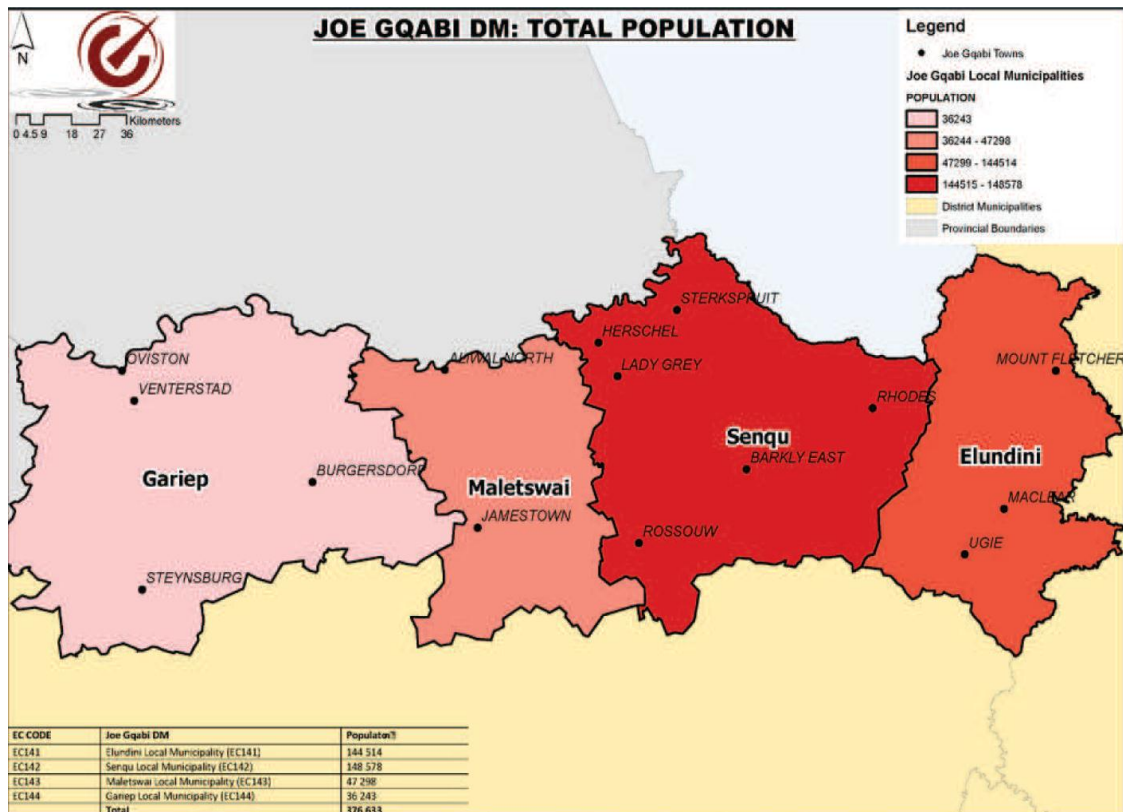


Figure 2.2: Geographical location of JGDM

Source: JGDM 2014

The JGDM has a total population of 376 633, accounting for 5.3% of the total population of the province. Women constitute 54% of the JGDM population, while men comprise 46%. Education levels are low, with approximately 25.5% of the population having no formal education and 40.2% having completed only Grades 3-7. Approximately 3.3% of the population has completed Grade 12 compared to 7.6% in the Eastern Cape overall, with an estimated 1.7% having obtained a tertiary qualification. The district experiences huge infrastructure backlogs, with Elundini local municipality being one of the 18 municipalities in the province that recorded lower percentages (24.7%) of households living in formal dwellings compared to the provincial average (54%) (JGDM: 2014).

The vision of the municipality is to improve quality of life for all residents by fighting poverty through stimulating the economy to meet basic needs and improve service delivery quality; its mission of JGDM is to improve corporate governance and financial viability to support the effective, efficient and economical delivery of

services within the municipal jurisdiction underpinned by the creation of an enabling environment for economic development, zero tolerance on fraud and corruption and the strengthening of public participation in decision-making (JGDM, 2014)

The municipality has developed five key performance indicators (KPIs) for purposes of guidance in service delivery and effective governance. These KPIs, which are also applicable to other local municipalities within the district are service delivery and infrastructure provision; local economic development; municipal financial viability and management; institutional development and transformation; and good governance and public participation (JGDM, 2014). These KPIs are informed by the objectives of local government as stipulated in the Constitution and in Section 2.5 of this chapter.

The sector that contributes to employment opportunities in the district are the sectors depicted in Figure 2.3 below. The biggest contributor to the JGDM's employment figures is the community services sector, which combines the municipality's projects on safe towns and clean streets, the Department of Water Affairs' water projects and the Department of Public Works' extended public works programme. The projects employ a large number of community members within the JGDM jurisdiction, accounting for 38% of jobs. The percentage of people employed as domestic workers, gardeners, cleaners and handymen within JGDM households makes this sector the second contributor at 19%, followed closely by the agriculture sector at 18%. Small and medium business (referred to trade industry in Figure 2.3) contributes 11% of employment while construction and manufacturing contribute 5% and 3% respectively. The finance sector, which includes small and medium macro lenders and banks, contributes the lowest percentage in employment within the JGDM at 2%.

According to the IDP (2014: 37), the greatest potential for economic growth and job creation exists in the agriculture and tourism sectors. Projects that can drive expansion and growth in the agriculture sector include the establishment of a regional brand and a marketing cooperative. There is potential for apple, peach and berry production and processing. Priority projects for tourism should be the Geo-park and the Madiba corridor. The Joe Gqabi Development Agency is spearheading the revival of the Aliwal Spa, Aliwal North Private Hospital and Senqu Plastics.

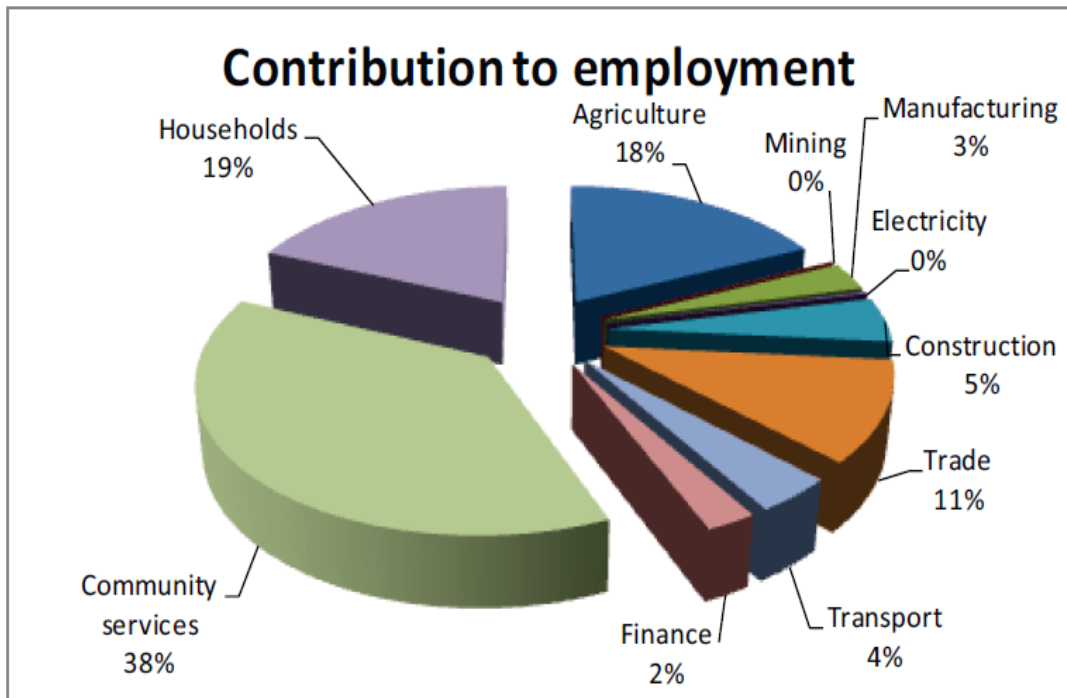


Figure 2.3: Contribution to employment

Source: JGDM 2014

In the jurisdiction of the JGDM, 90% of households reside either in a house or brick/concrete block structure or a traditional dwelling/hut/structure made of traditional materials. It is also shown that about 4% of households reside in informal settlements, including backyards, squats and farms. Furthermore, about 2.7% of informal settlements are found in areas not provided with bulk service infrastructure (JGDM 2014: 6).

Households with access to regional/local water schemes (operated by municipality or other water services provider) or access to boreholes stood at 65% in 2011. In terms of access within informal settlements, the statistics indicate that 76% of informal settlements do have access to water through a regional/local water scheme (operated by municipal or other water services provider) or access to boreholes (JGDM 2014: 7).

About 51% of households have basic access to sanitation services through flush toilets connected to the sewerage system, flush toilets with septic tanks, chemical toilets and pit toilets with ventilation). Those with pit toilets without ventilation, bucket toilets,

other toilets and those with none at all stood at 49%. Some 1 729 households use bucket toilets, which represents 2% of JGDM households (JGDM2014: 8).

Provision of electricity is not a direct function of the JGDM; Eskom is the main supplier throughout the district, though there are some areas that fall under local municipalities. The Census 2011 statistics showed a noticeable improvement of 69% basic access to the basic level of electricity from 59% in 2007. The majority of the backlog is in the informal settlements. JGDM (2014: 8)

2.7 CHAPTER SUMMARY

In this chapter, *local government* was defined in terms of the views of various authors within the field. An international perspective of local government was given to create a broader understanding of the concept. An overview of South African local government perspective from the days of the Dutch East India Company to the post-1994 democratic local government dispensation and its dynamic opportunities and challenges was provided, taking in views and opinions of various authors. Reddy, Binza, Du Toit and Van Der Walt, amongst others, were cited in exploring the dynamics of South African local government's historical perspective, affording the researcher an important insight into the reasons behind the establishment of this sphere of government and the current state of play.

A few reflections on the current state of local government in South Africa were discussed including the challenges currently bedeviling service delivery. A variety of authors were cited to establish possible causes of these challenges and enquire into the meaning of the current state of local government, with a view to giving the research a theoretical perspective.

The chapter provided an overview of the JGDM as a case study, reflecting on its location within the Eastern Cape Province, population size and demographics, performance in service delivery and economic and social statistics. This was done to achieve insight into the municipality and how it operates with regard to service delivery issues.

The next chapter will explore different theories on organisational effectiveness in the public sector with specific reference to local government.

CHAPTER 3

A THEORETICAL PERSPECTIVE OF ORGANISATIONAL EFFECTIVENESS

3.1 INTRODUCTION

The study aimed to investigate and develop ways of improving service delivery in local government. A critical review of scholarly research in the field of organisational effectiveness is undertaken in this chapter to provide the theoretical context of the study. An overview of approaches to organisational effectiveness are explained with subtopics on the goal attainment approach, systems approach, strategic constituencies approach and balanced scorecard approach, followed by organisational culture and performance management. This chapter provides a better understanding of theory on the above mentioned issues and finally explains how the balanced scorecard approach may best be utilised in the public sector for organisational effectiveness.

3.2 DEFINING ORGANISATIONAL EFFECTIVENESS

According to Chang and Huang (2010: 636), organisational effectiveness refers to how successfully organisations achieve their missions and visions. Organisational effectiveness measures are concerned with understanding the unique capabilities that organisations develop to ensure success in implement their mission and vision. The above definition includes measuring the value of organisational human resources (Jamrong and Overholt, 2004: 35).

Quarterman (2003: 159) and Burton (2009: 30) define organisational effectiveness as the degree to which organisational goals and objectives are successfully accomplished. All organisations set out to achieve goals specific to their environment. For example, in local government, as stipulated in Chapter 2, the objectives are to effectively and efficiently provide community services of acceptable quality standards within a particular time frame with the limited resources available (RSA, 1996).

Robbins and Barnwell (2006: 76) define organisational effectiveness as the degree to which an organisation attains its short and long-term goals, the selection of which

reflects strategic constituencies, the self-interest of the evaluator and the life stage of the organisation. The definition highlights the difference between effectiveness and efficiency. An organisation may produce goods or services efficiently, that is with the minimum use of resources, but may still not be effective.

Cameron (1984: 236) and later Burton (2009: 31) argue that it is necessary to consider four common themes that feature prominently in organisational effectiveness literature:

- Central to organisational effectiveness is understanding the organisation: all features within an organisation such as human resources, structure, design and innovations should be used to measure effectiveness;
- Constantly changing model: when the mission and goals of the organisation change, so do the criteria used to measure effectiveness of the organisation;
- The effectiveness model is purpose driven: the emphasis is on understanding that no single model applies to every setting but different models are useful for different circumstances; and
- Problem driven construct: the problem surrounding effectiveness is not theory based but criteria based. The main focus of any researcher is to define appropriate standards and indicators for effectiveness (Cameron, 1984: 236; Burton, 2009: 31).

Organisational effectiveness is related to processes, products, services and consumers; it is normally seen as an important element in the quality of service provision (Pors, 2008: 59). Pors (2008: 60) writes that a study on organisational effectiveness should be based on the following perspectives:

- The goal perspective, which often implies a rationalistic mode of thinking combining a linear relationship between clear goals and undisputed means. In this perspective, organisational effectiveness occurs when goals are achieved in an effective and efficient manner;
- The stakeholder perspective, which implies the ability to successfully navigate around a room with different and sometimes conflicting interests of the stakeholders;

- The resource perspective, which often focuses on a system's ability to secure resources and use them in a cost-effective manner;
- The employee perspective, which emphasises questions concerning recruitment, staff retention but also the broad issues of organisational culture and continuing professional development;
- The system perspective, which focuses on an organisational ability to cope with and adapt to changes in the environment; and
- The consumer perspective, which has become increasingly important in relation to public services and emphasises the importance of consumer satisfaction (Pors, 2008: 60).

The above mentioned perspectives relate to social capital, a very popular concept in social science literature (Svendsen & Svendsen, 2006). In this study, the researcher will not provide a detailed critique of the concept, but suffice to say that it is inspired by the writings of economists, political scientist and sociologists.

3.3 APPROACHES TO ORGANISATIONAL EFFECTIVENESS

The discussion in this section will be to provide a brief background to the four approaches to organisational effectiveness: goal-attainment, systems, strategic constituencies and balanced scorecard. The first three approaches will be discussed only for the purposes of providing a background understanding. The study focuses mainly on the balanced scorecard approach.

3.3.1 The goal-attainment approach

According to Locke and Latham (2002: 707), when a goal is set at a difficult level, a person is required to put forth more effort to meet it. The effort is motivation dependent. Goals therefore are motivation-based outcomes leading to personal satisfaction in most instances (Locke & Latham, 2002: 708). A key principle is that goals must be set in such a way that people can be motivated to achieve them. Goals should be specific, as ambiguous goals tend to cause confusion (Cameron, 1984: 276).

This approach assumes that organisations are deliberate, rational, goal-seeking entities created to achieve one or more specific goals; organisational effectiveness is viewed in terms of its internal objectives and performance (Love & Skitmore, 1996: 5). As such, successful goal accomplishment becomes an appropriate measure of effectiveness.

3.3.2 The systems approach

According to Hoque and Adams (2011: 308), the system approach entails the implementation of a combination of inputs, process, outputs and outcomes measures of performance. Inputs measures track program inputs such as the programme/problem to be addressed, staff complement, budgetary resources and other resources needed. The process stage deals with the policies and methods that are going to be utilised in implementing the decision taken at the input stage. Output measures the number of people served, services provided and whether the target population's situation has improved.

3.3.3 The strategic constituencies approach

In the view of Love and Skitmore (1996: 7), the strategic constituencies approach to organisational effectiveness proposes that an effective organisation is one that satisfies the demands of those constituencies in its environment from whom it requires support for its continued existence. Under this approach, the organisation is assumed to be an association of political arenas, where vested interests compete for control over resources.

In the above context, it is assumed that the organisation has a number of constituencies with different degrees of power, each trying to satisfy its demand. Cameron (1981: 28) states that this approach can be viewed either as a summary measure of the organisation's goals or as a series of different weightings for specific goals for a variety of constituencies. Furthermore, it is assumed that the organisation pursues specific goals reflecting particular interest groups that control resources necessary for the organisation to survive.

3.3.4 The balanced scorecard approach

The last decade has seen a paradigm shift in the public sector towards more accountability and the adoption of the new style of public management which is more closely aligned with private sector management systems (Sharma & Gadenne, 2011: 167). The above has precipitated the adoption of more sophisticated performance management and control systems such as the balanced scorecard (BSC).

The BSC was originally developed for the private sector by Kaplan and Norton (1992: 75). They argued that financial indicators alone were not sufficient to measure performance or manage an organisation. Senior management needs various kinds of information about the goods and services that the organisation is offering (such as quantity, quality, market, consumers, suppliers, competition and technology) as inputs for decision-making and strategic planning (Kaplan & Norton, 1992: 75).

It became apparent that managers need a balanced presentation of both financial and non-financial measures so that they are able to view the organisation's performance simultaneously across several areas or perspectives.

Kaplan and Norton (1992: 77) proposed four different perspectives:

- The financial perspectives;
- The internal processes perspectives;
- The innovation and learning perspective; and
- The consumer perspective (Kaplan & Norton, 1992: 77)

The above-mentioned perspectives are designed to capture the organisation's desired business strategy and to include drivers of performance in all areas considered important to an organisation. Kaplan and Norton (2001: 94) further assert that since the BSC focuses on both non-financial and financial measures that drive the future financial performance of an organisation, it can be considered as more effective than previous approaches to strategic performance management, which focused on financial measures only.

According to Mills *et al.* (2009:104), the term *perspectives* should be understood as meaning two sometimes conflicting factors. On the one hand, the term refers to interests of core stakeholders such as the community in the public sector context (consumers), the finance/treasury department (financial) and to a lesser extent policy and processes (internal) and employees (learning and growth).

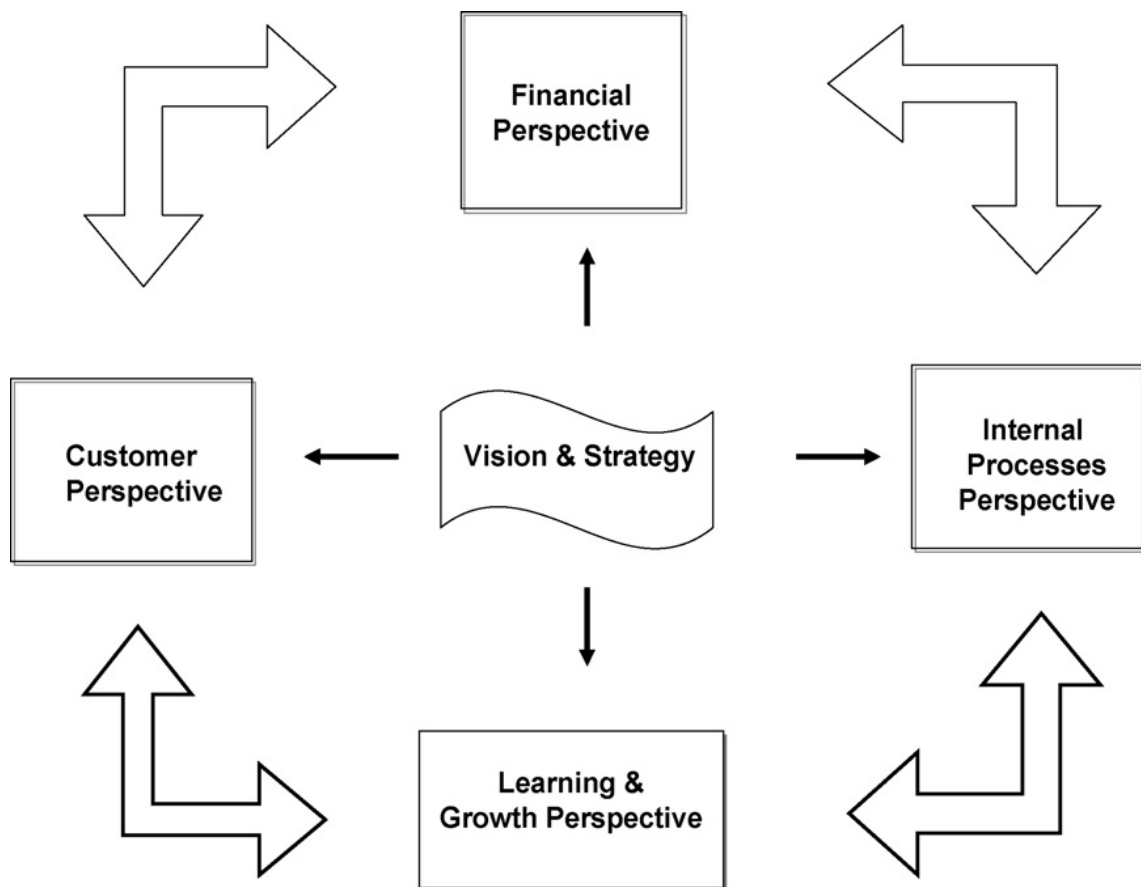


Figure 3.1: Balance Scorecard Perspective framework

Source: Adapted from Kaplan and Norton (1992: 74); Robbins and Barnwell (2006: 92); Thompson and Mathys (2008: 379)

In addition to the above, the term also refers to elements of an overall strategy that consist of a focus on service delivery, customer needs and requirements, operational factors that are important to the achievement of the organisational strategic objectives,

and vision and employee competencies, potential, expectations and satisfaction (learning/growth). These perspectives form a framework for developing measures of required performance that arise out of the organisational strategic direction and vision, as illustrated in Figure 3.1 (Mills *et al.*, 2009:104).

3.3.4.1 The financial perspective

This perspective needs to be balanced to provide a view of both the organisation's current financial standing and its future performance trends. Financial measures enable an organisation to continually evaluate and improve its access to budget increases and future spending pertains, as certain the true costs of its processes and services and link them to financial indicators.

3.3.4.2 The internal perspective

This perspective is concerned with what measures the organisation should take internally to meet the community's expectations, including cycle times, performance measures and quality of service delivery. It may also involve identifying and measuring key processes in each department and unit of the organisation, correlating performance measures to customer requirements.

3.3.4.3 The learning and growth perspective

This requires a focus on building and refining an organisational infrastructure for skills and knowledge development for an effective workplace culture. Typical measures include improvement of knowledge levels through training and development and generation of new ideas leading to improved productivity.

3.3.4.4 The consumer perspective

This perspective is about finding a way of adequately predicting customer behaviour through assessments of their opinion and perceptions of existing service provision, the quality and standard of services and the impact of services provided to the community. This could also mean the development of a shared vision and mission statement by all stakeholders. How do customers see the service provider?

According to Epstein and Manzoni (1998:193), the concept of the BSC came out of the realisation that no single performance indicator can capture the full complexity of an organisation's performance. For example, financial indicators are typically considered lagging indicators of performance because they record the effects of decisions, not when the decisions are made but rather as the financial impact of these decisions materialised (Epstein & Manzoni, 1998:193). As a result, they tend to be less proactive indicators of potential problems than non-financial indicators.

Kaplan (2001: 90) is of the view that the BSC has the potential to enable public sector organisations to:

- Bridge the gap between vague mission, strategy statement and day-to-day operational actions;
- Develop a process to achieve strategic focus, avoiding the notion of attempting to be everything to everyone;
- Shift their focus from programme and initiatives to the outcomes the programs and initiatives are aiming to achieve;
- Avoid the illusion that they have a strategy because they are managing a diverse set of programs and initiatives; and
- Align initiatives, departments and individuals to work in ways that reinforce each other so that dramatic performance improvements can be achieved (Kaplan, 2001: 90).

The name BSC comes from the idea that measurable statistics form the basis of the approach and metrics that are applied for different but related elements are important to the organisation's success (Thompson & Mathys, 2008:378). The categories of metrics form a balanced set of measures to assess organisational performance.

The BSC is a strategic management system that aims to clarify strategy and translate it into action. It is widely used by organisations as a tool to assess and manage organisational performance, with the emphasis on the need for companies to align their BSC with their strategy in order to reach maximum benefits (Braam & Nijssen, 2004:335).

In Rampersad's view (2006:110-113), the alignment of personal ambition informed by a personal balanced scorecard (PBSC) with the shared organisational ambition is central for the purposes of employee commitment, trust, inner involvement, stress and burnout reduction, stimulating enjoyment, active participation, motivation and empowerment of employees. It has to do with reaching a higher degree of compatibility between personal and organisational objectives and mutual value, as illustrated in Figure 3.2.

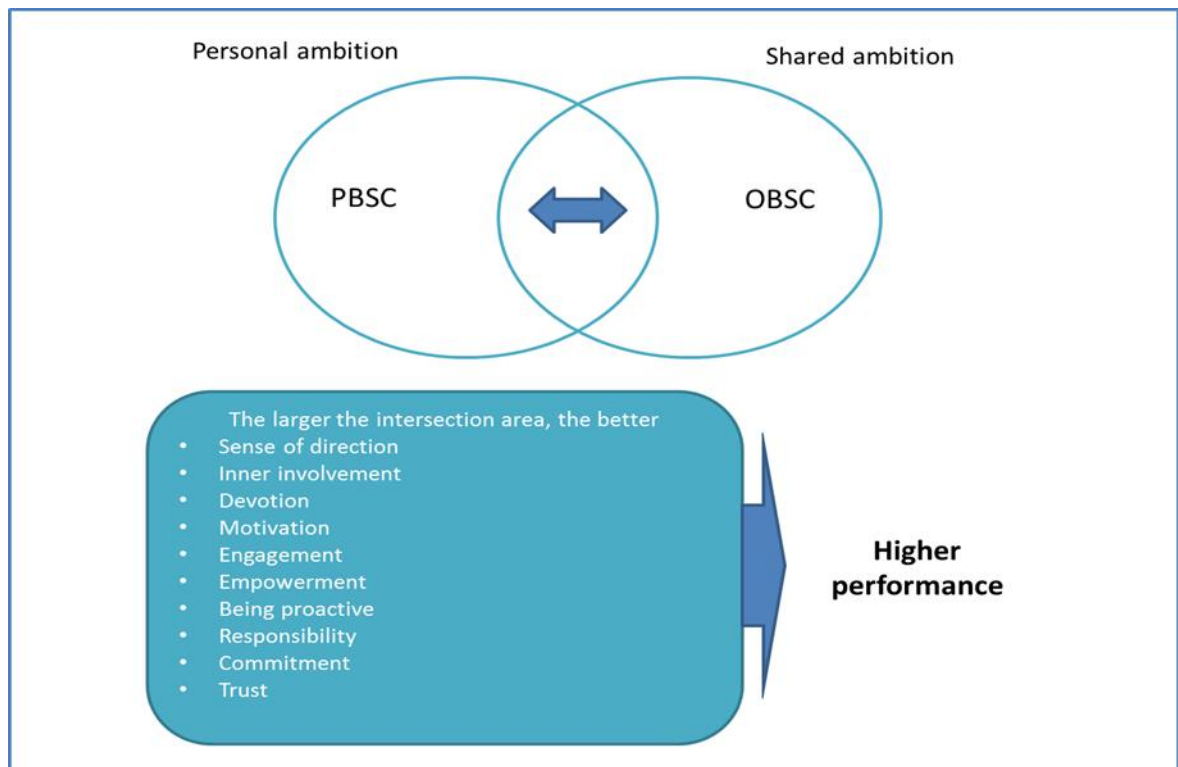


Figure 3.2: Match between personal ambition and shared ambition

Source: Rampersad (2006: 115)

The above-mentioned statement means that employees do not work with devotion or expend energy on something they do not believe in or agree with. As Rampersad (2006: 114) puts it, clarity and uniformity of personal and organisational values and principles are therefore essential for employees' active involvement and contribution to the achievement of organisational goals. The above demonstrates the importance of understanding that employees join the organisation with personal objectives they have or have aspirations to that they want to achieve at a personal level.

Kaplan and Norton (2001: 99) cited in Sharma and Gadenne (2011:171) argue that many of the strategies articulated above consist of lists of programs and initiatives rather than outcomes that the organisation is attempting to achieve. Within this context, Sharma and Gadenne (2011: 72) advocate a modified BSC framework where the organisational mission is featured at the highest level of the scorecard, underpinned by three high level perspectives:

- Costs of providing services;
- Value/benefits of the service; and
- Support of legitimising authorities including the legislature by taxpayers.

Introducing a BSC means introducing change in the organisation, which is never an easy process: the organisation can expect to encounter challenges.

3.4 PERFORMANCE MANAGEMENT

Armstrong and Baron (1998: 7) define performance management as a strategic and integrated approach to delivering sustained success to the organisation by improving the performance of employees and by developing the capabilities of teams and individual contributors. The objective, from this definition, is to seek improvement of results at the level of the individual, the team and the organisation, as illustrated in Figure 3.3 and Figure 3.4 respectively.

According to Grobler *et al.* (2011: 293), performance management is a process which significantly affects organisational success by having managers and employees work together to set expectations, review results and ultimately reward excellent performance. Hood (1995: 98) argues that encouraging a performance management approach in the organisation means managing results, not rules. The interest is more on achieving organisational objectives and goals rather than monitoring how procedures and policies are implemented. Cavalluzzo and Ittner (2004: 251) further argue that an organisation that relies on or adopts performance measures should achieve improve decision-making methods, as illustrated in Figure 3.3.



Figure 3.3: Individual Performance management cycle

Source: Adapted from Werner (2007: 109)

3.4.1 Clarify expectation

It is important in performance management to first ensure that employees understand what is expected of them in the workplace. They must have a clear understanding not only of what the objectives mean but also of what is necessary to effect the measure associated with the objectives (Werner, 2007: 110).

3.4.2 Plan to facilitate performance

In this case, a manager will ask a subordinate in the initial performance management meeting to identify which areas of work, resources and skills the organisation can assist the employee with in order to achieve the objectives. There are instances in which the organisation has to intervene because the employee has no authority or resources to execute their responsibilities effectively and efficiently (Werner, 2007: 110).

3.4.3 Monitor performance

At this stage, there is a common understanding of what should be done. It is important to monitor actual performance to check whether the organisation is still on track to achieve the set organisational goals. The frequency of the monitoring process depends on the nature of services provided and the seniority of the employee being monitored. In some environments, monitoring may take place every day; in other cases, especially with middle to senior employees, a performance review session may be held on a monthly or in some cases on a yearly basis (Werner, 2007: 110).

3.4.4 Provide feedback

One of the main reasons for monitoring performance is to be able to provide feedback on progress towards achieving organisational goals and on employee performance. According to Werner (2007: 111), feedback serves two purposes: it allows the organisation to provide consequences for performance and to redirect employees' efforts if necessary. Feedback allows employees to improve their performance by indicating performance deficits.

3.4.5 Coach, counsel and support

If performance monitoring reveals a serious performance deficit, the organisation may have to coach the employee concerned. This will consist of discussing the desired performance and if necessary modelling the performance for the employee, requesting the employee to perform and then giving critical feedback until performance is at the required level.

In some instances, employee performance is substandard because of personal or interpersonal problems. In this case, the manager may have to counsel the employee and if possible offer advices on how to overcome the problem. It is also important to support employees and ensure they know that the organisation has confidence in them and will stand by them should the need arise.

Figure 3.4 demonstrates that far from merely emphasising individual performance and accountability or reporting on compliance with procedures, performance management should be seen as a useful and essential management process for understanding the

performance of programs, reaching agreement on performance expectations, improving performance and demonstrating to citizens that expectations of performance are successfully met. As part of overall management strategy, public sector managers need to measure performance to evaluate whether the organisation is performing as expected. According to Niven (2003: 56), there is growing recognition that using performance measures to gauge success is vital to any organisation whether in the private or public sector.

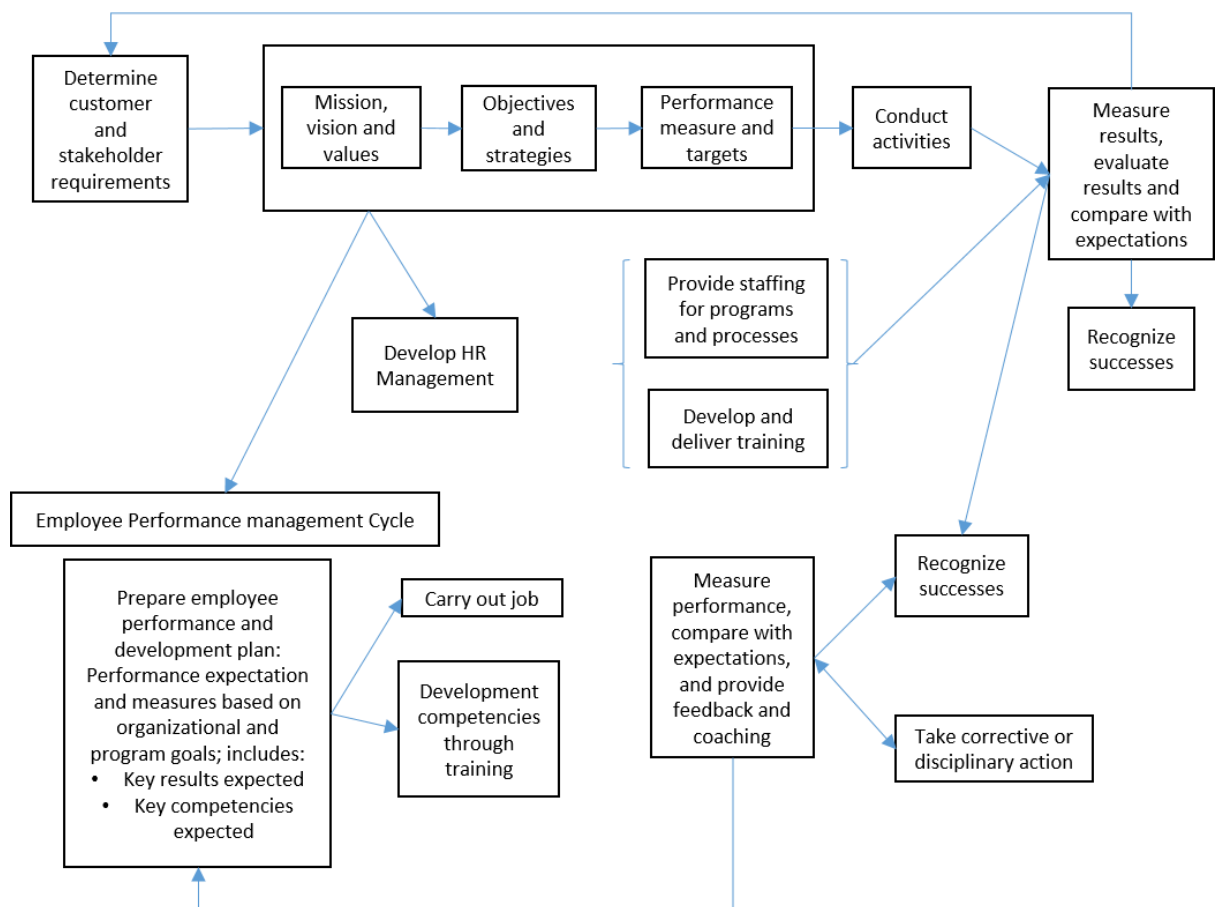


Figure 3.4: Organisational performance management cycle

Source: Adapted from Grobler *et al.* (2011: 293)

3.5 PERFORMANCE MEASUREMENT

Prominent scholars on performance measurement trace the interest in performance measurement theory back to the writings of Woodrow Wilson in the latter part of the

19th century, when he argued that the increase in corruption and patronage in government can only be countered through professionalisation, which in turn will lead to efficient governance when the emphasis is on procedure and measurement techniques to identify and increase worker productivity (de Lancer Julnes, 2006: 220). Therefore, it is evident that early performance improvement efforts between the 1940s and 1970s, such as planning budgeting systems, management by objectives and zero-based budgeting, amongst others, had measurement at their core.

Woodrow Wilson (1887), widely referred to as the founder of public administration as an academic field, his paper titled “The study of administration” called for a new science of administration on the classical principles of public administration based upon radical separation of politics and administration. According to Wilson (1887:210), governments all over the world have different political principles reflected in their governing policies and constitutions, but the principles of good governance and administration are similar in any system of government worldwide.

Much has been written about these efforts, their strengths and short comings, so they are not discussed further in this chapter. Suffice to say that dissatisfaction with the performance of government programs, particularly social programs, has continued to increase along with citizens' demand for evidence of program effectiveness (de Lancer Julnes, 2006: 221). One of the most influential phenomena of the late twentieth and early twenty-first centuries has been the emergence of the New Public Management (NPM). According to Osborne and Gaebler in Lapsley (2009:2), the existence of the NPM is based on private sector performance criteria and practices.

The belief that management, rather than the development of new policies or legislation, can change public service organisations (local government performance) is encapsulated in the NPM approach as articulated by Hood (1991:5), who identifies its key elements as follows:

- The unbundling of public service (local government departments) into corporatized units organised by product (services);
- Adoption of a result-oriented public service, entailing a shift in focus from inputs and process towards outputs and outcomes;

- Use of private-sector management style in the public sector;
- Explicit formal measurable standards and measurement of performance and success;
- Implementation of hands-on management in the public sector; and
- More stress on discipline and frugality in resource use.

Tambulasi (2009:173) argues that NPM has contributed to the increase in managers' awareness of goals, means and results and an improvement in the control and activities of the public service (local government). However, this notwithstanding, Pollitt (2003:38) takes a critical view of some unintended consequences of NPM. He is of the view that “the architects of the NPM were so confident of its benefits that they were content to leave the results as matters of faith rather than as issues to checked and evaluated”. It is not the intention of this study to delve into the successes or failures of the NPM; the intention is to point out that there have been mixed results on its implementation.

In the public sector, the vast majority of literature is focused on performance measurement as a tool to assess performance and demonstrate accountability through performance reporting of program activities. A wide range of applications been reported in the literature, including its use in measuring performance in health care delivery such as waiting times, the level of citizen satisfaction of services provided by government, and the efficiency and effectiveness of programs such as education as well as other services at local government level such as water and sanitation provision (Sanger, 2008).

According to Goh (2012: 31), performance measurement has become the focus of government to address the issues of accountability and transparency. The view is that performance measurement is a tool that can encourage better performance in the public sector through the setting of targets and performance indicators. Public officials are measuring the performance of their organisations, private contractors and other stakeholders. Fenwick (1995: 106) is of the view that performance measurement includes measuring achievement of goals and standards.

De Bruijn (2007: 8) sees performance measurement as a tool that needs to fulfil four functions in the organisation:

- *Creating transparency*: Performance measurement leads to transparency and can thus play a role in accountability processes. An organisation can make it clear what product it provides and, by means of input-output analysis, what costs are involved;
- *Learning*: An organisation goes a step further when it uses performance measurement to learn. Because transparency has been established, an organisation can learn what is done well and where improvements are possible;
- *Appraising*: A performance-based appraisal may be given by a third party (community and other stakeholders) about the organisation's performance; and
- *Sanctioning*: Finally, appraisal may be followed by a positive sanction when performance is good or by a negative sanction when performance is bad or insufficient (de Bruijn, 2007: 8).

Hatry *et al.* (1990:v) suggests that the purpose of performance measurement is setting goals and objectives, planning program activities to achieve these goals, allocating resources to these programs, monitoring and evaluating the results to determine if they are making progress in achieving the established goals and objectives, and modifying program plans to enhance performance.

In support of the above-mentioned argument, Kravchuk and Schack (1996: 348) point out that the purpose of performance measurement extends to planning, evaluation, organisational learning, improvement efforts, decision-making, resource allocation, control and accountability. The central function of any performance measurement process is to provide regular, valid data on indicators of performance outcomes (Hatry, 1999: 17).

Fryer *et al.* (2009: 486) believe that setting undemanding targets and working to achieve this is a challenge because the targets will not make the public sector effective and accountable. In addition, Vakkuri and Meklin (2006) argue that ambiguity in performance measurement is frequently a problem. This ambiguity can lead to

dysfunctional performance measurement, leading to gaming, which is altering behaviour to suit the measurement regime.

The challenge is to identify a process where performance measurement can be made more effective and successful in the public sector.

3.6 FORMULATION AND SELECTION OF PERFORMANCE INDICATORS

According to Cloete (2004: 5), an indicator is a measuring instrument used to give a concrete and measurable value. Indicators are used to track and evaluate the impact, outcomes, outputs and inputs of a project or programme during and after the implementation process. Performance indicators are either qualitative or quantitative (Kusek & Rist, 2004: 69). Quantitative indicators are reported in terms of a specific number (mean or median) or percentage, which could be expressed in a variety of ways, including a percentage that falls into a particular outcomes category whether above or below the target value (Hatry, 1999: 63). The percentage by itself does not indicate the size of success: assessing the significance of an outcome typically requires data on both the number and the percentage (Hatry, 1999: 60).

Qualitative indicators imply compliance with standards, quality of goods and services, extent and level of services. Qualitative indicators should give analytical insight into changes in institutional processes, attitudes, beliefs, motives and behaviours of individuals. A qualitative indicator measures perception, such as the level of empowerment that local government officials feel they have to adequately do their jobs. Qualitative indicators and data are time consuming to collect measure and interpret, especially in the early stages (Kusek & Rist, 2004: 69).

Tarr (2004) is of the view that formulation and selection of performance indicators should be looked at in accordance with the following four aspects:

3.6.1 What to measure

The quality and use of performance indicators has been evolving as organisations and stakeholders have become used to the concept of performance measurement (Fryer *et*

al., 2009: 481). Early indicators were primarily based on the financial aspect; gradually other aspects have been introduced including output quality.

3.6.2 How and when to measure

Having decided what aspects of organisational activities need to be measured, the next step is to decide on how and when to measure. In order for an indicator to be effective, it is important to know the following:

- The assumptions regarding the indicator and the rationale for measuring it;
- The precision and accuracy of the measurements;
- Congruence - the majority of indicators are proxies, so it is important that the indicator changes in line with actual behaviour;
- Whether a static measure (a value at a point in time) or a vector (a value and direction of change) is more appropriate;
- Whether a soft or hard measure is required;
- Whether the indicator is going to measure results or behaviour; and
- What the intended and unintended consequences of the measurement process are (Fryer *et al.*, 2009: 483).

It is necessary that indicators have operational definitions, that the data is replicable and that the source data is clearly defined (Fryer *et al.*, 2009: 483). Tied in with the above is “when” to measure; frequently indicators are focused on short-term results, which can hinder innovation and prevent investment in longer term initiatives (Fryer *et al.*, 2009: 483).

3.6.3 Interpreting the results

Even good indicators are of limited use unless they can be analysed and used for forecasting demands and costs (Vakkuri & Meklin, 2006).

3.6.4 Communicating the results

The main purpose of performance measurement is for local government to formulate its envisaged performance and indicate how this can be measured by defining performance indicators. Once the municipality has performed its tasks, it will be

shown whether the envisaged performance was achieved. The problem here is that the effects of an organisation are often difficult to measure; this is because multiple values are taken into account when measuring public performance.

Fiszbein *et al.* (2011: 10) propose a framework that focuses on factors that drive the outcomes, namely quality of governance and service delivery. They argue that governance has two measurable dimensions which influence the quality of service delivery. The first is the set of policies that influence the way government operates, for example, human resource policies that establish rules and regulations for hiring, firing and rewarding employees. Second, government performance is measured by the extent to which policies work in practice.

Governance policies and performance in turn influence the quality of service delivery; this refers to the quality at the actual point of service contact between government employees and the general public, as shown in Figure 3.5.

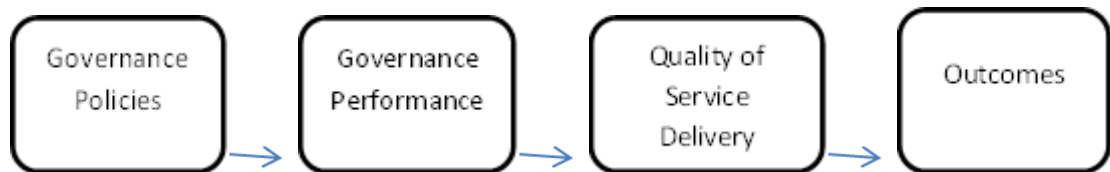


Figure 3.5: Governance, Service Delivery and Outcomes

Source: Adopted from Fiszbein *et al.* (2011: 10)

3.6.5 Types of indicators

The following types of performance indicators are identified by De Lancer Julnes (2006: 221) and Hatry (1997: 32) as important:

- *Inputs* are resources necessary to produce outputs. These may include the budget, personnel, materials and other resources needed;
- *Outputs* are the final service or products delivered that are intended to lead to a desired outcome. An example in education would be the number of teachers attending a workshop on curriculum improvement;
- *Outcomes* are the consequences of outputs and are often more complex to measure. In most instances the evaluator will have intermediate outcomes that

need to be achieved before the actual results, for example, teachers improving the curriculum used in their classrooms after attending the workshop. The ultimate outcomes being sought are pupils mastering their subjects; and

- *Efficiency* indicates the ratio of output to input or outcome to input (de Lancer Julnes, 2006: 221; Hatry, 1997: 32).

Van Sluis *et al.* (2008: 324) argue that there are four types of indicators that when used collectively are ideal for an effective performance measurement system:

- Output - how much is being produced;
- Welfare - the value to the final user;
- Performance - how services are being produced; and
- Composite - indicators that combine the above three types (Van Sluis *et al.*, 2008: 324).

On the other hand, in its Municipal Planning and Performance Management Regulations of 2001 and the Turnaround Strategy, the Department of Cooperative Governance and Traditional Affairs identified the following types of indicators (RSA, 2001; CoGTA, 2009a):

- Input indicators, typically cost related, which are relevant to the day-to-day operations of a municipality;
- Process indicators describing how well specific municipalities use their resources in producing services, covering internal activities and operations that convert inputs into outputs;
- Output indicators refer to products produced by processing inputs and should only be used for those functions for which the local government is directly responsible; and
- Outcome indicators measure the extent to which goals and objectives are being met, based on the results of different variables acting together (RSA, 2001; RSA, 2009).

Midwinter argues that performance indicators should be incorporated into a measurement system that is theory driven through government policies and not only

merely data driven. Midwinter developed a performance model, also called an input-output model that should guide the conceptualisation and development of the performance measurement system.

The model is used to simplify the complex performance phenomenon concerning the relationship between stakeholders, policies and objectives, inputs, processes and outputs. As illustrated in Figure 3.6, efficiency is the relation between outputs and inputs; effectiveness is the relation between outcomes and inputs; and equity is the distribution of outcomes across different individuals and groups in relation to inputs over all services. Stakeholders influence the policy direction and objectives (in Johnsen, 2005: 10).

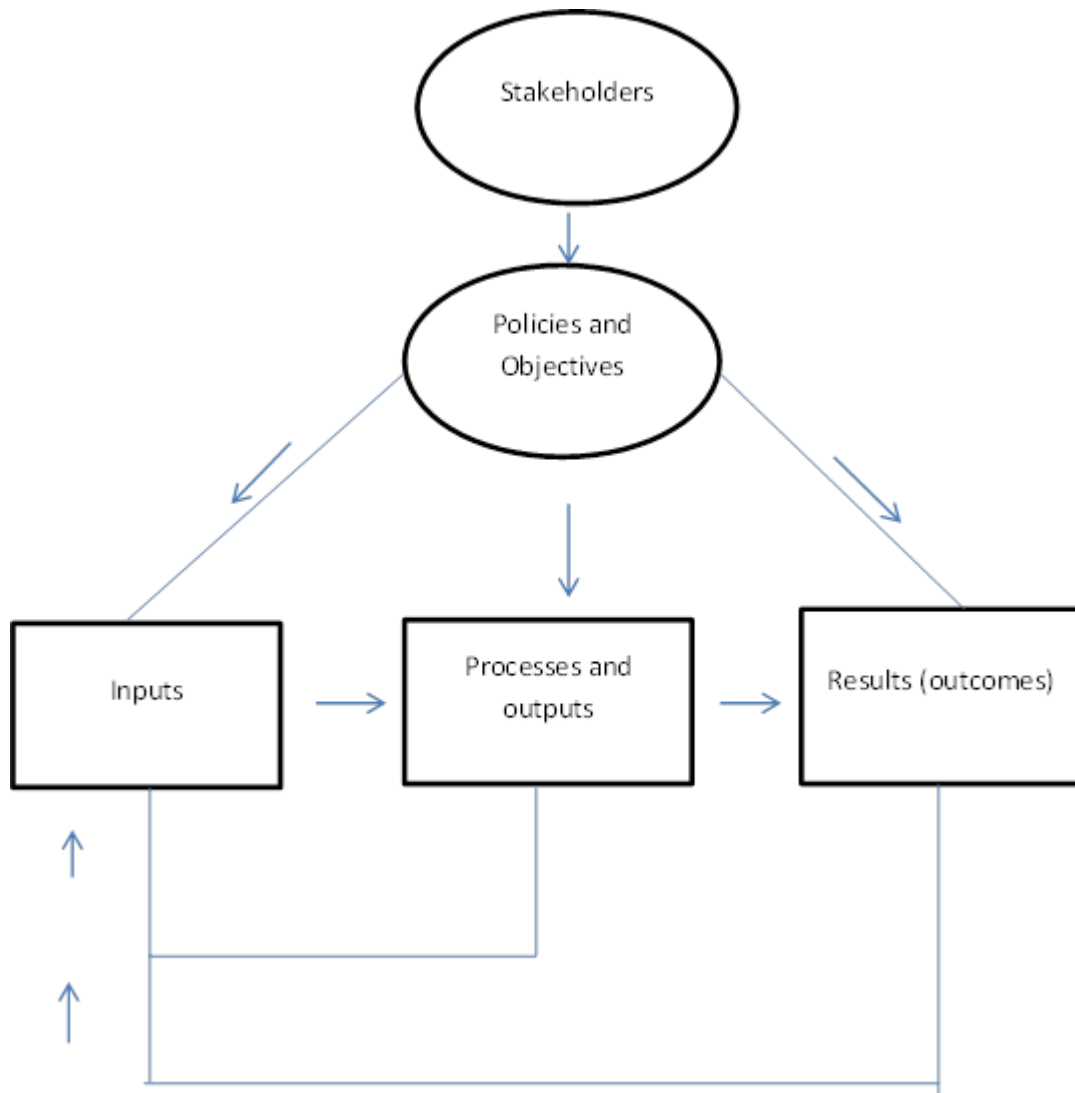


Figure 3.6: A Performance Model

Source: Adopted from Johnsen (2005: 10)

Worthington and Dollery (2008: 26) proceed from the premise that performance analysis requires a set of outcome indicators to be considered collectively. In their suggested framework for performance assessment (see Figure 3.7), performance is divided into two components: (i) efficiency, which describes how the organisation uses resources in producing services, that is, the relationship between the actual and optimal combination of inputs used to produce outputs and (ii) effectiveness, the degree to which a system achieves its programme and policy objectives.

Effectiveness encompasses a number of different desired aspects of service linked to programme outcome objectives. These are (i) appropriateness (matching service to

client needs); (ii) accessibility (aspects such as affordability, representation amongst priority groups and physical accessibility) and (iii) quality (the process of meeting required standards or incidence of service failures) (Worthington and Dollery, 2008: 27).

Whilst the framework is comprehensive, it has a number of limitations. Some authors have argued that the traditional public sector performance measurement framework is too narrow in focus. Carter *et al.* (1993: 37) suggest that an additional category in the form of economy with an exclusive focus on the acquisition and provision of services at the lowest possible cost consistent with a specified objective should be included. In this view they are supported by Kloot (1999: 568), who argues that government performance needs to measure “economy, efficiency and effectiveness”.

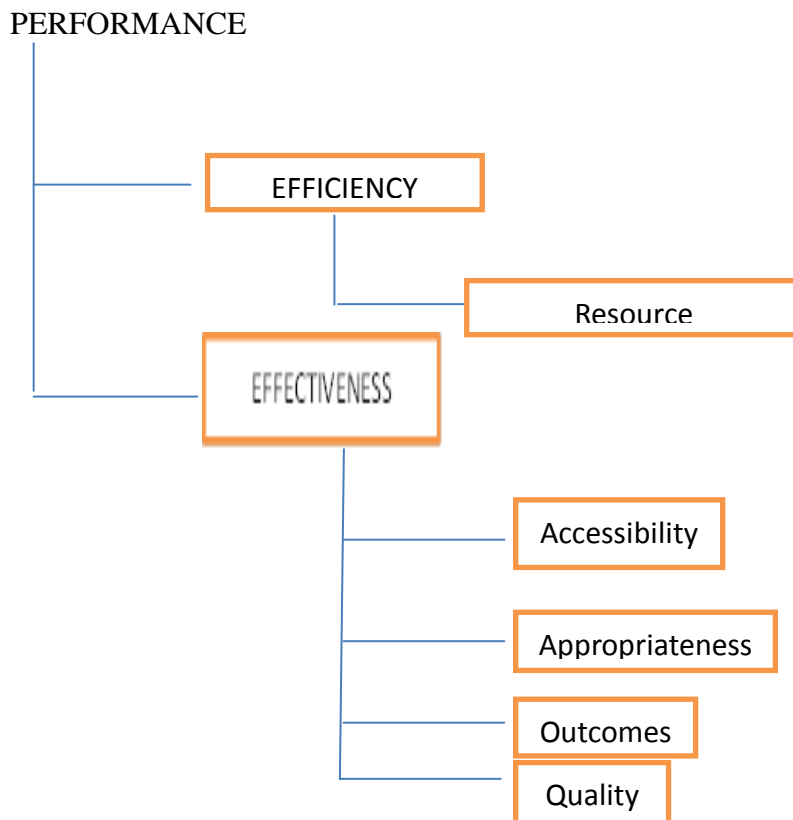


Figure 3.7: Framework for Performance Assessment

Source: Adopted from Worthington and Dollery (2008: 27)

Performance indicators should be clear, direct and as unambiguous as possible. In support of this view, Kusek and Risk (2004: 68) state that performance indicators should be clear, relevant, economic, adequate and monitorable. If any of the above criteria is not met, the process would suffer. The criteria and questions below are helpful in selecting indicators that are specific, measurable, attainable, relevant and traceable (“SMART”).

Table 3.1: SMART indicators

Specific	<ul style="list-style-type: none"> • Is it clear exactly what is being measured? • Does the indicator capture the essence of the desired results? • Does it capture differences across areas and categories?
Measurable	<ul style="list-style-type: none"> • Are changes objectively verifiable? • Will the indicator show desirable change? • Is it a reliable and clear measure of results? • Do stakeholders agree on what to measure?
Attainable	<ul style="list-style-type: none"> • What changes are anticipated? • Are the outcomes realistic?
Relevant	<ul style="list-style-type: none"> • Does the indicator capture the essence of the desired results? • Is it relevant to the intended outputs and outcomes?
Traceable	<ul style="list-style-type: none"> • Are data actually available at reasonable cost and effort? • Are data sources known? Realistic principles, mechanisms and responsibility for data collection should be established

Source: Adapted from Kusek and Risk (2004: 68)

Schiavo-Campo (1999: 85) argues that performance indicators should be clear, precise and unambiguous. Furthermore they should be relevant (that is, appropriate to the subject at hand), economic (available at a reasonable cost), adequate (a sufficient performance assessment basis exists, monitorable and amenable to independent validation). He adds that failure to meet any of the above criteria will detract from performance indicators' usefulness.

Various criteria have been devised to guide the development and use of indicators. Popular guidelines include the following:

- The indicator should be clear, unambiguous, simple and easy to understand and explain;
- It should highlight the focus of the enquiry;
- It should be measurable (quantitatively or qualitatively);
- It should be appropriate for the context within which it is applied;
- It should be widely accepted as a scientifically valid indication of what it is supposed to measure;
- Satisfactory historical, current and future data should be available to apply the indicator;
- The data should be comparable to other data in different geographical areas;
- It should be internationally comparable; and
- Indicators should be developed in participation with stakeholders (Bossel, 1999: 15; Noll, 2002: 48).

Indicators may be subjective as well as objective. According to Noll (2002: 50), subjective indicators are someone's own internal perception of the quality of their life, while objective indicators are externally measurable levels of educational, health, cultural, social, income and expenditure levels as well as housing, infrastructure and other facilities available. The two distinct traditions have emerged as a result of social indicators research (Noll, 2002: 51).

While the European tradition favoured objective indicators which measure facts, the American tradition is based on the notion that individuals are the best judges of their

own living circumstances. The latter tradition promoted the so-called subjective indicators based on individual assessment of their living conditions (Veenhoven, 2002).

3.6.6 The use of proxy indicators

While it is not always possible to have a precise indicator, it is possible to be approximately right. Sometimes it is difficult to measure the outcome indicator directly, so proxy indicators are needed. Proxy indicators should be used only when data for direct indicators are not available, when data collection will be too costly, or if it is not feasible to collect data at regular intervals. However, caution should be exercised in using proxy indicators because there has to be a presumption that the proxy indicator is giving the approximate evidence on performance.

For example, if it is difficult to conduct periodic household surveys in a dangerous suburb or housing area, the number of satellite or television antennas can serve as a proxy measure of increased household income. See Box 3.1 below for another example of a proxy indicator.

Box: 3.1: Indicator dilemmas

Indicator Dilemmas

The Chicago Museum of Science and Industry—a large, cavernous museum with many monumental size exhibits, including an entire submarine and coal mine—wanted to conduct a study to determine which exhibitions were of greatest interest to its visitors. They found that it was impossible to count how many visitors viewed every exhibit, so they decided to use a proxy indicator. They did this by determining where they needed to replace floor tiles most often. And where did they find the floor tiles most in need of replacement? In front of the exhibit of hatching baby chicks.

Source: Adopted from Kusek and Risk (2004: 71)

3.6.7 Selecting from pre-designed indicators

Pre-designed indicators are those indicators established independently of an individual country, organisation, program or sector context (Kusek & Risk, 2004: 68).

The advantages of pre-designed indicators are that they can be aggregated across similar projects, programs and policies; they reduce the costs of building multiple unique measurement systems.

The disadvantages are that they often fail to address country-specific goals, are often viewed as imposed and do not promote key stakeholder participation (Kusek & Risk, 2004: 74).

Chapter 3 of the Municipal Planning and Performance Regulations (2001) prescribes the following general key performance indicators in terms of Section 43 of the Municipal Systems Act:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to free basic services;
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- The number of jobs created through a municipality's local economic development initiatives including capital projects;
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- Financial viability as expressed by effective and efficient spending (RSA, 2001a).

A number of international development organisations have created indicators to track development goals, including the following:

- Millennium Development Goals (MDGs);

- The United Development Programme's Sustainable Human Development goals;
- The World Bank's Rural Development Handbook; and
- The International Monetary Fund's Financial Soundness Indicators (Kusek & Risk, 2004: 74).

3.7 CHAPTER SUMMARY

This chapter described approaches to organisational effectiveness approaches, including the goal attainment approach, systems approach, strategic constituencies approach and the balanced scorecard approach. More attention was given to the balanced scorecard to establish an in-depth understanding of the approach and its related elements. An important aspect of balanced scorecard analysis was the realisation that management of organisational effectiveness is linked to performance review, in which both financial and non-financial factors play an important part. It has become very clear in this chapter that for local government to be effective, it is imperative to adopt a balanced scorecard model as a measurement instrument.

Also covered in this chapter was performance measurement, starting with an overview of what different authors' various views on reason, purpose and focus. The design and implementation of performance measurement systems were explored so as to understand more in depth the practical process of developing the system. The development of indicators was also investigated, looking at different suggestions from prominent scholars in the field, as well as models and frameworks on measuring performance in service delivery.

In this chapter, organisational effectiveness was also defined, looking at views from authors and researcher in the field. The importance of organisational effectiveness was highlighted with special reference to public sector organisations. The literature review in the chapter supports the research objective of constructing a balanced scorecard model as the empirical outcome of the present study.

The next chapter deliberates and explains the legislative and policy framework in South Africa pertaining to local government.

CHAPTER 4

LEGISLATIVE AND POLICY FRAMEWORK APPLICABLE TO LOCAL GOVERNMENT

4.1 INTRODUCTION

The South African government has introduced a substantial body of legislation focusing on service delivery in the national, provincial and local spheres of government. Various legislation and policy frameworks significant to local government are briefly explored in this chapter and reviewed in terms of their contribution and impact on service delivery.

The following Acts of Parliament, white papers and policy documents will be the focus of this chapter:

- The Constitution of the Republic of South Africa, 1996
- White Paper on Transforming Public Service Delivery, 1997
- White Paper on Local Government, 1998
- Municipal Structure Act, 1998 (117 of 1998)
- Municipal Systems Act, 2000 (32 of 2000)
- Municipal Planning and Performance Management Regulations, 2001
- Project Consolidate, 2002
- Municipal Finance Management Act, 2003 (56 of 2003)
- Five Year Strategic Local Government Agenda Programme, 2006
- Local Government Turnaround Strategy, 2009
- Flagship Projects 2014
- Rural Development Programmes
- Local Economic Development
- National Water Act, 1998 (36 of 1998)
- Water Services Act, 1997 (108 of 1997)

The above-mentioned legislative and policy frameworks will be discussed as subheading in the chapter.

4.2 THE CONSTITUTION OF SOUTH AFRICA, 1996

The adaptation of the Constitution (RSA, 1996) gave effect to the local government sphere as discussed in Chapter 2 of the study, Section 2.3.5. In terms of Section 40 (1) of the Constitution (RSA, 1996), Government is constituted as national, provincial and local spheres, which are distinctive, interdependent and interrelated. This establishes local government as a distinctive sphere, with a mandate to govern, provide services and promote social and economic development.

The Constitution (RSA, 1996) gives the following mandate to local government: to provide democratic and accountable government for all communities, to ensure the provision of services to communities in a sustainable manner; to promote social and economic development and to promote a safe and healthy environment.

Van der Waldt (2006:142) asserts that local government is at the coalface of public service delivery. This view is also articulated by Thornhill (2008:492), who states that local government is often the first point of contact between an individual and a government institution. The local sphere is often referred to as grass-roots government because of its direct association with communities at a local level.

Local government could be described as public organisations authorised to manage and govern the affairs of a given territory or area of jurisdiction. It is also important to note that local government refers to a sphere of government, not an individual municipality. All the individual municipalities in South Africa collectively make up the sphere of local government (Roux, 2005:64).

Being the government level closest to the people, it is to be expected that a core function of municipalities is the rendering of a variety of basic but essential services to the community within its jurisdiction (Roux, 2005:69). The provision of services by municipalities is a constitutional obligation. Part B of Schedule 5 of the Constitution (RSA, 1996), concerning functions falling concurrently within the national and provincial competence constituent units, identifies the following services that fall within the ambit of local government and its municipalities. These are water; electricity; town and city planning; road and storm water drainage; waste

management; emergency services for example, fire fighting; licenses; fresh produce market; parks and recreation; security; libraries; and economic planning.

Part B of Schedule 4 of the Constitution (RSA, 1996) lists the functions within the exclusive domain of provincial government and further identifies the following matters as also being the responsibility of municipalities: air pollution, building regulations, child care facilities, electricity and gas reticulation, local tourism, municipal airports, municipal planning, municipal health services, municipal public transport, and municipal public works.

Section 155(1) in the Constitution (RSA, 1996) provides for three categories of local government (municipalities):

- Category A municipality: refers to a municipality that has the authority to make by-laws applicable to their areas of jurisdiction. They are metropolitan types of municipalities.
- Category B municipality: refers to a municipality that shares municipal legislative and executive authority in their areas of jurisdiction with category C municipalities that fall within their areas.
- Category C municipality: refers to a municipality that has legislative and executive authority in an area that includes more than one municipality. They are district types of municipalities (RSA, 1996).

4.3 WHITE PAPER ON TRANSFORMING PUBLIC SERVICE DELIVERY, 1997

Though the White Paper makes reference to the national and provincial spheres of the public sector, it also includes local government as an area of government. The scope thus covers local government, especially the Batho Pele principles, which means ‘the people first’. These are briefly described below:

- Consultation: Citizens must be consulted about the level and quality of the public services they receive and wherever possible they should be given a choice about the services that are offered.
- Service Standards: Citizens should be told what level and quality of public service they will receive so that they are aware of what to expect.

- Access: All citizens should have equal access to the services to which they are entitled.
- Courtesy: Citizens should be treated with courtesy and consideration.
- Information: Citizens should be given full, accurate information about the public services they are entitled to receive.
- Openness and Transparency: Citizens should be told how national, provincial and local departments are run, how much they cost and who is in charge.
- Redress: if the promised standard of service is not met, citizens should be offered an apology, a full explanation and a speedy and effective remedy. When complaints are made citizens should receive a sympathetic, positive response; and
- Value for money: Public service should be provided economically and efficiently in order to give citizens the best possible value for money.

According to the White Paper (RSA, 1997), the Batho Pele principles should be regarded as guidance by all levels of government and the wider public sector in South Africa when introducing public service delivery programmes. The White Paper emphasises the importance of the normative guidelines according to which public officials must deal with the community and other public sector clients (RSA, 1997).

4.4 WHITE PAPER ON LOCAL GOVERNMENT, 1998

The White Paper on Local Government asserts that “basic services enhance the quality of life of citizens and increase their social and economic opportunities by promoting health and safety, facilitating access to work, to education, to recreation and stimulating new productive activities” (RSA, 1998a:92).

There are nine distinct “values” in the Local Government White Paper (RSA, 1998a:93):

- *Accessibility*: stresses non-discriminatory (race, gender, sexual orientation) access to services, at least at minimum level. Historical unevenness in service provision is to be addressed by building new infrastructure and rehabilitating /

upgrading that which already exists. The mechanism for rolling this out is capital investment in bulk and connector infrastructure via infrastructure grants, at this stage through the Consolidated Municipal Infrastructure Programme (CMIP). Municipalities are also urged to consider the “ease of use” of this infrastructure, particularly for the disabled. The question of “eligibility” is thus firmly established – all citizens are eligible for municipal services irrespective of their social and economic circumstances. Much debate has centred on this principle and the extent to which it has been carried through to implementation programmes and municipal logistics.

- *Affordability*: The White Paper (RSA, 1998a) notes the importance of considering the affordability of the actual service – even though the service infrastructure may be in place. It urges that tariff levels that consider both the economics of providing the service and the potential of the poor to access the services i.e. financial sustainability has to be offset against the needs of the poor and their possible contribution to service costs. Service levels have to reflect local affordability patterns but not in such a way as to perpetuate the existing spatial (and racial) inequality between ‘low, middle or high income users. Cross subsidisation is envisaged within particular service types and across services (e.g. income from electricity can legitimately be used to subsidise water provision). Higher income users may thus subsidise lower income users and commercial users may subsidise residential users.
- *Quality of services*: Quality relates to attributes like relevance to purpose, whether the service is delivered on time, and convenience to users, safety, continuity (minimal breakdown) and responsiveness to the service-users.
- *Accountability*: The stress here is on the municipality retaining ultimate responsibility for service provision. Perhaps recognising the overarching international movement to privatisation and “outsourcing” the White Paper emphasizes that council remains responsible for delivering appropriate services of the required standard.
- *Services and development*: Integrated development is called for, with consideration of the social and economic impacts of the services provided. Importantly sustainability is defined as encompassing resource usage that is financially viable, environmentally sound and socially just.

- *Value for money*: It is noted that this attribute compares cost inputs with the quality and value of service outputs and that the aim is the best possible use of public resources to ensure universal access to affordable and sustainable services. It might be argued that this is the most important measure to apply in any assessment of the current service delivery patterns i.e. useful appraisal is less about the reach and scale of service delivery (where the challenges and achievements are fairly well documented) and more about whether the significant resources allocated to services are optimally deployed.
- *Impact on local commerce and industry*: When considering cross-subsidisation between commercial and residential service users and generally when considering tariff levels, municipalities are urged to consider the impact of rates and service charges on commerce and industry in order not to compromise the ‘job-creating and competitive nature’ of such enterprises.

The key outcomes that the White Paper (RSA, 1998a) envisages local government to achieve are the provision of household infrastructure and services; creation of liveable, integrated cities, towns and rural areas; local economic development and community empowerment and redistribution.

4.5 LOCAL GOVERNMENT: MUNICIPAL STRUCTURE ACT, 1998 (117 of 1998)

The mandate for local government is also contained in the preamble to the Local Government: Municipal Structures Act (117 of 1998) (RSA, 1998b): “A vision of democratic and developmental local government in which municipalities fulfil their constitutional obligations to ensure sustainable, effective and efficient municipal services, promote social and economic development, encourage a safe and healthy environment by working with communities in creating environments and human settlements in which all our people can lead uplifted and dignified lives.”

The Act defines a municipality as the structures, political office bearers and administration of the municipality including the geographical area and the local community (RSA, 1998b). The aims of the Act are to provide for the establishment of municipalities in accordance with the requirements relating to categories and types of

municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems; and to provide for matters in connection with local government issues (RSA, 1998b).

The organisational structuring of local government is explicitly prescribed in the Municipal Systems Act (32 of 2000), specifically in Section 51, which stipulates as follows:

A municipality must, within its administrative and financial capacity, establish and organise its administration in a manner that would enable the municipality to:-

- be responsive to the needs of the local community;
- facilitate a culture of public service and accountability amongst its staff;
- be performance orientated and focussed on the objectives of local government set out in Section 152 of the Constitution and its developmental duties as required by Section 153 of the Constitution (RSA, 1996);
- ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality's integrated development plan;
- establish clear relationships, and facilitate co-operation, co-ordination and communication, between its political structures, political office bearers and its administration and the local community;
- organise its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;
- perform its functions through operationally effective and appropriate administrative units and mechanisms, including departments and other functional or business units; and when necessary on a decentralised basis;
- assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms; and

- hold the municipal manager accountable for the overall performance of the administration. (RSA, 2000a)

It is primarily against these and the Constitutional prescripts that the effectiveness of municipal performance may be assessed. The ideal functional municipality can thus be measured against these criteria outlined above.

4.6 LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (32 of 2000)

The Act establishes a framework for planning, performance-management systems, effective use of resources and organisational change in a business context. It also establishes a system for municipalities to report on their performance, and provides residents with an opportunity to compare this performance with that of other municipalities. The Act also regulates public-private partnerships and allows municipalities significant powers to corporatise their services, establish utilities for service delivery, or enter into partnerships with other service-providers. The Act provides for the adoption of a credit-control policy for municipalities that will provide for the termination of services in the event of non-payment. Municipalities have the power to pass by-laws to implement the policy (RSA, 2000a).

The Municipal Systems Act (32 of 2000) (RSA, 2000a) requires that “each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality” which “ a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality; b) aligns the resources and capacity of the municipality with the implementation of the plan; and c) forms the policy framework and general basis on which annual budgets must be based.”

The organisational structure of local government is prescribed in the Act and specifically in Section 51:

A local authority must, within its administrative and financial capacity establishes and organise its administration in a manner that would enable it to:

- be responsive to the needs of local community;

- facilitate a culture of public service delivery and accountability amongst its employees;
- be performance orientated and focus on local government mandate; and
- perform its functions through operationally effective and appropriate administrative units. (RSA, 2000a)

In terms of the Act (RSA, 2000a), each municipality has to develop an Integrated Development Plan (IDP) reasonably soon after local government elections for the five-year term of the council. Important aspects of the IDP should ideally be based on key elements of the Election Manifesto of the victorious party. Essentially, an IDP is meant to be a community-driven and council-led municipal strategic plan based on the needs of residents, organised into goals and priorities, and aligned to resources, providing a framework for municipal budgets, programmes and projects. The IDP is reviewed annually before the budget is prepared. Where possible, the five-year IDP should be part of a longer-term strategic development plan.

The core components of an IDP should also include a municipality's local economic development plans, a spatial development framework, disaster management plans, a financial management plan with a budget projection for at least three years, and key performance indicators and targets. The IDP should also include the municipality's internal transformation plans.

The IDP approach marked a major shift away from the previous narrow focus of planning on physical development, zoning and land use. It refers to strategic development, which is a holistic and participatory approach, balancing social, economic and environmental, governance, institutional and financial considerations.

According to Williams (2006:197), community participation should be understood as the direct involvement of the community in the planning, governance and overall development programmes at local government level. Gibson (2006:7) states that community participation happens when ordinary citizens come together, deliberate and take actions collectively to address problems and issues that the community decides are important, appropriate and part of their needs. This means information

sharing, acting to help solve community needs and being involved in decision-making process. Recipients of services must play a central role in the process of deciding on essential services that should be provided and this will make communities to feel that they are part of the solutions as well.

While participation has been a pervasive feature of development, it is yet to acquire a fixed or agreed definition. What has changed in recent years, however, is the extent to which participation has been embraced by proponents of mainstream and alternative development. According to Davids *et al.* (2005:119), South Africa has an enlightened Constitution which lays the foundation for grassroots democratisation and good governance, imbued with a developmental orientation as embodied in the ideas of developmental local government and integrated planning. Kumar (2002: 27) reiterates this view and notes that popular participation has become sought after the world over because it holds numerous advantages in pro-poor development projects. Mogale (2003: 225) notes that the notion of public participation has widespread commonsense appeal and impact, further stating that public participation leads to an expectation that transformation in the system will benefit those to whom development projects are targeted. Former Tanzanian President Julius Nyerere (1979: 41) once said, “If development is to benefit the people and communities, the people must participate in considering, planning and implementing their development plans, the duty of the government is to ensure that the leaders and experts implement the plans that have been agreed upon by the people themselves.”

The need for community participation derives from Section 152 of the Constitution (RSA, 1996), which states following objectives of local government:

- 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; and
- Encourage the involvement of communities and community organisations in matters of local government.

This implies going beyond just consulting communities as an aid to deliberation. The Municipal Systems Act (32 of 2000) (RSA, 2000a) in Section 16 obliges municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance. Consequently municipalities must encourage and create conditions for the local community to participate in municipal affairs. The primary focus of this study is on the aspect of sustainability.

4.7 MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS, 2001

The Municipal Planning and Performance Management Regulations (RSA, 2001) define a Municipality's Performance Management System as "a framework that describes and represents 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" (RSA, 2001).

The regulations require that when developing its Performance Management System, a municipality must ensure that it:

- Complies with all the requirements set out in the Local Government: Municipal Systems Act (32 of 2000) (RSA, 2000a);
- Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;
- Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
- Determines the frequency of reporting and the lines of accountability for performance; and
- Aligns with the Municipality's Employee Performance Management processes.

4.8 PROJECT CONSOLIDATE, 2002

Project Consolidate was a project designed to address the under-performance of local government. At inception it was presented as a mechanism aimed at injecting new life into local government to address public service delivery challenges. The focus included the deployment of service delivery facilitators (experts) into local government to enhance and reinforce public service delivery. The intervention was aimed at promoting a culture of accountability, performance monitoring and evaluation in local government.

Project Consolidate was a two-year national intervention to support municipalities lacking the expertise to discharge their mandate to provide basic services. It also sought to redress the failure of national and provincial departments to fulfil their constitutional duty to support municipalities. Project Consolidate deployed technical experts to 136 municipalities – generally in rural areas or former homelands which had the highest backlogs in basic services and were economically depressed (CoGTA, 2009a:1).

The Development Bank of South Africa introduced a similar programme, called Siyenza Manje, to support financial management and infrastructure planning. By April 2008, Project Consolidate and Siyenza Manje deployments totalled 1,124 in 268 municipalities (CoGTA, 2009b:215). In practice, these interventions did little to improve the financial performance of municipalities, which is perhaps the most important indicator of the health of local government. In his audit report for 2009/2010, the Auditor-General found that despite the “abundance of technical tools to support municipalities” the results were only “fractionally better than the previous year” (Auditor-General, 2011a; for the full report see Auditor-General, 2011b).

4.9 MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (56 of 2003)

The Act is aimed at modernising municipal budgeting and financial management. It facilitates the development of a long-term municipal lending/bond market. It also introduces a governance framework for separate entities created by municipalities.

These include securing sound and sustainable fiscal management by establishing the following norms and standards:

- Ensuring that transparency, accountability and appropriate lines of responsibility are established;
- Management of revenues, expenditures, assets and liabilities;
- Budgetary and financial planning processes and the co-ordination of processes;
- Handling of borrowing procedures;
- Supply chain management; and
- All other financial matters in local government (RSA, 2003: 23).

Mogale (2003:229) states that in order to assist municipalities to meet developmental requirements and speed up service delivery to the poor, extensive resource acquisition in terms of funding, human resources, appropriate and most importantly the adoption of key and enabling legislative measures have become essential to realise developmental local government objectives, such as the Municipal Finance Management Act (56 of 2003) (RSA, 2003), which was promulgated to ensure sound financial management in the local government.

The Act (RSA, 2003) empowers the mayor (or executive committee) to provide political leadership by taking responsibility for policy and outcomes, and holds the municipal manager and other senior managers responsible for implementation and outputs. Non-executive councillors are empowered to play a key policy-approval and monitoring role through the municipal council.

The Act aims to enable managers to manage while making them more accountable. All these various roles are possible because of the stringent reporting requirements of the Act; the challenge facing all stakeholders is their capacity to use the management information produced in terms of the Act to improve the efficiency and effectiveness of the municipality (RSA, 2003).

The Act (RSA, 2003) is required by the Constitution (RSA 1996), which obligates municipalities to be transparent about their budgets and financial affairs. It also forms an integral part of the broader reform package for local government outlined in the White Paper on Local Government (RSA, 1998). The Act must be read together with other local government legislation, particularly the Municipal Systems Act, to ensure alignment of IDPs, budgets, performance systems and governance across municipal entities (RSA, 2000a; RSA, 2003).

4.10 FIVE YEAR STRATEGIC LOCAL GOVERNMENT AGENDA PROGRAMME, 2006

In January 2006, Cabinet adopted the Five-Year Strategic Agenda for the second term of local government (2006-11), following a comprehensive review of the first term of local government (2000-05). The review found that the final phase of the transition had been too ambitious and pointed to the worrying mismatch between national policy objectives and local government's capacity to implement them. Poor policy coordination, overregulation of local government, and unsystematic support for municipalities were identified as contributing to municipal distress. The review outlined three imperatives for the next five years.

First, municipalities would have to improve their performance and accountability to communities. Second, an unprecedented national capacity-building effort would be required to help local government discharge its mandate. Third, more effective coordination of policy as well as monitoring and supervision of local government were required. Over time, the objectives of the Five Year Strategic Agenda were systematically anchored in the plans and operations of municipalities, provinces and national sector departments as the guiding strategic framework.

4.11 LOCAL GOVERNMENT TURNAROUND STRATEGY, 2009

Local Government Turnaround Strategy by CoGTA (RSA, 2009a) is an intervention with strong emphasis on improving performance, monitoring, governance and accountability. The main purpose is to ensure that local government embarks on a

concentrated effort to deal with the issues undermining local government and to restore good performance and effective public service delivery.

The Department of Cooperative Governance and Traditional Affairs conducted a local government assessment to identify the main causes of poor service delivery within certain municipalities across the country (SALGA, 2014). The assessment results revealed a number of problems within municipalities, but most importantly, it demonstrated that not all problems experienced by communities are applicable to all municipalities. As a result of the above-mentioned assessment, CoGTA adopted a differentiated approach to tackling challenges facing municipalities as compared to the “one-size-fits-all” approach prevalent in the past (SALGA, 2014).

The adoption of the strategy was motivated by the critical role played by the local government sphere in the achievement of an accountable, responsive, efficient and effective local government system in South Africa (RSA, 2009a). In response to this new policy direction and the assessment results, the department initiated and approved five flagship projects to further assist with acceleration of service delivery to the people of South Africa:

- Business Adopt- a-Municipality
- Clean Cities and Towns
- Ward Based Cooperatives Projects
- National Municipal Revenue Enhancement Programme
- Operation Clean Audit.

It is important to note that although other institutions and stakeholders are involved in these projects, CoGTA plays a central role in the development and support of these flagship projects in terms of coordination and facilitation to ensure that all means of support are made accessible to participating municipalities across the country.

4.12 RURAL DEVELOPMENT PROGRAMME

Government defines rural areas according to the following two characteristics:

- Sparsely populated areas in which people farm or depend on natural resources, including villages and small towns that are dispersed through these areas; and
- Areas that include large settlements in the former homelands, which depend on migratory labour and remittances as well as government social grants for their survival, and typically have traditional land tenure systems.(RSA, 2002)

The constitutional classification of municipalities does not distinguish between municipalities in urban and rural areas. Outside of metropolitan municipalities, the only distinction made is between local (category B) and district (category C) municipalities. It is also important to note that many large urban municipalities, such as eThekweni, Cape Town, Port Elizabeth, East London, Mangaung and Tshwane metros, contain areas that are functionally rural.

The Integrated Sustainable Rural Development Strategy (2002) provides a framework to address poverty. The aim is to conduct a sustained campaign against rural and urban poverty and underdevelopment, bringing in the resources of all three spheres of government in a coordinated manner. These programmes will entail investment in the economic and social infrastructure, human resource development, enterprise development, the enhancement of the development capacity of local government, poverty alleviation and the strengthening of the criminal justice system (RSA, 2002).

In July 2009, the Comprehensive Rural Development Programme (CRDP) was approved by Cabinet. The CRDP aims to mobilise and empower rural communities to take initiatives aimed at control of their own destiny, with the support of government. The goal of the CRDP is to achieve social cohesion and development by ensuring improved access to basic services, enterprise development and village industrialisation. The CRDP implements broad-based agrarian transformation focusing on community organisation and mobilisation as well as strategic investment in economic and social infrastructure.

The CRDP proposes an approach that addresses the needs of the person, household, community and space. It is built on the premise that rural areas in the country have the potential to be developed in a way that generates jobs and economic opportunities, thus providing an alternative to urban migration and contributing to the reduction in rural urban migration. Furthermore, although agriculture plays a significant role in rural development, the CRDP proposes diversification of the rural economy, according to conditions prevailing in different areas.

The CRDP consists of three phases:

- Meeting basic needs
- Enterprise development
- Establishment of village industries and creation of access to credit facilities.

In his 2009 State of the Nation Address, President Jacob Zuma stressed the importance of improving the lives of rural dwellers when he said, “For as long as there are rural dwellers unable to make a decent living from the land on which they live... we shall not rest, and we dare not falter, in our drive to eradicate poverty” (Zuma, 2009).

4.13 LOCAL ECONOMIC DEVELOPMENT (LED)

Sections 152(1) (c) and 153 of the Constitution state that one of the objectives of local government is to promote social and economic development (RSA, 1996). These objectives are further articulated in the Municipal Systems Act (RSA, 2000a). Since 1995, considerable energy and resources have gone into enabling municipalities to play a meaningful role in local economic development (LED). The purpose of LED is to build up the economic capacity of a local area to improve residents’ quality of life. It is a process by which public, business and social sector partners work collectively to create better conditions for economic growth and employment generation. While municipalities have a key role to play in LED, they generally do not have the resources necessary to implement large-scale projects outside of strong partnerships with other public and private agencies (CoGTA, 2000c).

LED projects must complement a strategic regional economic strategy and be individually evaluated in terms of their costs and benefits. Government's new growth strategy highlights the potential of rural development as a driver of job creation. It emphasises the importance of developing a clear spatial development perspective to enhance rural development opportunities in relation to the real comparative advantages of local areas. In addition, the spatial perspective will set out opportunities available and the basis for government spending choices with respect to infrastructure, housing and local economic development initiatives (CoGTA, 2000b).

The strategy also emphasises the importance of investment in infrastructure for creating jobs. Local government LED activities have often met with only limited success. Very often this has been due to poor project selection, such as someone's pet project being chosen, which is later found to be unsustainable. In other instances, the programmes have been corrupted to serve the interests of particular individuals, rather than the community as a whole. The International Labour Organisation suggests that successful LED strategies have four dimensions:

- Participation and social dialogue
- A clear location or territory
- Mobilisation of local resources and competitive advantages
- Local ownership and management. (CoGTA, 2000d)

Careful analytical work is required to orient municipal activities towards real economic opportunities consistent with the development potential of the local economy. There is consensus that municipal LED strategies should aim to support rural people to participate more fully in the market economy, particularly by creating an enabling environment for both formal and informal business to operate. This suggests a threefold agenda for municipal LED strategies:

- The provision of municipal infrastructure, particularly access roads. The absence of essential infrastructure will tend to stifle economic development. This must also include the maintenance of infrastructure, which is often overlooked in LED initiatives.

- Implementing a user-friendly regulatory environment that supports new investment. Key elements include having a clear spatial plan to guide development, and providing timely development approvals, trading permits, health certificates, and so on. Municipalities play a leading role in regulating land use and enabling the development and release of land for productive purposes. They also play an important supportive role in land reform and restitution programmes. Yet many rural municipalities do not have functional land use management systems in place.
- Catalytic partnerships: Municipal LED strategies cannot exist in isolation, but rather must be coordinated with complementary interventions by other public and private agencies. Poor coordination of efforts can lead to duplication and gaps in service delivery. (CoGTA, 2000a)

Failure to clearly demarcate the scope of municipal LED activities often results in the misallocation or capture of resources by vested interests at the local level without benefiting all residents. Elements of a rural strategy for South Africa were articulated in a number of government documents published during the period 1994-2000. The initial rural development strategy was formulated within the general framework of the 1994 Reconstruction and Development Programme (RDP). A comprehensive rural development strategy was subsequently also grounded in the macro-economic framework provided by the Growth, Employment and Redistribution Strategy (GEAR, adopted in 1996).

4.14 NATIONAL WATER ACT (Act 36 of 1998)

The National Water Act (RSA, 1998c) provides the legal framework for the effective and sustainable management of South Africa's water resources. The Act was published in 1998 with the aim of fundamentally reforming the past laws relating to water resources which were discriminatory and not appropriate to South African conditions. Central to the National Water Act is the recognition that water is a scarce and precious resource common to all South Africans. It also recognises that the ultimate goal of water resource management is to achieve the sustainable use of water for the benefit of all (RSA, 1998c). The Act aims to protect, use, develop, conserve, manage and

control water resources as a whole, promoting the integrated management of water resources with the participation of all stakeholders (RSA, 1998c).

4.15 WATER SERVICES ACT (Act 108 of 1997)

The objective of this Act is as follows:

To provide for the rights of access to basic water supply and basic sanitation; to provide for the setting of national standards and of norms and standards for tariffs; to provide for water services development plans; to provide a regulatory framework for water services institutions and water services intermediaries; to provide for the establishment and disestablishment of water boards and water services committees and their powers and duties; to provide for the monitoring of water services and intervention by the Minister or by the relevant Province; to provide for financial assistance to water services institutions; to provide for certain general powers of the Minister; to provide for the gathering of information in a national information system and the distribution of that information; to repeal certain laws; and to provide for matters connected therewith.(RSA, 1997)

4.16 INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT (Act 13 of 2005)

The purpose of this legislation is described as follows:

The Act seeks to provide focus, clarity and certainty regarding core aspects of intergovernmental relations framework at the executive level of government. It provides for the establishment of intergovernmental structures as well as the conduct and resolution of disputes. The framework aims to promote good conduct, integration, participation, co-operation and co-ordination between Parties and includes, but is not limited, to aspects such as policy development and implementation, the exercise of statutory powers, the performance of a statutory function, the development and provision of a service or product, the implementation of a government programme, or managing a joint programme or project. (RSA, 2005)

4.17 CHAPTER SUMMARY

The chapter covers discourse on legislative and policy frameworks implemented in local government in South Africa, all of which are geared towards making the local sphere of government effective and efficient in executing its mandate or given responsibility. The legislative and policy frameworks covered in this chapter are designed to guide, regulate and monitor the provision of services at local government level.

It is evident that local government in South Africa is a legitimate structure endorsed by the Constitution and a number of Acts and policies. The legislative and policy frameworks focus on different aspects, which include the aims and objectives of local government that provide municipalities with clear guidelines on what is to be achieved and stipulate the type of services to be provided. The chapter contained explanatory information on the values alluded to in the White Paper on Local Government to emphasise that professional service delivery implementation standards should be maintained throughout the process.

To further pursue the local government mandate, as described in this chapter, national government introduced interventions which had far reaching implications in terms of skills development and capacity building, technical support and infrastructure development at municipal level. By virtue of the legislative and policy framework covered in this chapter, it is evident that the South African Government has a vision to see all municipalities functioning at an optimal level.

The next chapter deals with research methodology and presentation of results.

CHAPTER 5

THE EMPIRICAL STUDY: DATA COLLECTION, ANALYSIS OF SURVEY DATA AND FINDINGS

5.1 INTRODUCTION

In the first chapter, the problem to be investigated was defined (refer to Section 2 of Chapter one). This chapter presents the research methodology used to collect data, the selection of the study population, the data collection process and the findings. The research study was deemed necessary in order for the researcher to evaluate performance challenges at local government level, bearing in mind that this sphere of government is at the coal face of service delivery.

The questionnaire used in the study had three sections that are analysed in detail in this chapter. Interviews were done with a selected number of stakeholders and the results are presented in terms of themes predetermined by the researcher. A focus group approach was adopted in order to populate the balanced scorecard evaluation model developed in Chapter six.

5.2 RESEARCH METHODOLOGY

In addition to a literature and legislative review undertaken in Chapters 2, 3 and 4 in order to advance the understanding of the role of local government service delivery in rural areas of South Africa, the Joe Gqabi District Municipality in the province of the Eastern Cape was singled out as a focus area for the study. The triangulation approach to research was used in this study; it is a combination of both qualitative and quantitative approach adopted to elicit information from practitioners and experts in local government, ward committee members, agricultural organisations and the business community. Triangulation refers to the general principle in data collection where multiple sources of data collection in a research project are adopted to increase reliability (Mouton, 1996: 156).

The Transdisciplinary (TD) methodology/thinking was adopted as the research evolved, which follows a three-pronged approach. It firstly looks at systems knowledge, a confirmation of the current situation/condition through literature review, questionnaires and interviews, in the research this is covered by chapter 2 to chapter 5. The second leg of the approach has a transformational knowledge element (using the BSC as mirror in the group session to foster ownership and reflection) which talks to a need to change the current situation informed by the information from the first step (systems knowledge) which answers the question about what influence or contribution does the information from the questionnaire have on the development of the customised BSC in chapter 6. The last leg of the approach is the target knowledge (using the BSC to identify current weaknesses and to visualise where the municipality want to be in the future) which is the normative knowledge which in the study is the tested BSC model and the performance model in chapter 7 that was derived from information acquired through co-creation of knowledge by the research and stakeholders from the municipality jurisdiction including officials and politicians.

The underlying assumption is that each method complements the others and shortcomings can be balanced out. According to Punch (2005: 241), the logic of triangulation is that findings from one type of study can be checked against the findings derived from another: for example, qualitative investigation might be checked against a quantitative study.

5.2.1 The qualitative component

The qualitative component was to be used to elicit information from all stakeholders through structured interviews on the role of local government in service delivery. Stakeholders were purposively selected from among residents in the municipality under the following categories: political office bearers; municipal manager or section managers; municipal official; ward committee; chamber of commerce; organised commercial agriculture and national and provincial departments situated in the municipal jurisdiction.

The qualitative approach is recognised as a useful tool because researchers have some control over data construction and because the interview process is sufficiently

flexibility to allow issues to emerge during dialogue and discussions to be pursued. In this component, prepared structured interview questions were used in interviewing practitioners and experts in service delivery at local government level. A select sample of political office bearers and a representative sample of officials covering areas all areas of service delivery was used to select interviewees (refer to population sample). McQuade *et al.* (2007:759) concur that rich data in the interview transcript means that the relative importance of issues, as viewed by interviewee, can become clear.

5.2.2 The quantitative component

Quantitative methodology is associated with analytical research, and its purpose is to arrive at a universal statement (Mouton, 1996: 128). The researcher assigns numbers to observations by counting and measuring outcomes that data has produced through the method of analysis (discussed in detail in the data collection techniques, Section 6.4). It is underpinned by a distinctive theory as to what should pass as warrantable knowledge (Bryman, 1984: 77). In line with the above literature, a questionnaire is used to elicit information from the general members of the public.

5.3 STUDY POPULATION

In selecting the study population, the Province of the Eastern Cape comprises eight district municipalities, which have a total of forty-five local municipalities. For the purpose of this study, only one district municipality was selected, namely Joe Gqabi District Municipality. Classified as a category C municipality, this district has four local municipalities, namely Gariiep, Elundini, Maletswai and Senqu. The total population of the Joe Gqabi District Municipality is 308 365, which constitutes 5.3% of the total population in the Eastern Cape. Women constitute 54% of this population, while men comprise 46%, as per the 2011/2012 IDP review (JGDM, 2014).

The reason for the above-mentioned district is that it is a predominantly rural municipality. In his report, the Auditor General has identified rural municipalities as an important component of governance structure facing challenges especially in terms of skills shortages and ability to adequately meet basic needs of their communities and lacking proper reporting structures in place. In his first state of the nation address,

President Zuma emphasised the importance of development in rural areas and commitment to provide basic services to these communities as one of government's main priorities (Zuma, 2009).

5.4 DATA COLLECTION PROCESS

The following data collection techniques were used in the study. First, a questionnaire was distributed with the objectives of understanding the local context of the research focus area and attaining a general view of the perceptions of the participants. Second, an interview session with pre-selected expert stakeholders within the municipality was undertaken to gain more inside knowledge of the approach and attitude to performance measurement in the municipality. Third, a focus group was convened to populate the balanced scorecard evaluation form as a benchmarking exercise to look for best practice scenarios that the municipality can use to manage performance.

5.4.1 Questionnaire

Quantitative data was collected by means of questionnaire. The questionnaire was developed in terms of the Likert Scale analysis methodology. Likert Scales are widely used for measuring attitudes, for example, opinions, mental dispositions and preferences (Gob *et al.*, 2007:601) and it is a popular attitudinal rating scale used in research (Aiken, 1996:231). The questionnaire consisted of a collection of statements about the role of local government in service delivery in response to which respondents had to express a variety of positive and negative attitudes. A typical five-point scale with responses to positively worded items scored 1 for “strongly disagree”, 2 for “disagree”, 3 for “neutral”, 4 for “agree”, and 5 for “strongly agree”. The attitude measurement was intended to determine the extent to which the role of local government in service delivery has been embraced within the selected municipalities under investigation (see Appendix A for the questionnaire).

The questionnaires were distributed amongst a purposively selected sample representative of stakeholders or residents within the municipalities under investigation. Approximately 80 questionnaires were distributed. The questionnaires were written in English, with the option of isiXhosa, with direct translation carried out

by the researcher during distribution sessions where necessary. A minimum of 60 questionnaires returned by participants is regarded as an acceptable representative of the target sample of 80. The Likert Scale is preferred as it is easier to construct and allow inclusion of items not clearly related to the attitude of concern if they have significant correlation with the total scores (Aiken, 1996:234). The guidance of a qualified statistician from the Stellenbosch University was sought when interpreting data.

5.4.2 Interviews

Structured interview sessions included prepared questions were administered to the stakeholders identified in the population sample; they were only conducted in English. The researcher took notes during the interviews. Follow-up enquiries were made telephonically with interviewees for the purposes of validity where necessary.

Approximately twenty 20 interviews were conducted by the researcher. Each interview was planned for a duration of thirty 30 minutes at a venue and time convenient to the interviewee.

5.4.3 Focus group

According to Hoijer (2008: 284), a focus group comprises a small number of individuals or interviewees drawn together for the purpose of expressing their opinion on a specific set of open questions. A session with stakeholders was convened for the purpose of populating the balanced scorecard evaluation model (see Appendix B and Appendix C for the list of participants). For the study a pragmatic choice had to be made to work with a single group, this was informed by the size of the district municipality and the availability of participants. The fact that the municipality is rural contributed to the decision to have one focus group.

5.4.4 Documents, articles and books

The reports of previous financial years (2011/12 and 2012/13) from the Auditor-General in the Province (Eastern Cape) pertaining to the identified district municipality were reviewed to identify gaps in the recommendations and

implementation phases. The reviews were done in conjunction with prescriptive legislations.

Articles and books relevant to the role of local government in service delivery were also reviewed with a view to identifying shortfalls in both theory and practice.

5.5 DATA ANALYSIS AND INTERPRETATION

In this study, data is presented in terms of basic frequency tables, histograms, item analysis and basic statistics. Qualitative data collected using interviews is discussed in terms of common identified themes.

5.5.1 Biographical information

This forms part of Section A in the questionnaire, which deals with the biographical details of participants. The significance and relevance of including details such as age, race, gender, area of operation, number of years of experience or residential years and highest qualification is to establish whether there is a correlation between the different groups and their perceptions. All stakeholders in the research focus area are represented in the study. The information in Table 5.1 reflects the age, race, gender, stakeholders, educational qualification and operational experience of the participants.

Table 5.1 shows that 59% of the study sample comprises male participants and 41% females. The racial profile of the study group is 81% Black, 7% Coloured and 12% White. The age group is divided into 21-30 years (13%), 31-40 years (32%), 41-50 years (32%), 51-60 years (18%) and 61 and above (5%).

Table 5.1: List of biographical information with frequency of respondents and percentages

Category	Response	Frequency	Percentage
Age Group	Under 20	0	0
	21-30 years	9	13
	31-40 years	22	32
	41-50 years	22	32
	51-60 years	12	18
	61 +years	3	5
	Total	68	100
Race Group	Blacks	55	81
	Coloured	5	7
	White	8	12
	Total	68	100
Gender	Male	40	59
	Female	28	41
	Total	68	100
Area of operation	Political Office Bearer	12	18
	Section 57 Manager	4	6
	Official	15	22
	Chamber of Commerce	6	9
	Agriculture	6	9
	Ward Committee	14	21
	National Department	11	16
	Total	68	100
Residential years or working experience	Under 1 year	5	7
	2-5 years	19	28
	6-10 years	22	32
	11-15 years	7	10
	16-20 years	4	6
	21+ years	11	16

	Total	68	100
Highest educational qualification	None	4	6
	Matric	21	31
	Diploma/advance cert	30	44
	Post graduate	13	19
	Total	68	100

Source: Author

5.5.2 Implementation of municipal performance improvement instruments and approach

Section B of the questionnaire covered the approach of the municipality to the implementation of their performance measurement mechanisms. The section had 13 statements that participants were required to rate in accordance with the Likert Scale, where 1 is equal to strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree in answer the section.

The response to each statement is discussed below in percentages using graphs, figures and tables. In the figures, columns are the number of observations or participants, and while rows contain a code for each statement: for example, B1 means statement 1 in Section B and C1 means statement 1 in Section C. The Likert Scale score will also be represented by 1-5 in the horizontal side of the figure.

In the Joe Gqabi District Municipality everyone knows what an Integrated Development Plan (IDP) is.

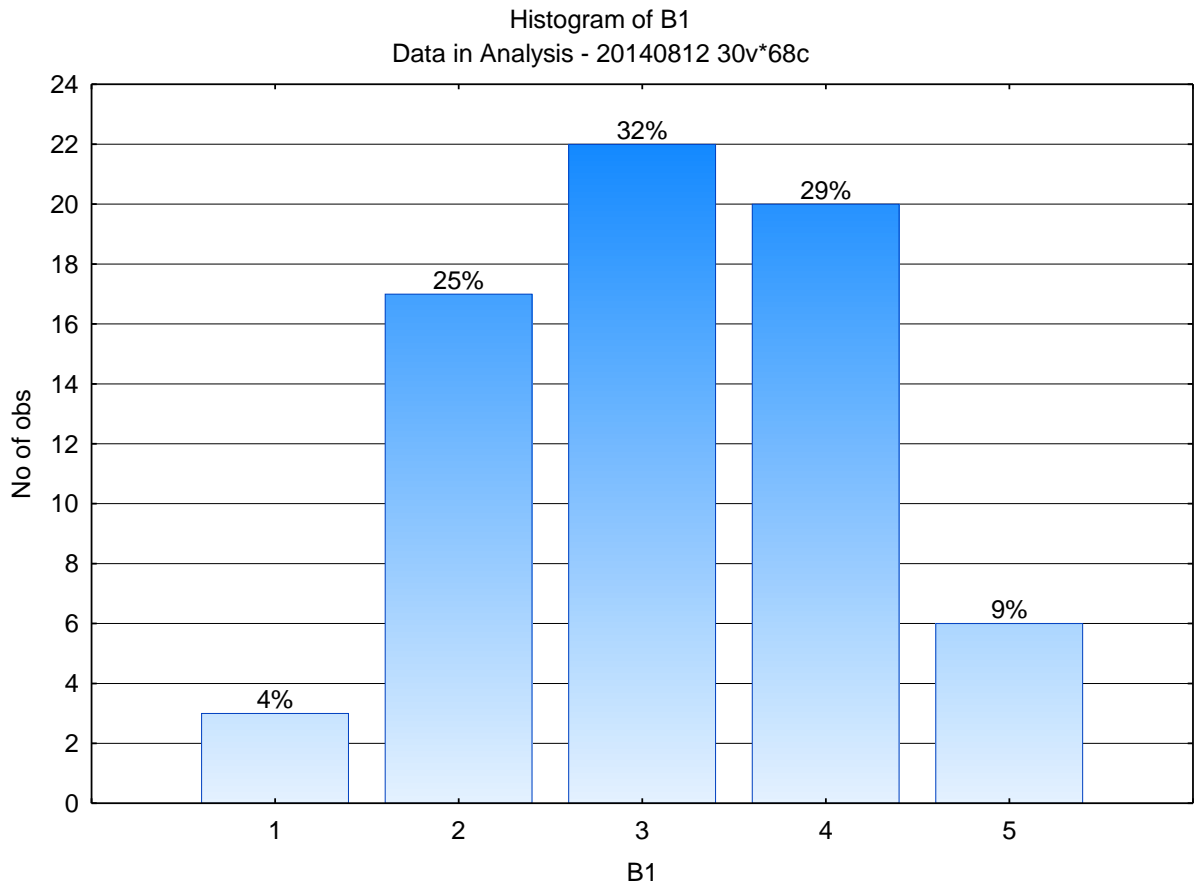


Figure 5.1: Everyone knows what an IDP is.

Figure 5.1 shows that 4% of the respondents strongly disagree with the statement, 25% disagree, 32% were either not sure or were reluctant to commit, 29% indicated that the statement is consistent with reality in the municipality and 9% strongly agreed with the statement. The majority (38%) of respondents agree that all stakeholders in the municipality know what an Integrated Development Plan is. It is more worrying that 29% of respondents disagree or strongly disagree with the statement, a percentage close to that of those who agree or strongly agree with it.

As a stakeholder you have been involved in or been part of the IDP meeting/s.

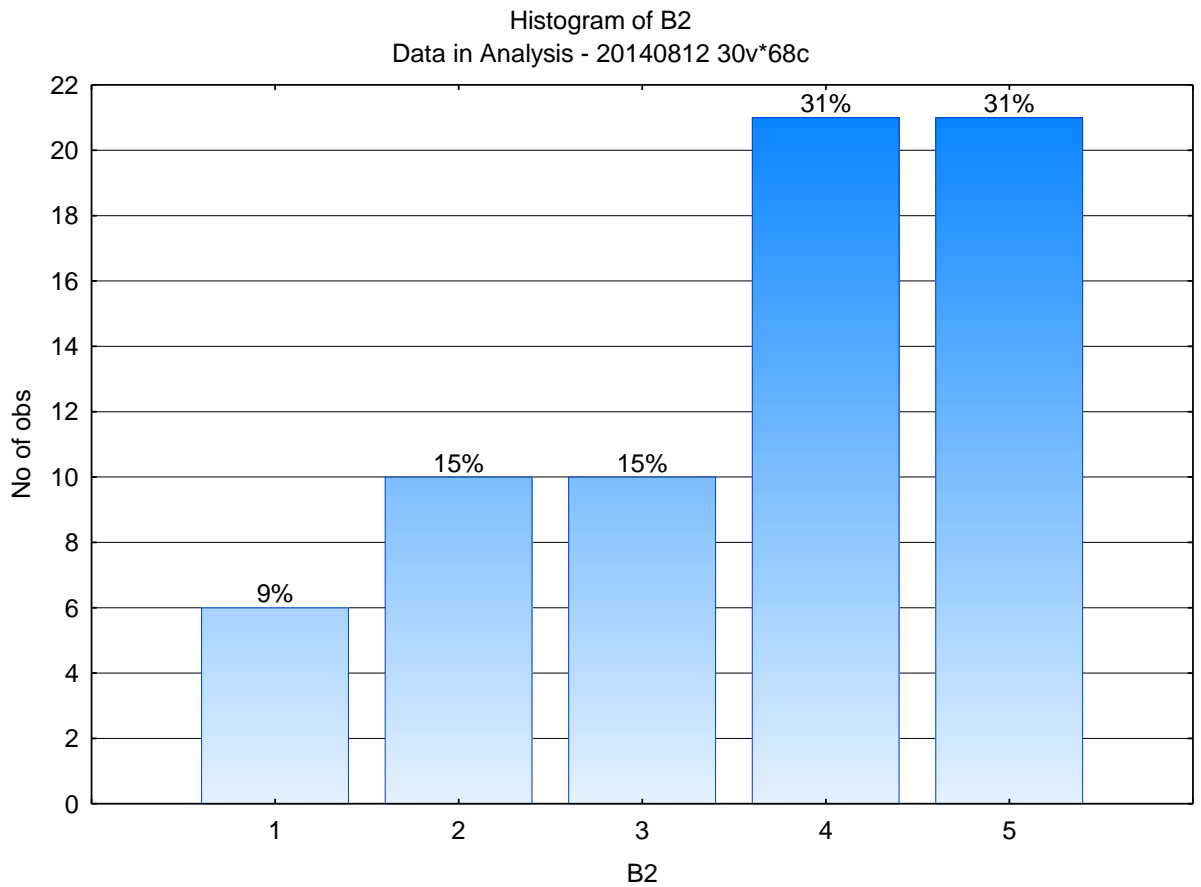


Figure 5.2: Stakeholder involvement or participation in IDP meeting/s.

Figure 5.2 shows that the majority or a large number of respondents are of the view that the municipality involves all stakeholders in their IDP meeting/s (31% agree and another 31% strongly agree) while 24% of the participants disagree with statement number 2 in the questionnaire (9% strongly disagree and 15% disagree). Another 15% remained neutral or withheld comment on this particular statement.

The municipality's IDP informs the service provision programme adaptation and implementation.

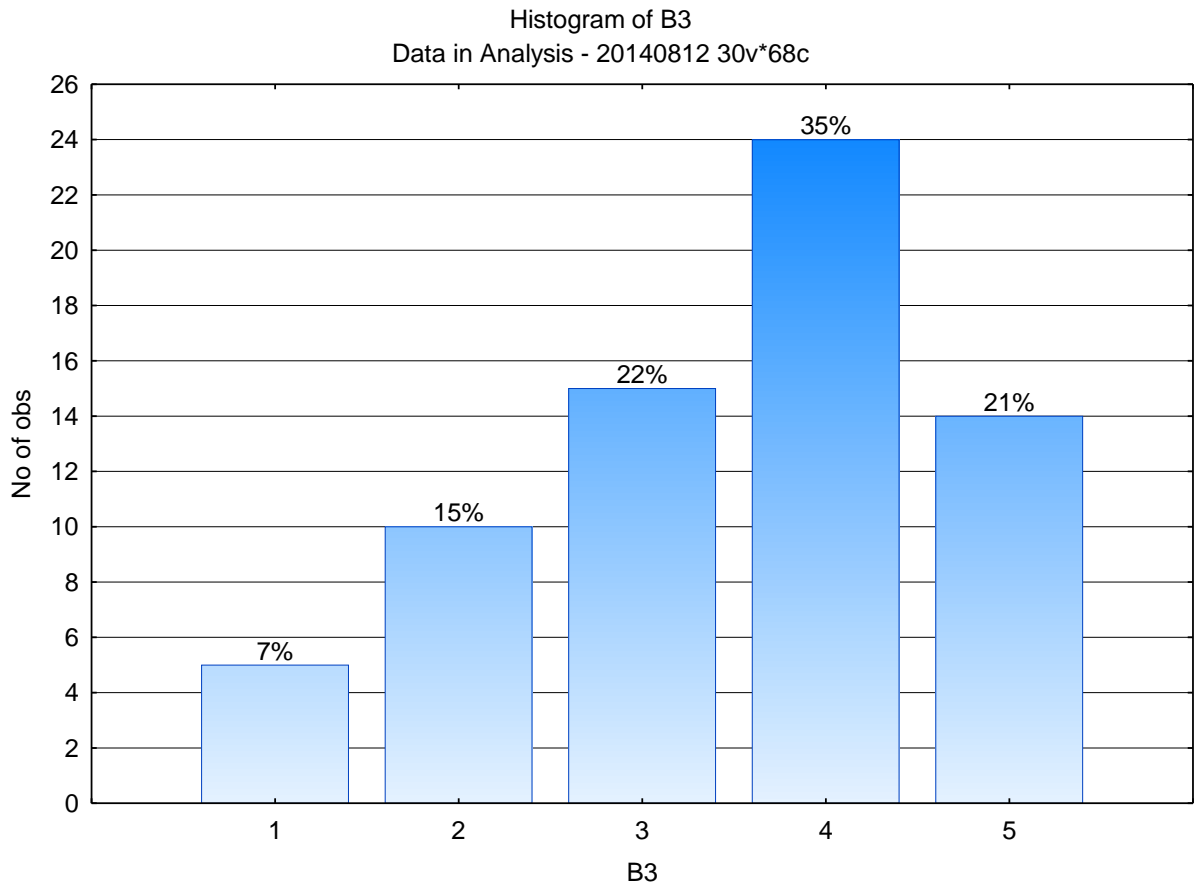


Figure: 5.3: IDP informs the service provision programme.

Figure 5.3 show that 7% of participants disagree with the notion that the municipality's IDP informs service provision program adaptation and implementation. Another 15% strongly disagreed while 22% were comfortable with a neutral view. Another 35% of respondents agreed with the statement supported by 21% who strongly agreed.

In **Appendix D**, the multiple comparisons data analysis highlighted in red with the dependent variable code B3 and independent variable code A1 shows that in statement 3, the age group analysis indicates that the age group between 21-50 years (code B, C and D) has a different view to other age groups in the study with the older generation being less critical of the statement.

In **Appendix E**, the multiple comparisons data highlighted in red with the dependent variable code B3 and independent variable code A2 in shows that in terms of racial groups, the White and Coloured respondents (code B and D) disagreed with the statement, while almost all Black participants (code A) were either neutral or agreed with the statement.

In **Appendix F**, when looking at the area of operation, another critical factor in analysing respondents' views on the statement is that political office bearers and organised commercial agriculture (code A and F) are not sure as they decided on ticking the neutral option highlighted in red with the dependent variable code B3 and independent variable code A4.

The municipality’s vision and mission is widely known by the people who live in the area.

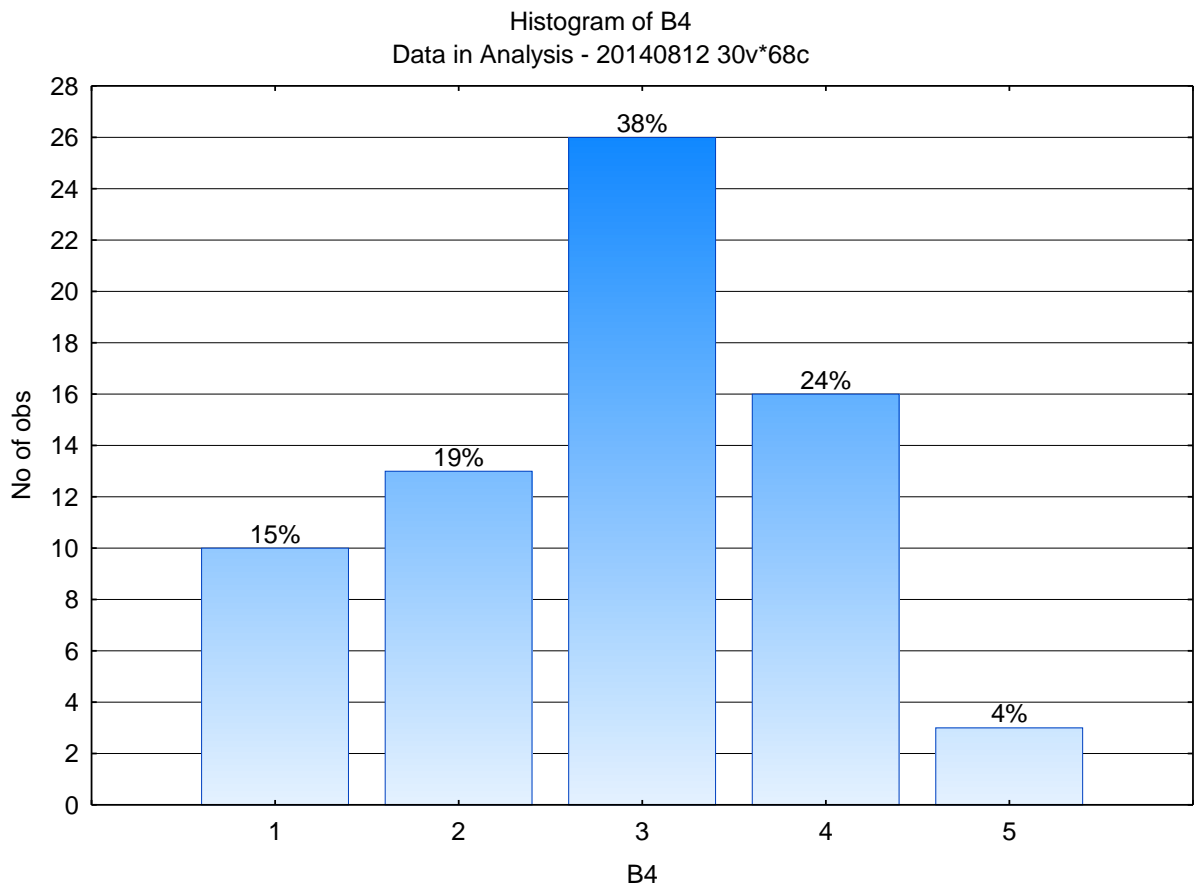


Figure 5.4: Municipality’s vision and mission is widely known.

Figure 5.4 shows a higher number of participants (38%) responding neutrally to the statement that the municipality's vision and mission is widely known by the people who live in the area, while 15% strongly disagree, 19% disagree, and 24% agree, and 4% strongly agree that all stakeholders in the municipality know the vision and mission.

Participants within the age group 21-30 years (code B) and 51-60 years (code E) have a similar response to this statement, as shown in **Appendix D**, in the data analysis highlighted in red with the dependent variable code B4 and independent variable code A1. With regard to statement number 4, in **Appendix E**, the multiple comparisons data highlighted in red with the dependent variable code B4 and independent variable code A2 show that in terms of racial groups, the Coloured respondents (code B) disagreed with the statement, while almost all other participants were either neutral or agreed.

Figure 5.5 indicates that 34% of participants agree and 19% strongly agree that the mission and vision of the municipality determines the areas of focus in service provision while 21% disagree, 7% strongly disagree and 19% remained neutral.

Participants within the age group 21-30 years (code B) highlighted in red with the dependent variable code B5 and independent variable code A1 had a different view of statement 5, to other age groups, as shown in the data analysis in **Appendix D**. They disagree with the statement which says the mission and vision of the municipality determines the areas of focus in service provision.

Also shown in the multiple comparisons data in **Appendix E**, in terms of racial groups, White respondents (code D) highlighted in red with the dependent variable code B5 and independent variable code A2 disagreed with the statement while almost all race group participants were either neutral or agreed with the statement.

The data analysis results in **Appendix F** highlighted in red with the dependent variable code B5 and independent variable code A4 indicate that ward committee and

organised commercial agriculture respondents were either neutral or disagreed with the statement.

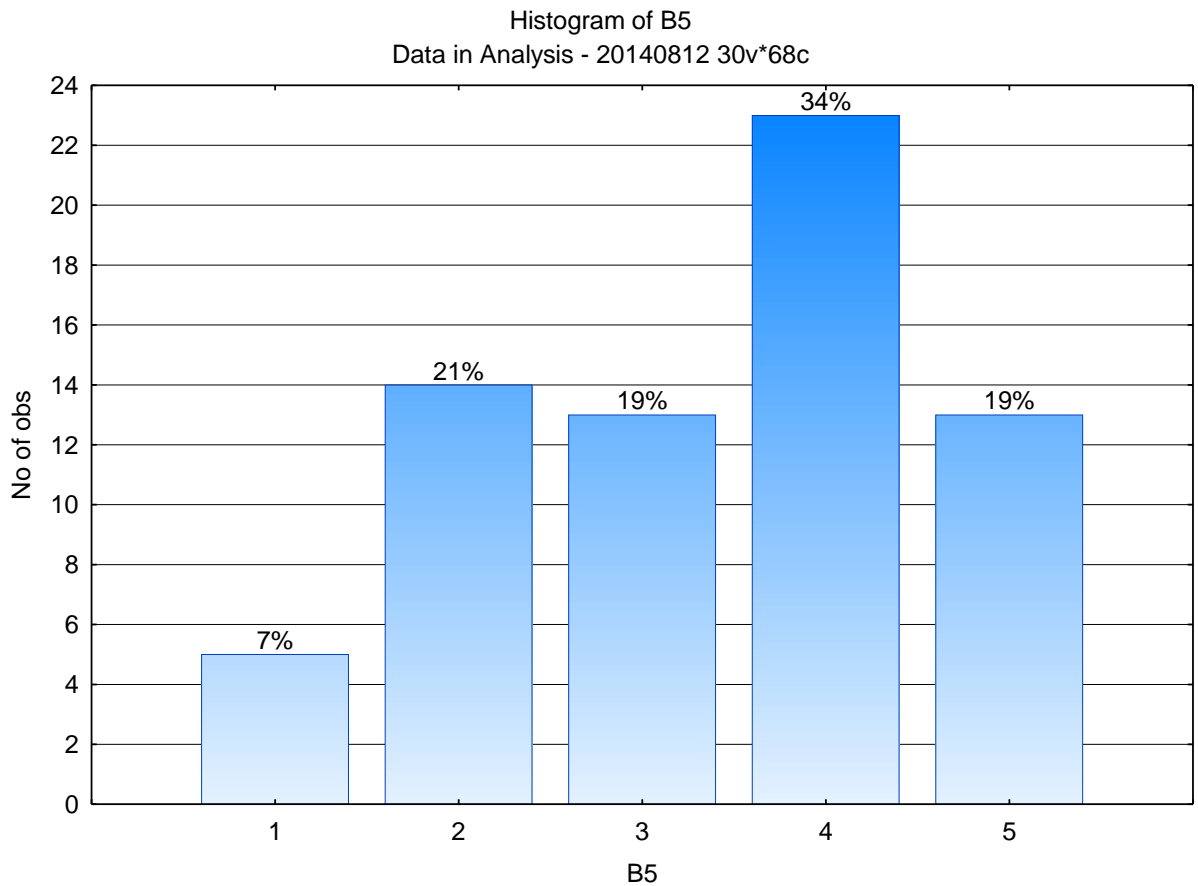


Figure 5.5: Mission and vision of the municipality determines the areas of focus in service provision.

The Balanced Scorecard is the performance management approach being used by the municipality currently.

Figure 5.6 shows a rather higher percentage of respondents (34%) who responded neutrally the statement that the balanced scorecard is the performance management approach currently used by the municipality. Four per cent strongly disagree with the statement, 19% also disagree, while 31% indicated that they agree and 12% strongly agree. Further investigation revealed that while the municipality is required by legislation to use a scorecard, it is currently not using one.

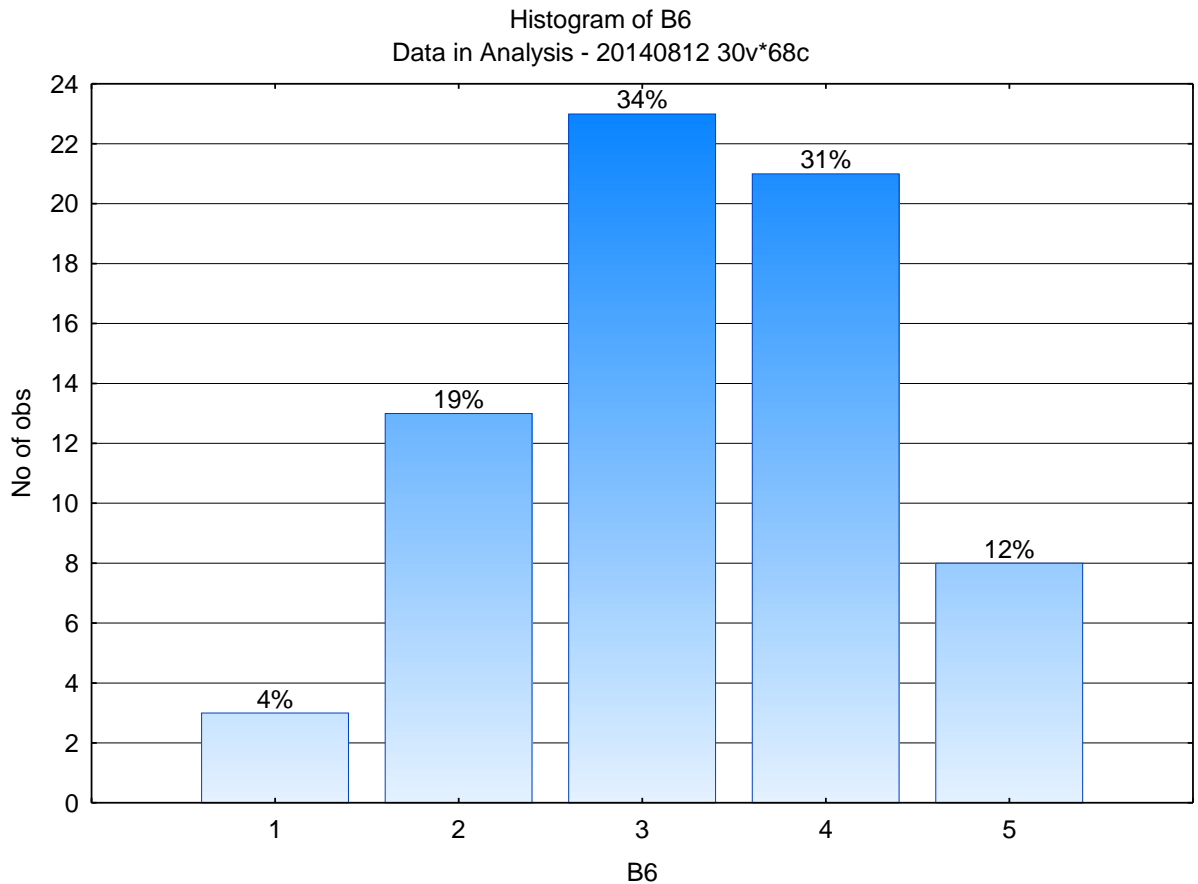


Figure 5.6: BSC is the performance management approach being used.

In analysing respondents' views on the statement, when looking at the area of operation, it is critical to bear in mind that political office bearers, organised commercial agriculture and national/provincial departments (code A, F and G) situated within the municipal jurisdiction (highlighted in red with the dependent variable code B6 and independent variable code A4 in **Appendix F**) disagree that the balanced scorecard is the performance approach currently used by the municipality.

The municipality's strategy is well defined and understood by all stakeholders.

In Figure 5.7 respondents were asked to either agree or disagree with the statement that the municipality's strategy is well defined and understood by all stakeholders. The outcome was 9% strongly disagree, 18% disagree, 28% neutral, 34% agree and 12% strongly agree.

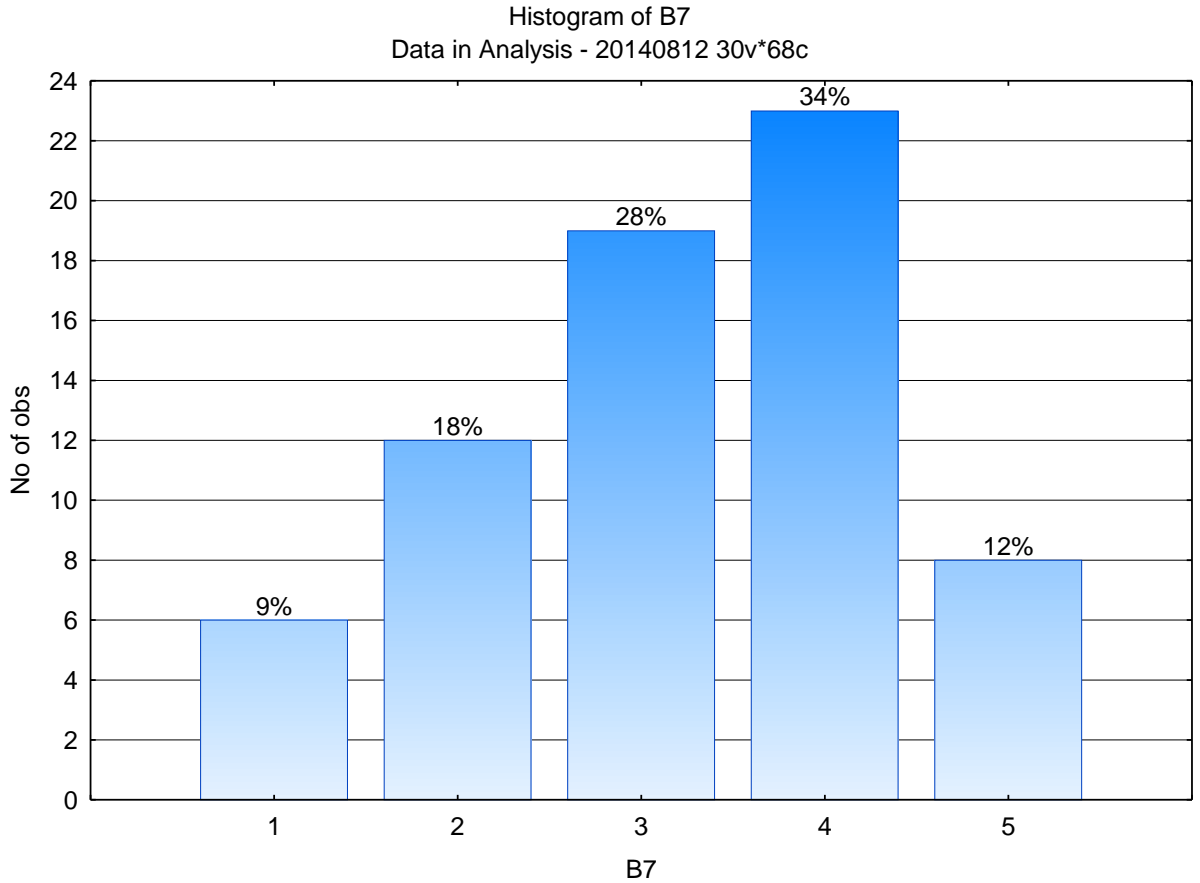


Figure 5.7: Municipality’s strategy is well defined and understood.

Most of the participants who disagree with the statement are in the age group 21-30 years (code B) highlighted in red with the dependent variable code B7 and independent variable code A1 as shown in the multiple comparisons data analysis in **Appendix D**.

The data analysis results highlighted in red with the dependent variable code B7 and independent variable code A2 in **Appendix F** indicate that organised commercial agriculture respondents were either neutral or disagreed with the statement.

Political office bearers, management, officials and other stakeholders are involved in the development and implementation of the municipality's performance improvement instrument.

Figure 5.8 below reflects the rating given by respondents to the statement above: 12% strongly disagree, 12% disagree, 19% neutral with 35% agreeing and 22% strongly agree.

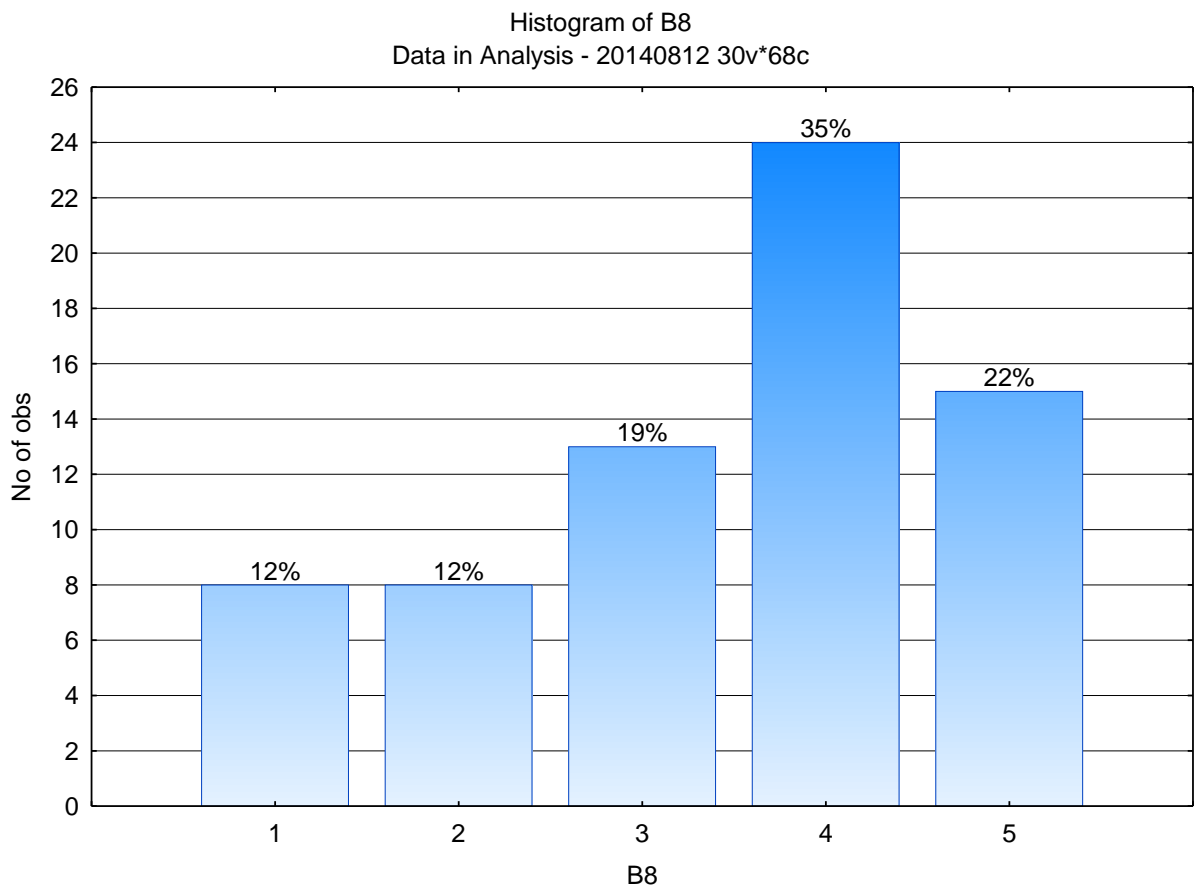


Figure 5.8: Identified stakeholders are involved in development and implementation.

Participants within the age group 21-30 years (code B) in **Appendix D** had a different view of statement 8 compared to other age groups, as shown in the data analysis highlighted in red with the dependent variable code B8 and independent variable code A1 to other age groups: they disagree with the statement.

The data analysis results shown in **Appendix F** indicate that organised commercial agriculture respondents (code F) highlighted in red with the dependent variable code

B8 and independent variable code A4 were either neutral or disagreed with the statement.

The municipality sets appropriate, specific and measurable indicators. Combining the 32% of respondents who agree and 15% who strongly agree with the statement that the municipality sets appropriate, specific and measurable indicators suggests that most respondents agree with the statement. It is important to note that 6% strongly disagree while 22% also disagree and 25% remained neutral (Figure 5.9).

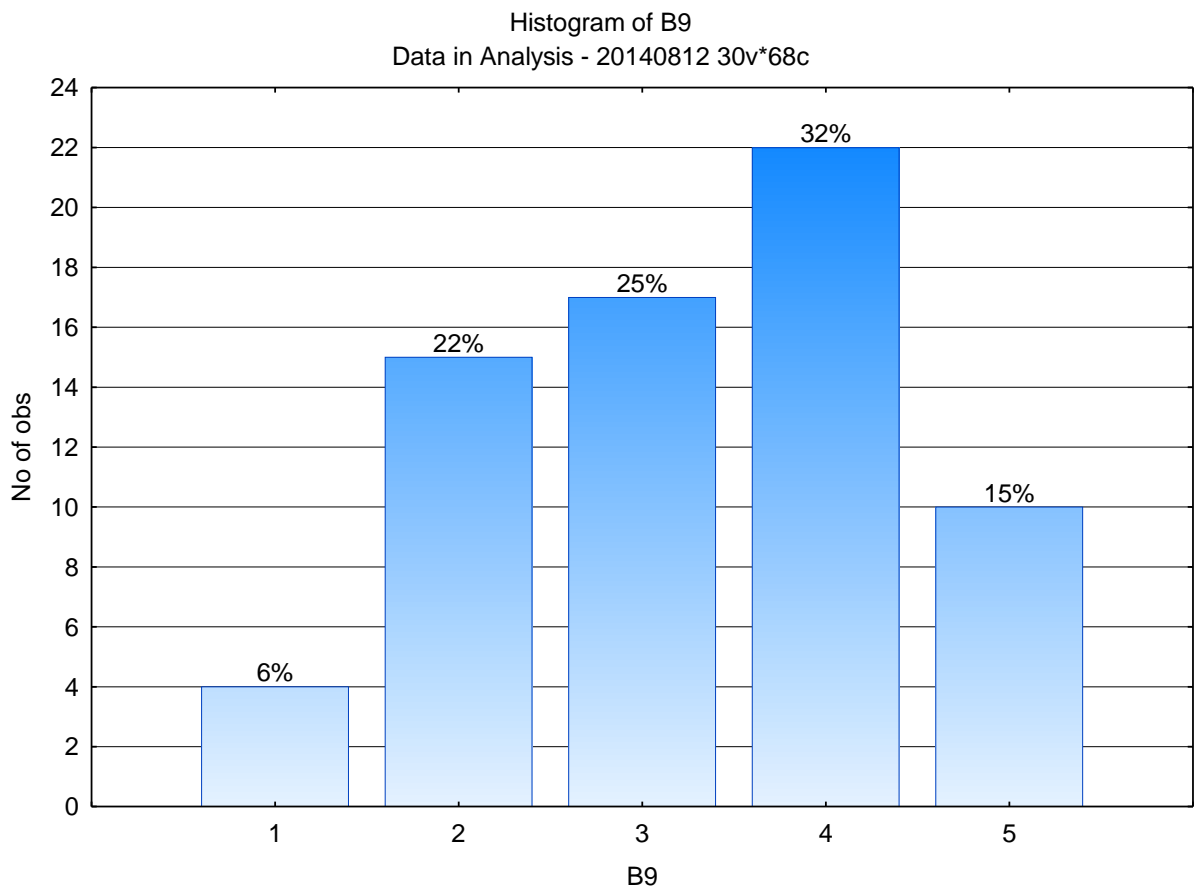


Figure 5.9: Municipality sets appropriate, specific and measurable indicators.

Participants within the age group 21-30 years (code B) had a different view in statement 8 compared to other age groups, as highlighted in red with the dependent variable code B9 and independent variable code A1 in the data analysis results of **Appendix D**; they disagree with the statement that says the municipality sets appropriate, specific and measurable indicators.

In the area of operation section of the questionnaire, members of the Chamber of Commerce (code E) strongly disagree with the statement, as highlighted in red with the dependent variable code B9 and independent variable code A4, while municipal managers (code B) seem to be the only group of respondents that agree with the statement as shown in the data analysis results in **Appendix F**.

All municipal stakeholders are involved in the design and planning of the implementation of the performance instrument.

Figure 5.10 shows that 18% strongly agree with statement number 10, 32% agree, 24% are neutral, 21% disagree and 6% strongly disagree.

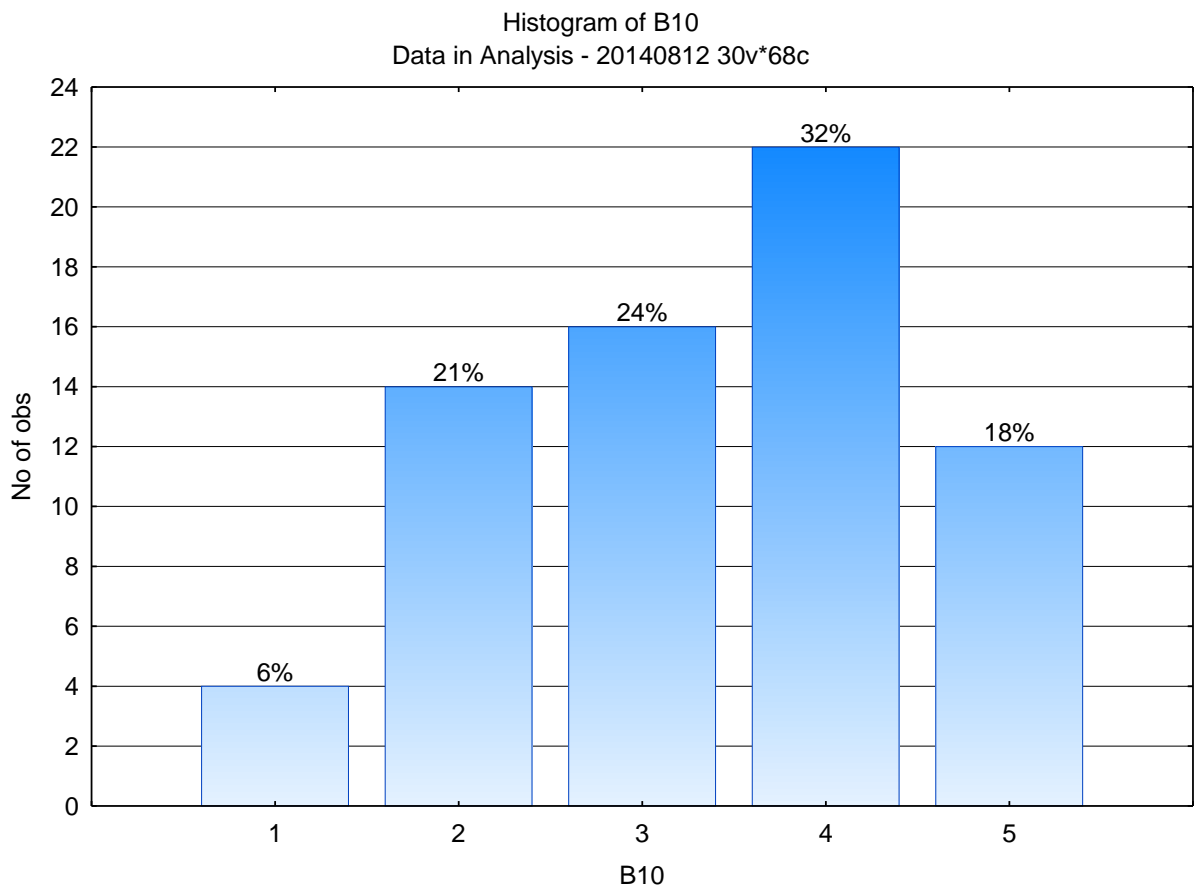


Figure 5.10: Involvement in design and planning.

Ward committee respondents (code D) are the only participants that disagree with the statement, as highlighted in red with the dependent variable code B10 and independent variable code A4 in the multiple comparisons data analysis results in **Appendix F**.

The information for determining objectives, measurements and targets is readily available to all.

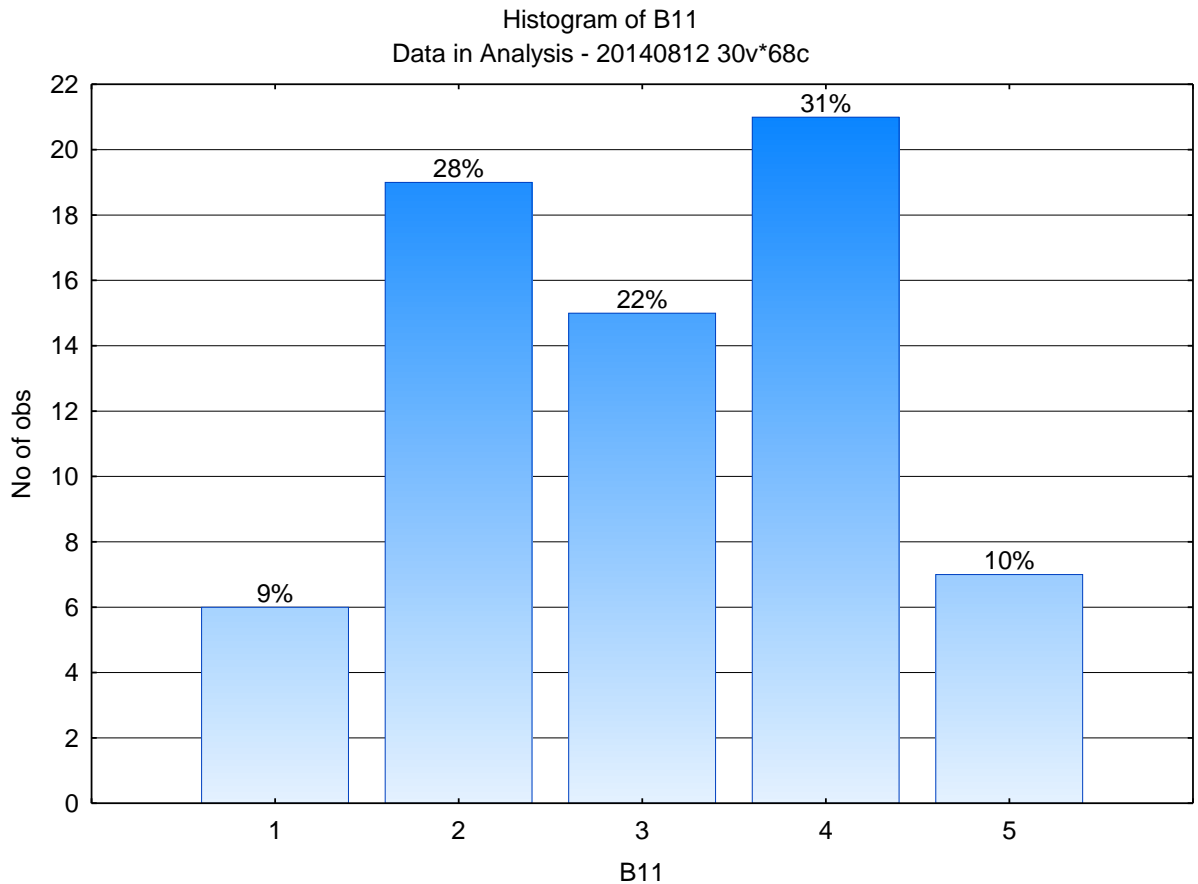


Figure 5.11: Availability of information to determine objectives and targets.

Figure 5.11 above shows the percentages of respondents that rated the statement in the questionnaire that said the information for determining objectives, measurements and targets is readily available. 9% strongly disagree, 28% disagree, 22% neutral, 31% agree and 10% strongly agree.

Participants within the age group 21-30 years (code B) had a different view of statement 11 to other age groups, as shown in **Appendix D** of the multiple comparisons data analysis, highlighted in red with the dependent variable code B11 and independent variable code A1; they disagree with the statement.

The multiple comparisons data analysis results in **Appendix G**, highlighted in red with the dependent variable code B11 and independent variable code A6, show that

respondents from all age, race and gender groups possessing matric, a diploma and advanced certificates agreed that the information for determining objectives, measurements and targets was readily available to all, while those with no educational qualifications disagreed and respondents with post-graduate qualifications were neutral.

The final evaluation of the performance instrument involves stakeholders.

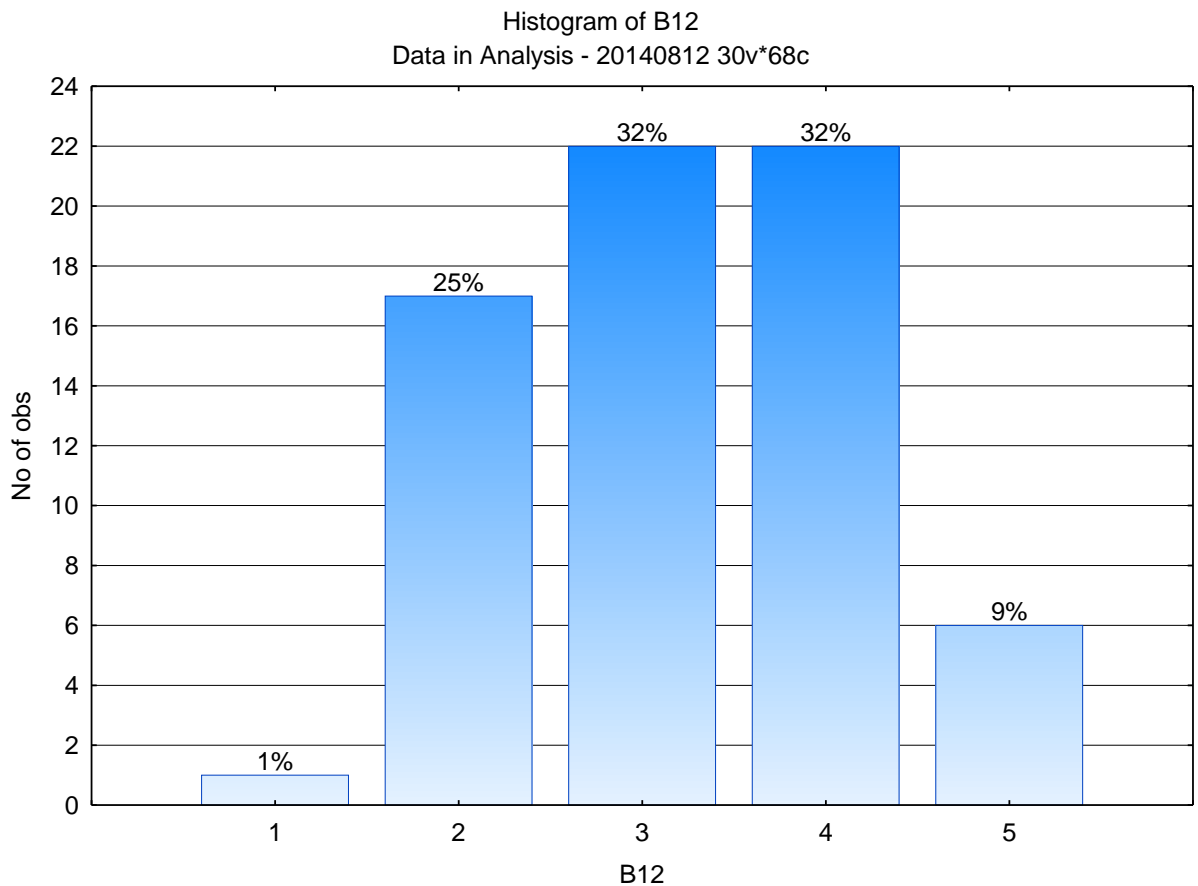


Figure 5.12: Stakeholders involvement in final evaluation.

Figure 5.12 shows that for statement number 12, 1% strongly disagreed, 25% disagree, 32% neutral, 32% agree and 9% strongly agree with the statement. In statement number 12, as shown by the multiple comparisons data analysis in **Appendix E**, in terms of racial groups, White and Coloured (code B and C) respondents, highlighted in red with the dependent variable code B12 and independent variable code A1, disagreed with the statement while almost all Black (code A) participants were either neutral or agreed.

The municipality appoints a champion and a team for implementation purposes.

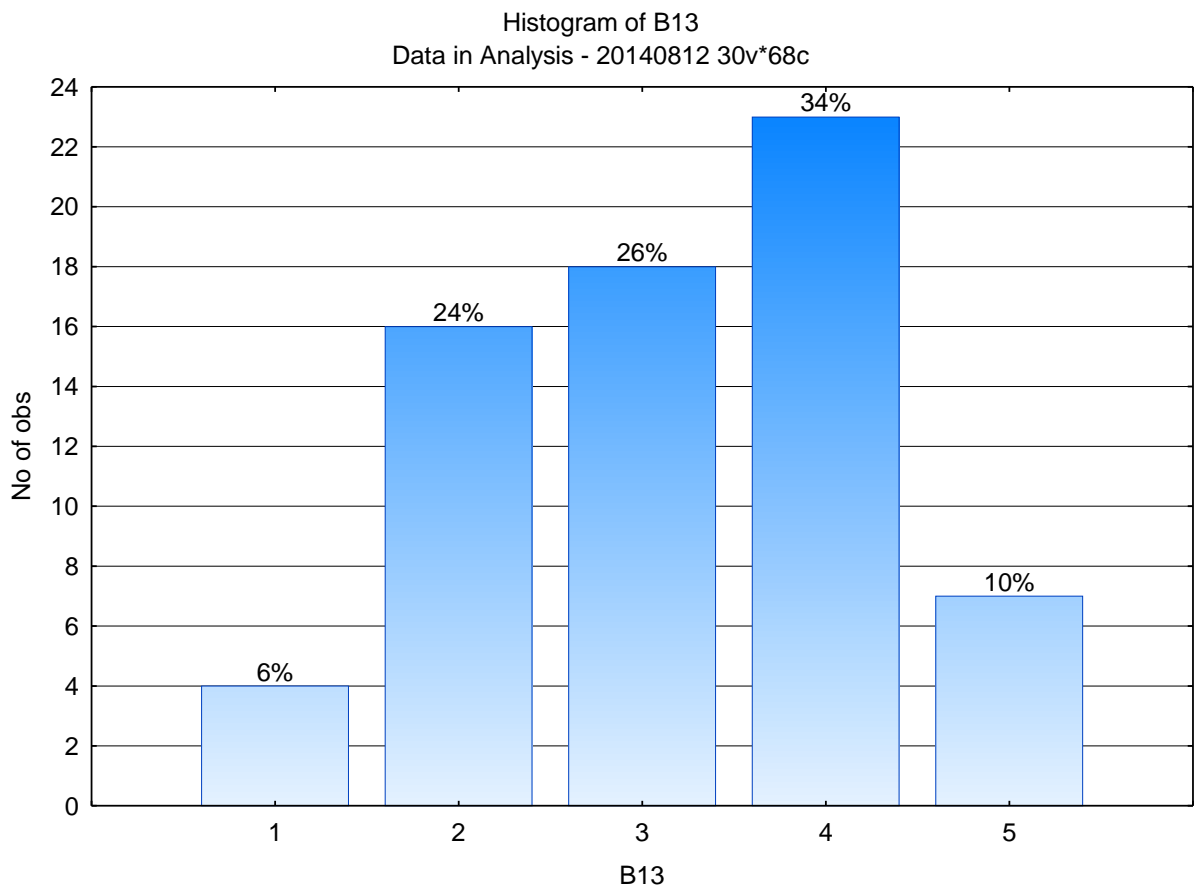


Figure 5.13: Appointment of a champion and a team for implementation purposes.

Figure 5.13 reflects responses to the statement that the municipality appoints a champion and a team for implementation purposes: 6% of respondents strongly disagree, 24% disagree, 26% are neutral while 34% agree and 10% strongly agree.

Participants within the age group 21-30 years (code B), highlighted in red with the dependent variable code B13 and independent variable code A1 in **Appendix D**, had a different view of statement 13 compared with participants from other age groups; they disagree with the statement.

In analysing respondents' views of the statement, when looking at the area of operation, it is critical to bear in mind that ward committees and national/provincial

departments (code D and G) situated within the municipal jurisdiction (highlighted in red with the dependent variable code B6 and independent variable code A4 in **Appendix F**) disagree that the municipality appoints a champion and a team for implementation purposes.

5.5.3 Attitudes required for implementing a performance improvement instrument

Section C of the questionnaire covered the perceived attitude of the municipality in the implementation of performance measurement mechanisms. The section had 10 statements that participants were required to rate the extent of their agreement or disagreement, in accordance with the Likert Scale, where 1 is equal to strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree in answer the section.

The response to each statement is discussed below in percentages using graphs, figures and tables. In the figures, the vertical axis represents the number of observations or participants and the horizontal axis carries a code for each statement, for example C1 means statement 1 in Section C. The Likert Scale score is also represented by 1-5 on the horizontal axis.

There is a perception that management dedicates less time to the implementation of an organisational performance improvement instrument/approach than to the financial aspect.

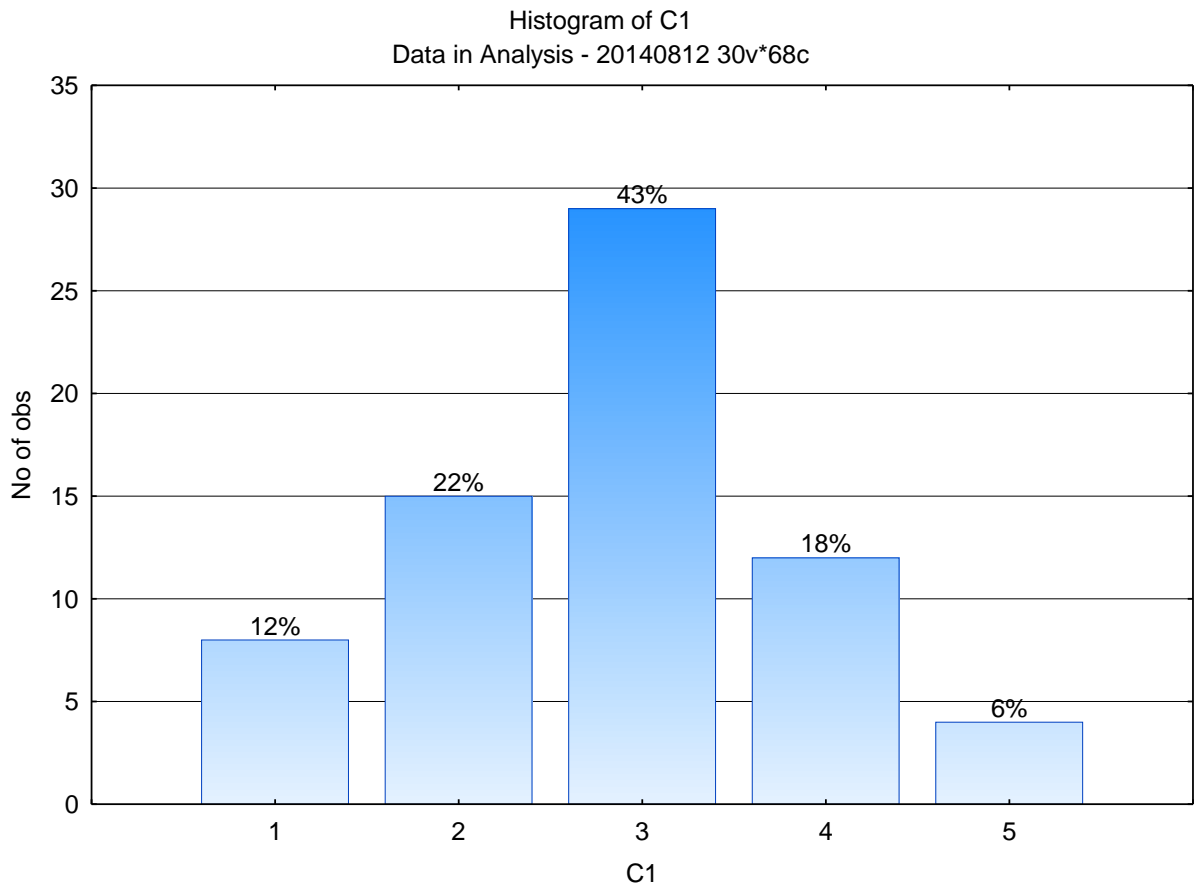


Figure 5.14: Perception of time dedicated to implementation.

Figure 5.15 shows that 12% of respondents strongly disagreed and 22% disagreed that management dedicates less time to the implementation of an organisational performance improvement instrument/ approach than to the financial aspect. A total of 43% of respondents were neutral, which could mean either that they were not sure of the validity of the statement or that they were reluctant to commit themselves to either support the statement or disagree. At the same time, 18% agreed and 6% strongly agreed with the statement.

The implementation of performance instruments takes more time and effort than anticipated.

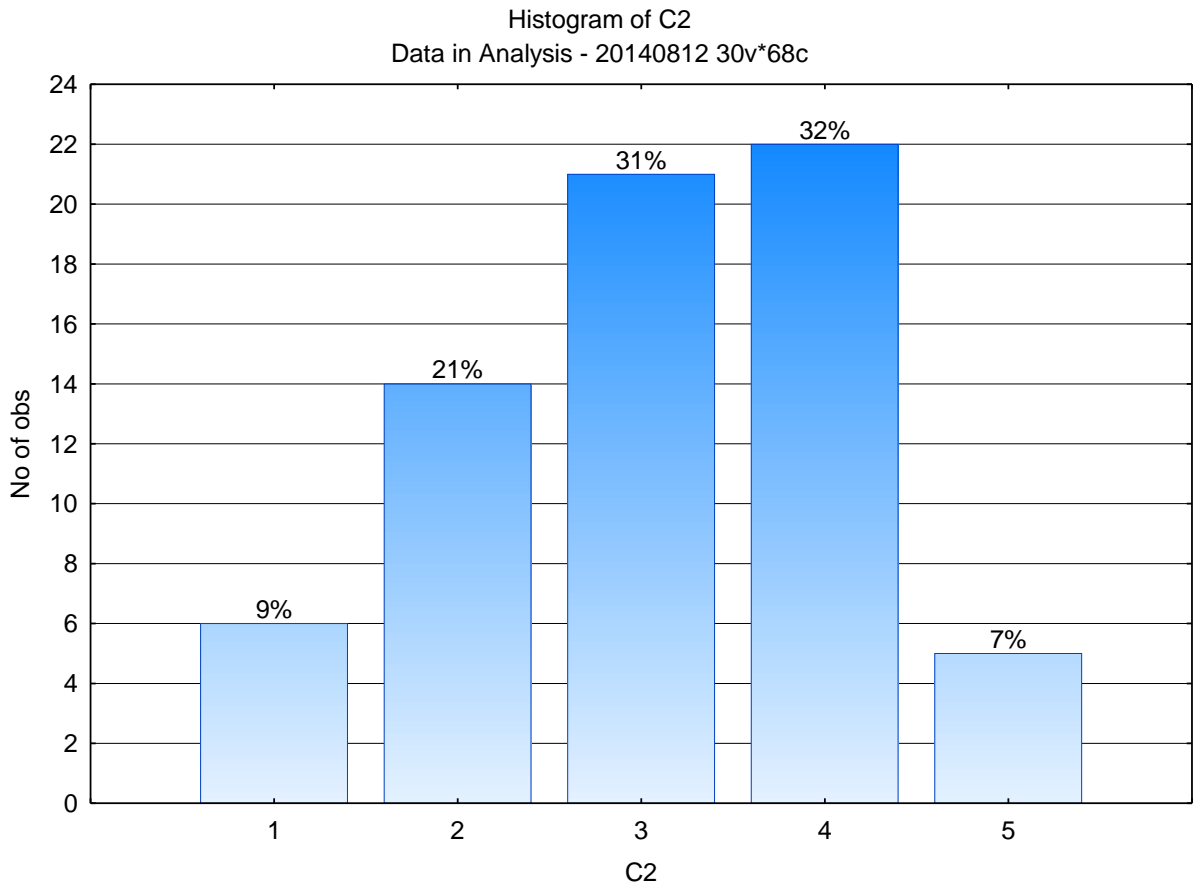


Figure 5.15: Implementation takes more time and effort than anticipated.

The sentiment of the second statement in this section of the questionnaire, that the implementation of performance instruments takes more time and effort than anticipated, is not shared by 9% of the respondents who strongly disagreed and 21% who disagreed, as shown in Figure 5.16 above. A further 31% of respondents were neutral, which could be attributed to the limited amount of exposure that some of them had to the instrument and how it operates. Respondents in agreement with the statement were captured as follows: 32% agreed and 7% strongly agreed.

There is a lack of positive attitude from municipal stakeholders towards the performance improvement approach being used.

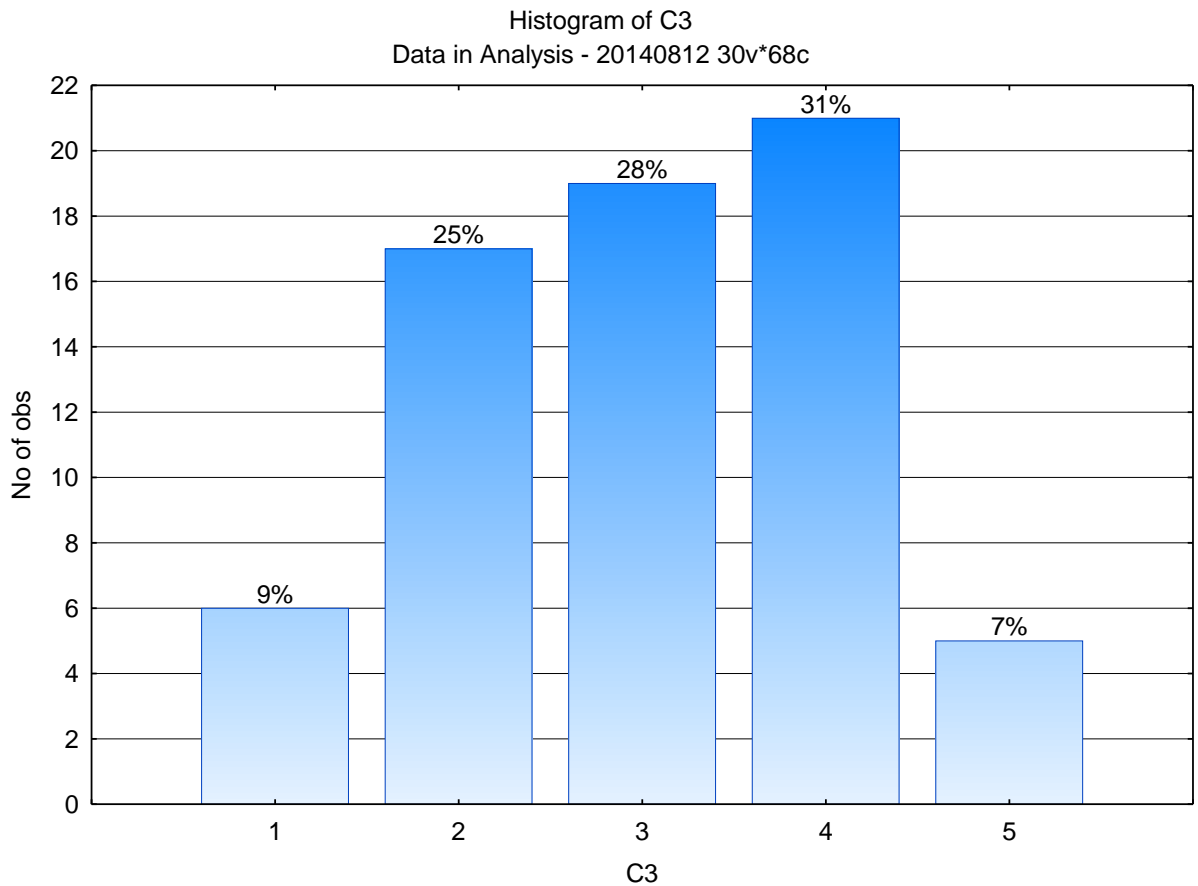


Figure 5.16: Lack of positive attitude towards the performance improvement approach.

As shown in Figure 5.17, 39% of respondents strongly disagreed and agreed with that there is a lack of positive attitude from municipal stakeholders towards the performance improvement approach being used in the municipality. In the same vein, 25% and 9% of respondents disagreed and strongly disagreed with the statement. It was recorded that 28% of the respondents were neutral to the statement.

The implementation of the performance improvement approach does not have clear goals or an understandable strategy.

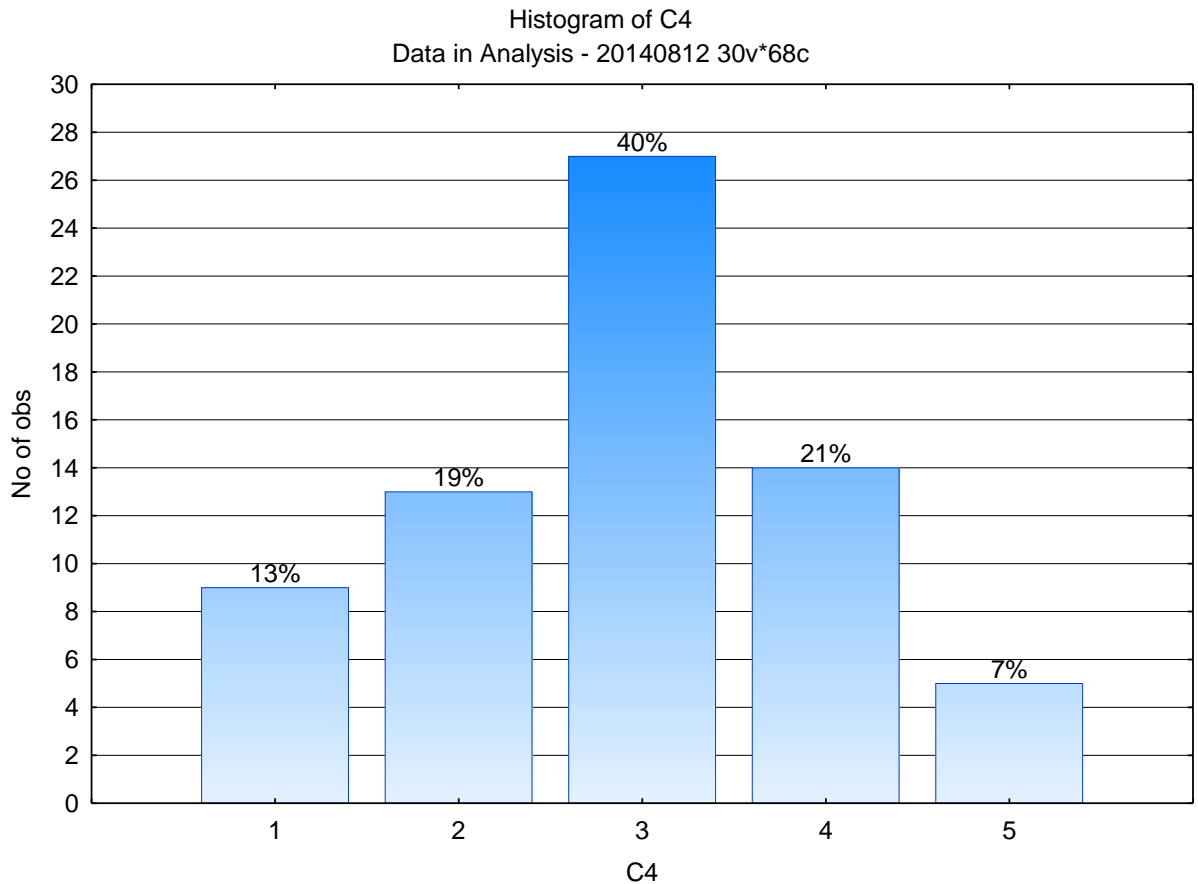


Figure 5.17: Implementation with no clear goals or understandable strategy.

Figure 5.17 shows that the statement regarding the implementation of the performance improvement approach and whether the strategy is understandable elicited a high percentage of neutral responses at 40%, which could mean that the municipality was that either not properly communicating policy goals and strategy or that respondents are not aware of the goals and strategy. A total of 13% strongly disagreed with the statement, supported by 19% who also disagreed, while 21% agreed with the statement and 7% strongly agreed.

Politicians and management play an active role in implementation of the approach from beginning to the end.

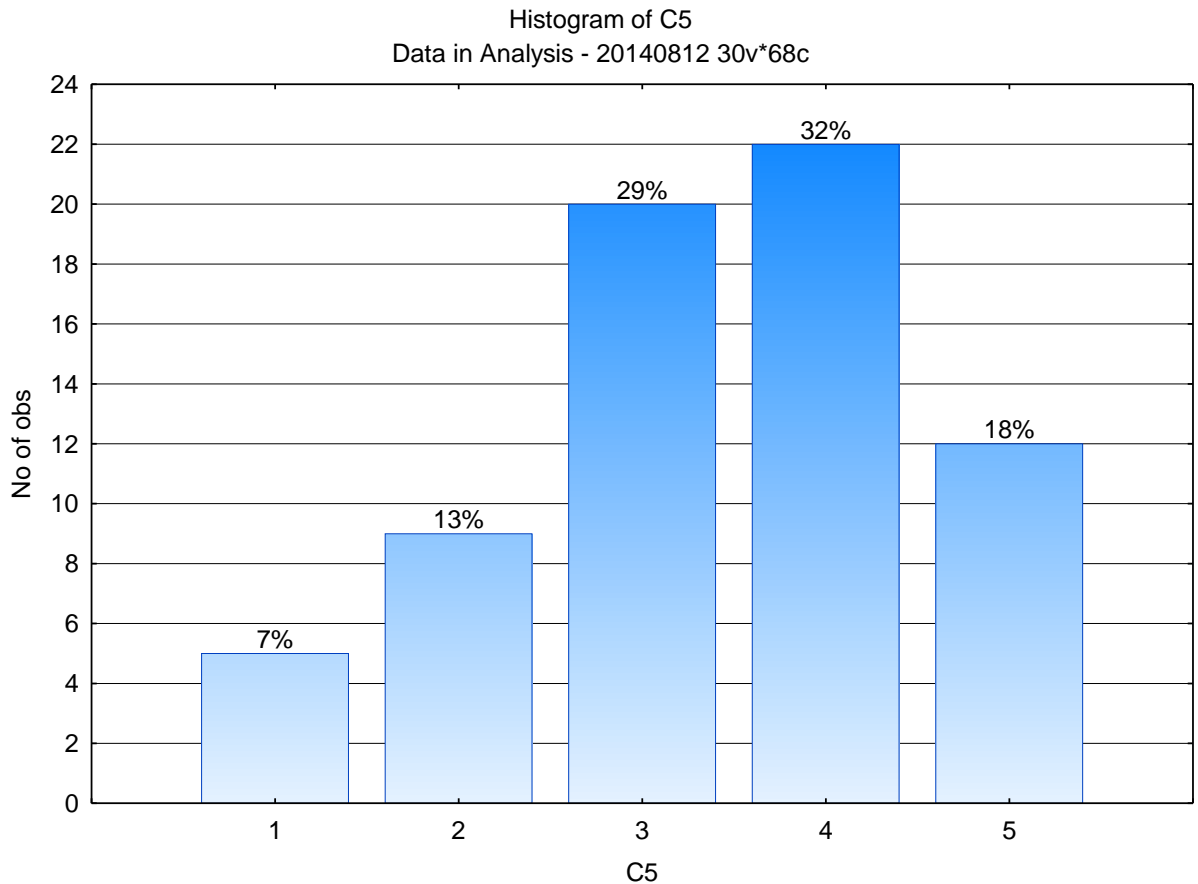


Figure 5.18: Politicians and management play an active role in implementation.

The statement that politicians and management play an active role in implementation of the approach from the beginning to the end drew a relatively positive response, with 32% who agreed and 18% who strongly agreed, as depicted in Figure 5.19 above. Respondents who strongly disagreed with the statement comprised 7% while 13% disagreed. A further 29% of respondents were neutral.

The performance improvement instrument is implemented to comply with legislation rather than as a performance measurement approach of the municipality.

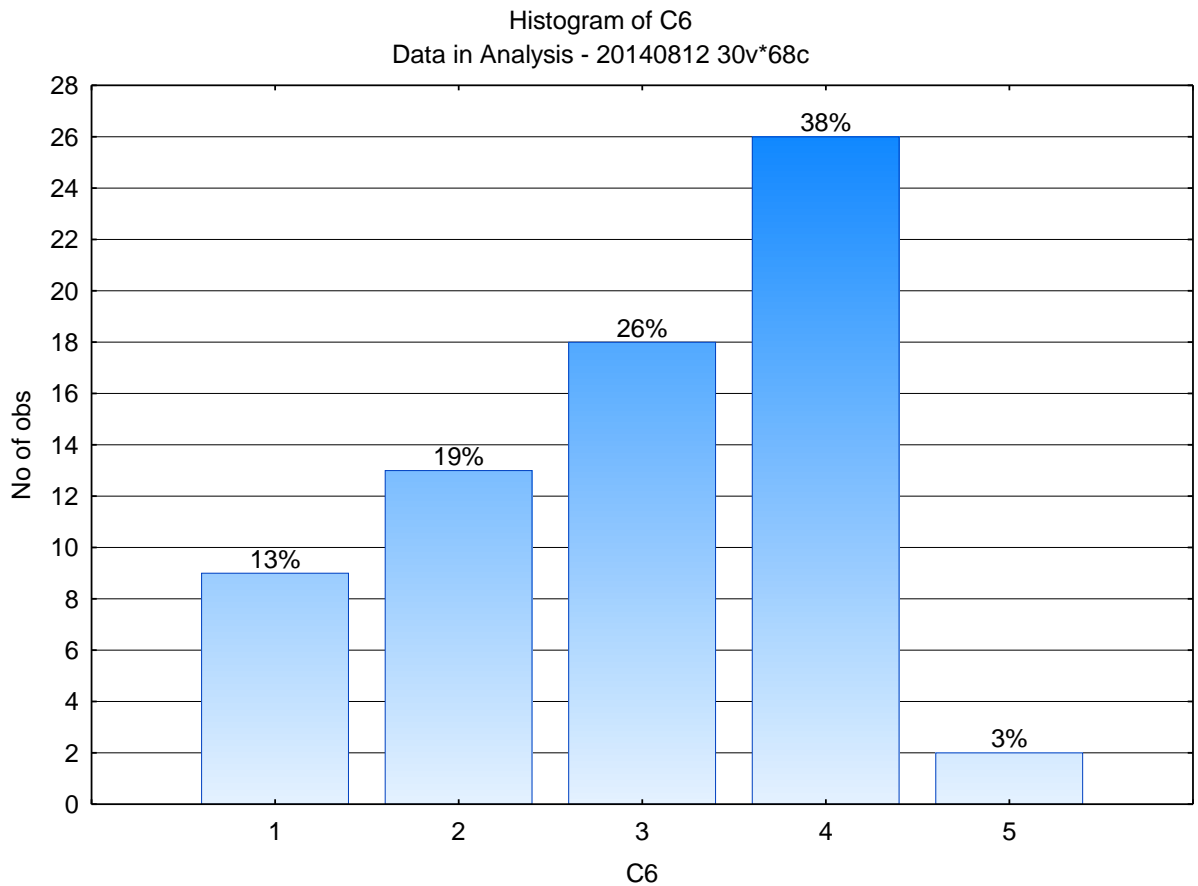


Figure 5.19: Implementation as a compliance mechanism.

Figure 5.20 shows that a total of 13% of respondents strongly disagreed, another 19% disagreed, 26% were neutral, 38% agreed and 3% strongly agreed that the performance improvement instrument is implemented to comply with legislation rather than as a performance approach of the municipality.

The organisational performance improvement instrument can be used for the daily management of performance in the municipality.

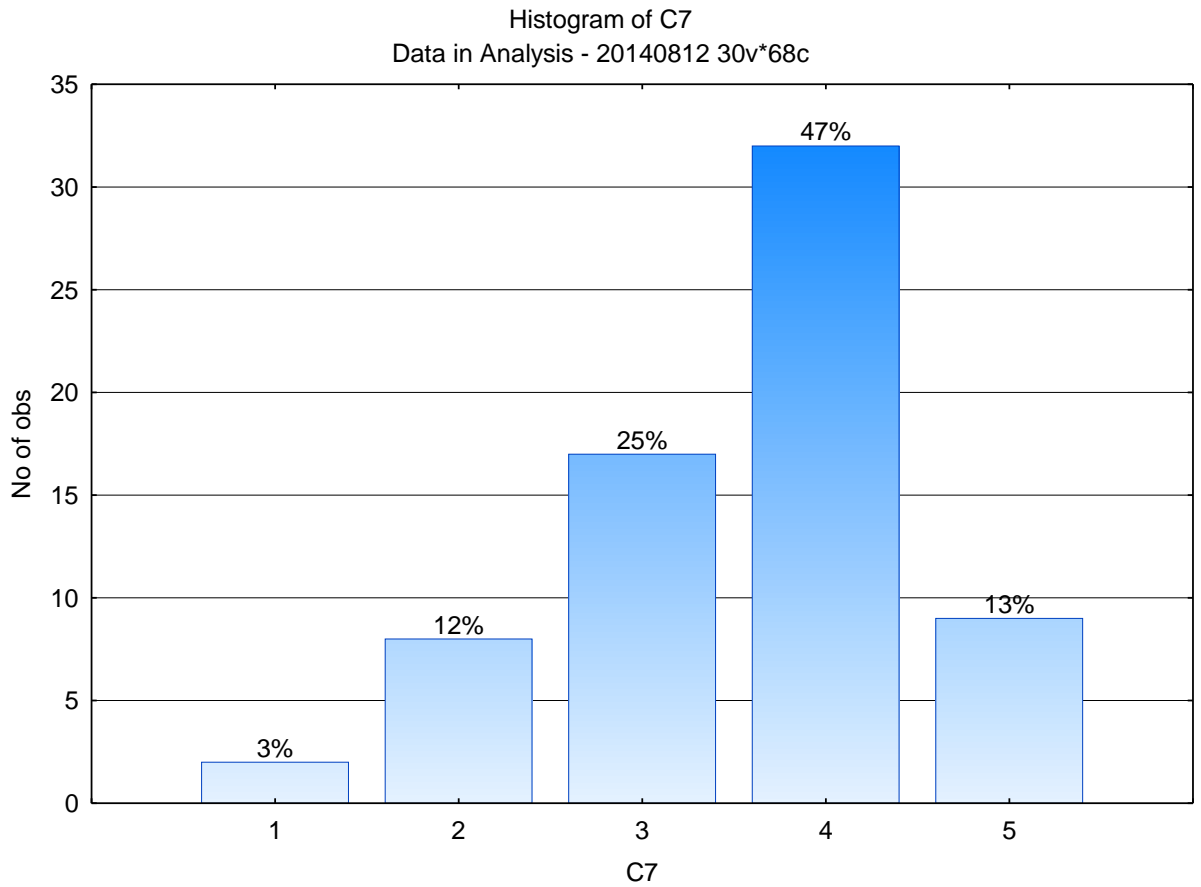


Figure 5.20: Instrument can be used for the daily management of performance.

Figure 5.21 shows that that 60% of the respondents agreed that the organisational performance improvement instrument can be used for daily performance management in the municipality because 47% agreed and 13% strongly agreed. On the other hand, 3% strongly disagreed and 12% disagreed. The percentage of neutral respondents was 25%.

The knowledge and skills base pertaining to the implementation of performance improvement is adequate in the municipality.

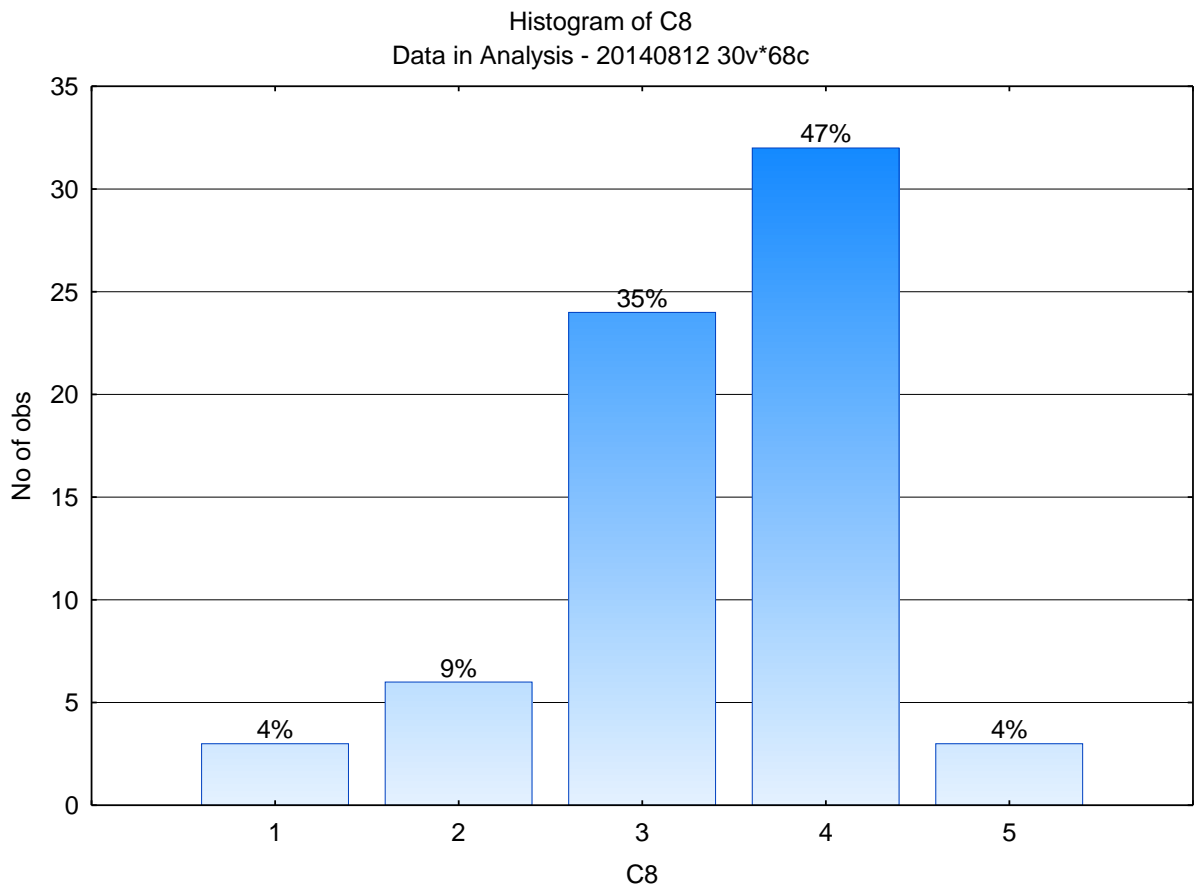


Figure 5.21: Knowledge and skills base pertaining to the implementation is adequate.

Figure 5.22 shows that 4% of the respondents strongly disagreed and 9% disagreed that the knowledge and skills base pertaining to the implementation of performance improvement is adequate in the municipality. A relatively high percentage of respondents were neutral, at 35%, which could be attributed to respondents not wanting to commit or being unsure about the knowledge and skills capacity of municipal employees. A further 47% of respondents agreed with the statement and 4% strongly agreed.

The municipality does not have the requisite resources and capacity for the implementation of the approach.

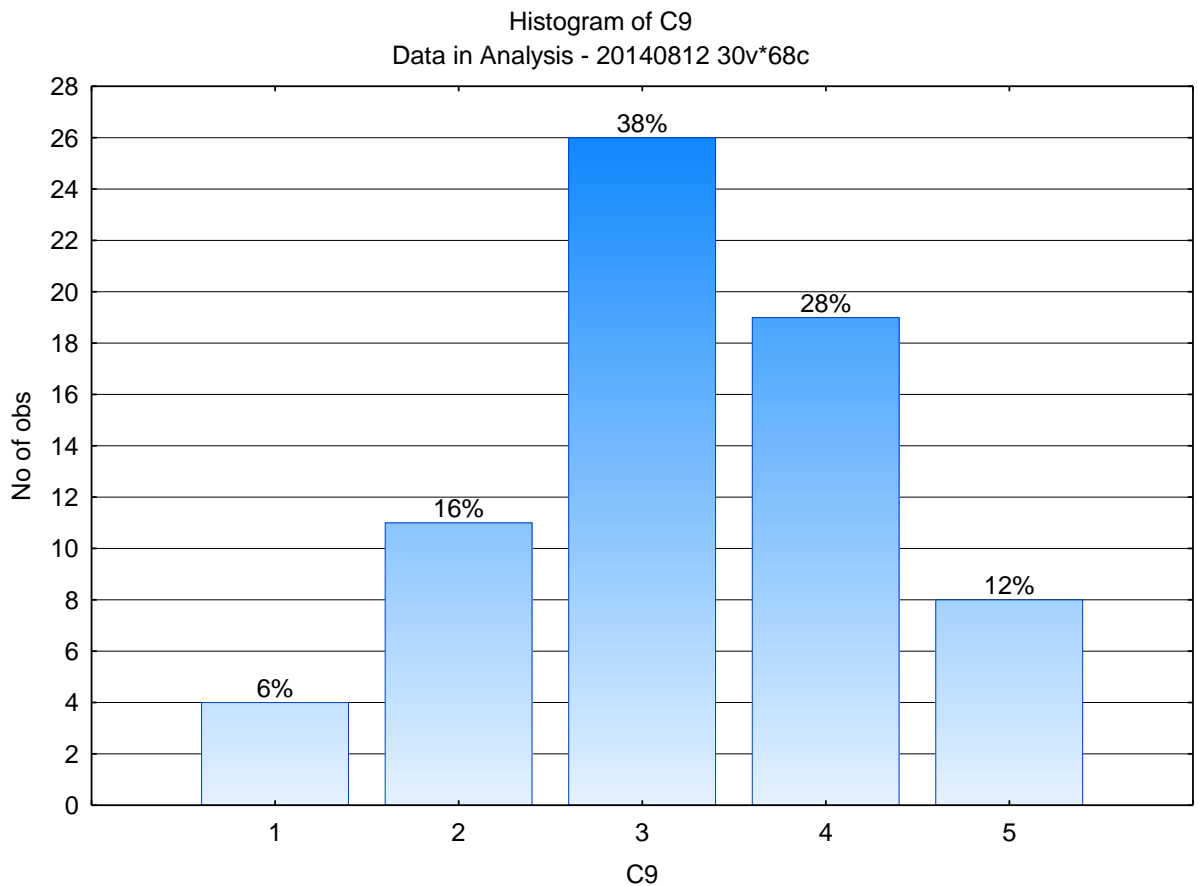


Figure 5.22: Insufficient resources and capacity for implementation.

Figure 5.23 shows that 38% of respondents were neutral to the statement that the municipality does not have the requisite resources and capacity for implementation of the approach. The high percentage of neutral respondents could be attributed to lack of knowledge about the municipality's capacity as some of the respondents are members of the general public and some belong to other formations within the community, as alluded to in Section A4 of the questionnaire (see Appendix A). The same figure shows that 12% of the respondents strongly agreed with the statement, 28% agreed, 6% strongly disagreed, and 16% disagreed.

The culture of organisational performance is institutionalised.

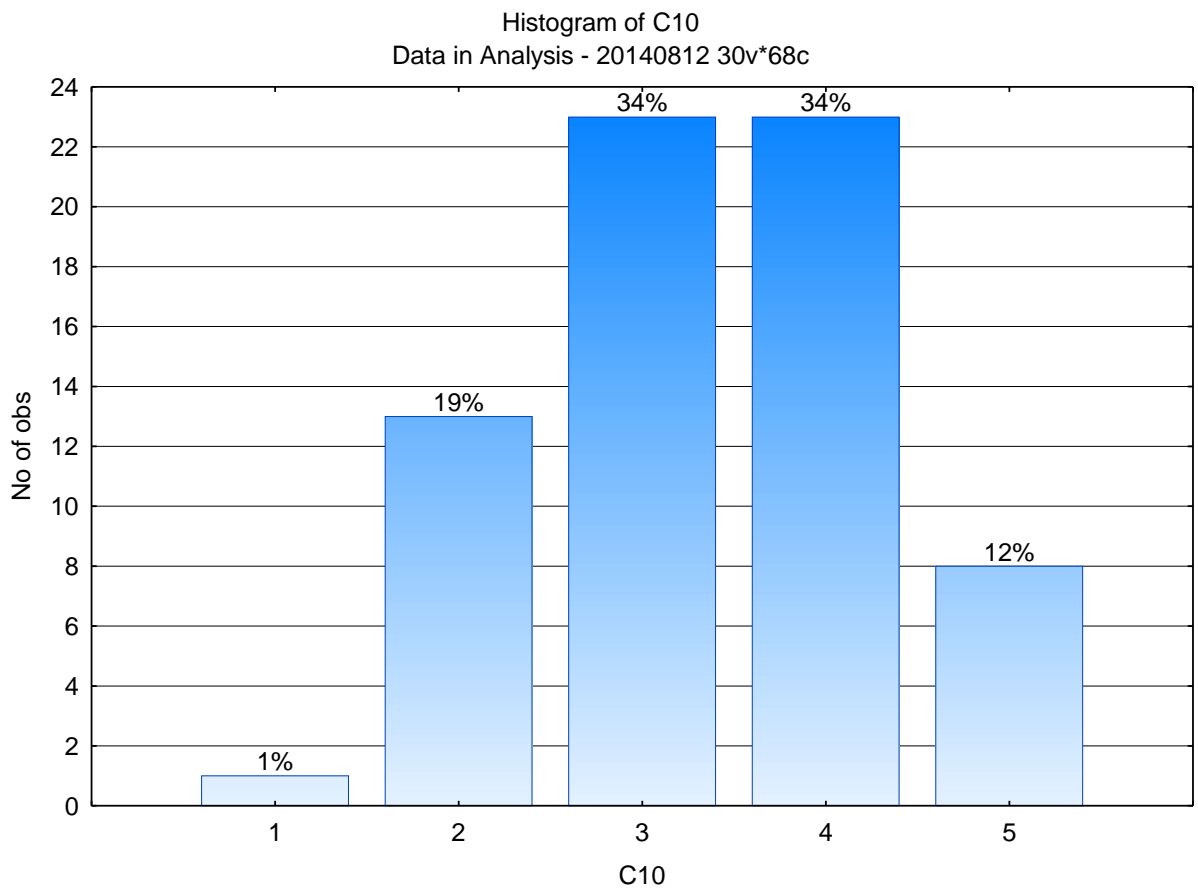


Figure 5.23: Culture of organisational performance is institutionalised.

Figure 5.24 shows that 20% disagreed that the culture of organisational performance is institutionalised, with 19% and 1% expressing strong disagreement and disagreement respectively. A further 34% were neutral, which could be attributed either to respondents' perception of municipal performance culture or personal experience, in the case of municipal employees. The figure further reflects that 34% of respondents agreed with the statement while 12% strongly agreed.

5.6 ANALYSIS AND INTERPRETATION OF QUALITATIVE DATA

In this study, the qualitative method was applied through interviews with a selected number of stakeholder representatives. Welman and Kruger (2002: 211) argue that the important factor in collecting data through interviews is to identify themes, as they assist the researcher in analysing interview data. See **appendix H** for the structured interview questions.

The researcher used a structured interview questionnaire formulated around themes that were predetermined. Examining attitudes to the use of performance measures in a municipality can be particularly interesting because the nature of the community and stakeholders varies considerably. The subheadings of the themes were limited to policy implementation, management commitment, performance measurement and analysis and performance evaluation approach.

5.6.1 Policy implementation

Participants were questioned on their awareness of the legislative and policy requirements for the implementation of performance measurement in municipalities. The participants were given a list of legislative and policy requirements, as captured in Table 5.2 below. While ward committee members and other stakeholders were not familiar with or could not remember the policy requirements, the officials and political office bearers explained the policies that oblige the municipality to do performance evaluation (see Table 5.2 below).

Table 5.2: Policy implementation

POLICY	EXPLANATION
The Constitution of the Republic of South Africa, 1996	<ul style="list-style-type: none"> ▪ Provide democratic and accountable government for local communities ▪ Ensure the provision of services to communities in sustainable manner ▪ Promote social and economic development ▪ Promote a safe and healthy environment ▪ Encourage the involvement of communities and

	<p>community organisations in the matters of local government</p>
<p>The Municipal Systems Act (Act 32 of 2000)</p>	<p>The Municipality Systems Act (2000) enforces the idea of a local government Performance Management System and requires municipalities to:</p> <ul style="list-style-type: none"> ▪ Develop a performance management system; ▪ Set targets, monitor and review performance based on indicators linked to their IDP; ▪ Publish an annual report on performance for the councillors, staff, the public and other spheres of government; ▪ Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government; ▪ Conduct an internal audit on performance before tabling the report; ▪ Have their annual performance report audited by the Auditor General; and ▪ Involve the community in setting indicators and targets and reviewing performance.
<p>The White Paper Local Government (1998)</p>	<ul style="list-style-type: none"> ▪ It states that Local Government should introduce a Performance Management System; and ▪ It acknowledges “involving communities” in developing some municipal performance indicators.

<p>The White Paper on Transforming Public Services Delivery (Batho Pele) (1998)</p>	<ul style="list-style-type: none"> ▪ Consultation: Communities should be consulted about the level and quality of public services they receive, and where possible, be given a choice about the services which are provided. ▪ Services Standards: Communities should know what standard of service to expect. ▪ Access: All communities have equal access to the services to which they are entitled. ▪ Courtesy: Communities should be treated with courtesy and consideration. ▪ Information: Communities should be given full and accurate information about the service they entitled to receive. ▪ Openness and Transparency: Communities should know how departments are run, how resources are utilized and who is in charge of particular service. ▪ Redress: should a promised service or a particular standard thereof not be delivered, the community is entitled to full explanation about the service delivery gaps and remedial interventions should be affected. ▪ Value for money: Public services should be provided economically and effectively in order to give the communities the best possible value for money.
<p>Municipal Finance Management Act (56 of 2003)</p>	<p>States the requirement for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report.</p> <p>This must dealt with by the municipal council within 9 months of the end of the municipal financial year.</p>

Municipal Planning and Performance Management Regulations, 2001	<ul style="list-style-type: none"> ▪ Sets out how the performance of officials will be uniformly directed, monitored and improved; ▪ The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers; ▪ Provides a methodology for performance system as well as criteria for performance bonus payments; and ▪ Provides an approach for addressing underperformance, should it occur.
Intergovernmental Relations Framework (Act 13 of 2005)	<ul style="list-style-type: none"> ▪ Part 2.2.2. The municipal will establish a Local IGR forum. The structure will promote cooperation of all local municipalities by bringing together their mayors. ▪ Develops processes in order to align policies and priorities. ▪ Establishes intergovernmental forums to realise these processes. ▪ Implements aligned priorities through joint effort, programmes and projects.

Source: Author

5.6.2 Management commitment

The need for strong top management commitment to performance measurement is recognised in the government reform literature. Cavalluzzo and Ittner (2004: 247) argue that while administrative and technical factors are expected to significantly influence the implementation of performance measurement, their impact is secondary to that of organisational factors. They argue that top management commitment is crucial to implementation success because these managers can focus resources, goals and strategies on initiatives they deem worthwhile and deny resources to initiatives they do not support as well as provide the political help needed to motivate or push aside individuals who resist the initiative.

The feedback from interviews conducted with all stakeholders reflects different views from stakeholders. The municipality's political office bearers and officials indicated that there is support from council, which is the top management governance structure in the municipality, but the organisation is hampered by lack of capacity to implement the performance management initiative as well as current budgetary constraints. However, other stakeholders interviewed indicated that top management is not willing to take decisions and commit to support the implementation. They based their argument on the fact that they are not aware of any municipal policy dealing with performance measures.

5.6.3 Performance measurement and analysis

Interviewees were asked to comment on the use of performance measures in the municipality. Categories were given to them to help with the focus of the response. The categories included input, activity/process, output, outcome, benchmarks and customer satisfaction. The interviewees were provided with definitions and explanations for each of these terms to ensure consistent understanding of terminology.

All respondents agree that customer satisfaction is central to the process of implementing performance measures, and that community input should be more visible and valued. Participants also indicated that while in practice the programmes that the municipality develops are informed by input from all stakeholders in the area such as the IDP, they were divided on whether performance measurement is focused on shared programme results or rather on the Service Delivery Budget and Implementation Plan (SDBIP), on which they have little input and influence.

Another issue question raised by all stakeholders was what happens when performance measures and targets identified by the municipality in consultation with all stakeholders are not met. The current culture or practice, they concluded, is that nothing of consequence happens.

5.6.4 Performance evaluation approach

Judging by responses to this question, it would seem that while all stakeholders understand and agree on the importance of a performance measurement review, their opinions about their overall experience with performance measures in the municipality differ fundamentally. More specifically, they all acknowledged the usefulness of performance measures but at the same time indicated problems in their identification and implementation. Some of the points raised by ward committee members, agriculture and business community are, in no particular order:

- The review process is not transparent;
- There is no review system or if there is, it is not communicated to all stakeholders;
- Lack of commitment by all parties; and
- Reactive approach by management and political office bearers.

Management on the other side identified the following challenges:

- Lack of capacity;
- Budget and time constraints;
- Politically driven process;
- Poor management of the process; and
- Implementation challenges.

5.7 CHAPTER SUMMARY

In this chapter, the empirical survey of the JGDM made use of two data collection methods: a questionnaire and structured interview sessions. The questionnaire data was collected from identified stakeholders consisting of political office bearers, municipal manager, section managers, and officials, ward committees, chamber of commerce, organised commercial agriculture and national and provincial offices within the municipal jurisdiction.

The aim of the questionnaire was to elicit the opinions, approach, experience and attitude of the identified stakeholders with regard to performance measurement and

balanced scorecard use within the municipality by use of predetermined statements (either positive or negative); a figure was assigned to each response, from 1 for “strongly disagree” to 5 for “strongly agree”. A high number of respondents preferred to remain neutral, which could be attributed to lack of commitment implementation by the municipality as well lack of information to make informed choices on the part of respondents.

Structured interview sessions were formulated around themes that were predetermined by the researcher. Approaches and attitudes to the use of performance measurements and balanced scorecard within the municipality were examined to gather further understanding of the research focus area. The findings were corroborated by the outcomes of the questionnaire process.

The development of a balanced scorecard evaluation form is the main purpose of the next chapter.

CHAPTER 6

THE BALANCED SCORECARD EVALUATION MODEL: A PERFORMANCE MEASUREMENT APPROACH

6.1 INTRODUCTION

This chapter presents a specially designed scorecard model that will be used in measuring the standard of service provision in the Joe Gqabi District Municipality (JGDM), a municipality in the Eastern Cape Province. As mentioned in Chapter 1, the municipality has been as one of the municipalities in rural areas of South Africa that are underperforming. The scorecard is used as a tool to translate the vision and mission of the municipality into measurable factors analysed in terms of objectives, key performance indicators and measurement instruments.

The chapter briefly covers the purpose of the scorecard by looking at literature by Quinlivan (2000), Kaplan and Norton (1992; 1996) and the Local Government: Municipal Planning and Performance Management Regulations, 2001. Scorecard design is discussed in detail, with a step-by-step explanation.

Lastly, a scorecard with evaluation form is developed for the municipality, with identified key performance areas, key performance indicators, the objectives, measures and a slot for the scores and comments, with the chapter summary at the end.

6.2 THE PURPOSE OF A SCORECARD

A scorecard model as described by Quinlivan (2000: 37) is a measurement system that translates an organisation's mission and strategy into tangible objectives and measures. The system is used for monitoring local government performance. In affirming this view, Kaplan and Norton (1996: 180) say "success for government and not-for-profit organisations should be measured by how they meet the needs of their constituencies; tangible objectives must be defined for customers and constituencies while financial considerations can play an enabling role, but will rarely be the primary objective."

In terms of the Local Government: Municipal Planning and Performance Management Regulations, 2001, municipalities are required to implement a performance management system when setting up key performance indicators and target in accordance with its integrated development plan (IDP) and developmental priorities or programmes.

The aim of this scorecard is to assist the JGDM to effectively evaluate performance in the provision of socio-economic services as mandated by the constitution.

6.3 THE DESIGN OF THE SCORECARD

Kladogeni and Hatzigeorgiou (2011:72) argue that a proper scorecard model should comprise both core outcome measures as objectives and performance drivers (Key Performance Indicators) as sub-measures of these outcomes. According to them, solid outcome measures without performance drivers do not communicate the way these outcomes should be achieved, nor do they indicate whether the selected strategy is being properly implemented. On the other hand, performance drivers without outcomes measures may lead to short-term operational improvements but will not give evidence of their incorporation into enhanced performance. The performance drivers used to measure the level of achievement of the outcomes are the Key Performance Indicators (KPIs).

Researchers agree that in public sector organisations, scorecard perspectives need restructuring. Presenting an application of the scorecard methodology in the Defence Finance and Accounting Services of the Department of Defence in the USA, Pollalis, Gartenberg and Edmunds (2004:35) suggested placing customer perspective on the top of the scorecard's hierarchy. During their presentation at the International Academy of Business and Public Administration Disciplines Conference, St-Pierre and Champagne (2004) recommended a similar approach for the Canadian National Defence, placing the mission of the organisation at the top of the scorecard architecture.

Karr and Papadopoulos (2004; 2005) applied a scorecard in measuring the performance of two non-profit organisations, University of Macedonia and Theagenion Hospital of Thessaloniki. In both organisations the first two perspectives of the scorecard were slightly modified, with the customer (in their case they called it the stakeholder perspective) the higher or top one of all four.

Municipalities have a different philosophy than private companies: they take their current vision and mission as a given and try to do their work more efficiently, faster, at lower cost and with fewer defects. Unlike the private sector, their constituents are identified more as communities in general than shareholders. Consequently, they define their goals by developing scorecards of measures and targets focused on these communities.

It is unusual to find municipalities focusing on a strategy that can be thought of as product leadership or customer intimacy. As a consequence, their scorecards tend to focus on KPIs rather than strategy, placing at the top of their scorecard an objective or key performance area that represents their long-term goal while the objectives within the scorecard are ordered in such a way as it to achieve this goal. The financial perspective is not the sole indicator of whether the municipality is fulfilling its vision and mission. In line with the above reasoning, the architecture of a scorecard for JGDM is modified as well, placing the customer perspective above all others. The five steps in designing a scorecard are shown in Figure 6.1.

Step 1

In the first step there should be a clear expression of what the municipality is trying to achieve, its vision and mission (purpose of its existence). The process of developing a scorecard may lead to the realisation that the vision has not been properly articulated or is not robust or consistent with the purpose of the municipality.

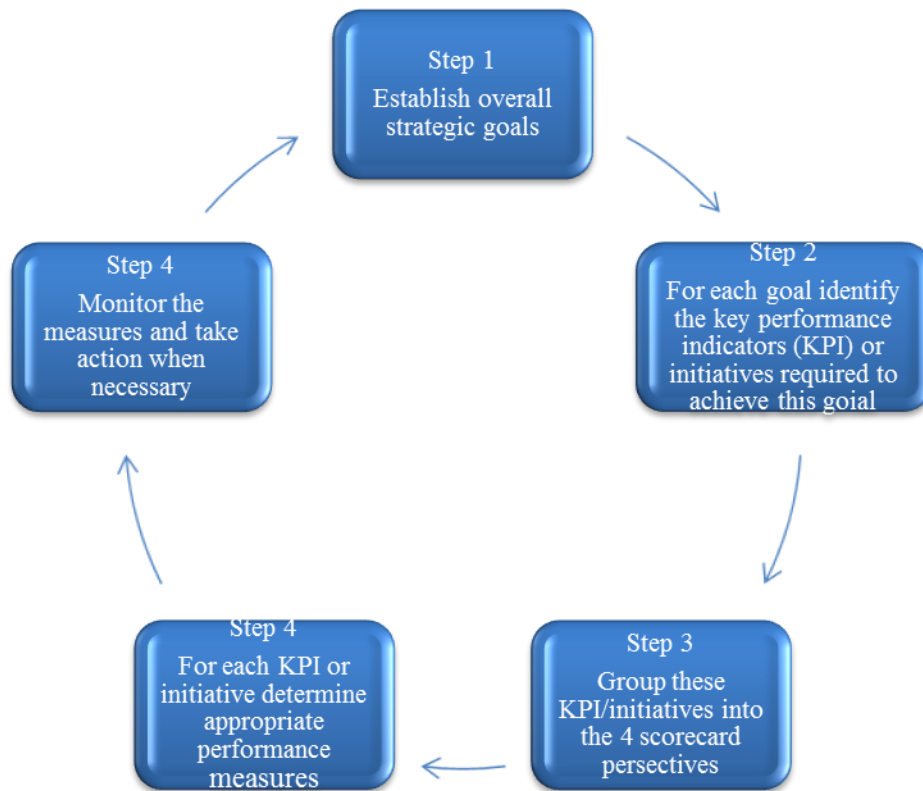


Figure 6.1: Five-step scorecard process

Source: Compiled by author, 2015

JGDM’s mission as stated in their IDP document is to “fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities within a sustainable environment”, which means their basic commitment is to the improvement of the community’s conditions by developing services and improving infrastructure.

The vision of the municipality is “an improved quality of life to residents”. The incorporation of the mission and vision ensures that the performance measures developed in each perspective support accomplishment of the municipality’s strategic objectives. It also helps employees visualise and understand the links between the performance measures and successful accomplishment of strategic goals.

Step 2

For each goal established in the first step, the key performance indicators (KPIs) needed to attain the stated goals must be identified. Such KPIs are critical to the achievement of the overall goals because it is essential that performance in achieving them be measured. Experience of applying the scorecard has shown that in some organisations, although the overall goals may be articulated in step 1, the KPIs required to achieve the goals should be identified to avoid confusion and misrepresentation of the vision and mission (Wisniewski, 1998: 11).

KPIs should be relevant and relate directly to the strategic goals that have been set. They should also be relevant to whoever will be using the information generated by the scorecard. KPIs need to be simple. Those using the information or the scorecard should be able to understand readily what a given KPIs means, how it is measured and how their own performance can affect it.

A change in the numerical value of an indicator should have a clear and unambiguous interpretation. It is necessary to know the causal link between a change in the indicator and a change in service activities. For example, in the community health and safety context, we may have an indicator which is the number of reported offences occurring in a given area. Is it unambiguously clear what will cause this indicator to go down (which would be seen as better performance)? Clearly the answer is “no”, such an indicator could take a lower numerical value for several reasons and not only for better performance: for example, a municipality's crime-prevention strategies may be working successfully so that performance improves, or people may be less inclined to report crime because the system failed to resolve their problem last time, covering up the fact that performance is actually getting worse.

Step 3

The critical KPIs identified in step 2 are then grouped under the four scorecard perspectives (customer, financial, internal process and learning and growth). The grouping is intended to reveal whether there is a broad balance of KPIs (and later measures) across these perspectives. The judgement on this balance will largely be subjective and it may be necessary to revisit step 2. Selecting and agreeing on KPIs

for each perspective forces the municipality to decide what is strategically important (and by omission what is not).

The initial stage of the process is to define the four strategic goals of the JGDM, each one corresponding to a perspective of the scorecard. For every perspective one strategic goal will be selected to include and summarise the basic pursuits of the organisation regarding the specific perspective.

- Customer perspective
Strategic goal: strengthen local economic development and create opportunities for the prosperity of local communities.
- Financial perspective
Strategic goal: improvement in financial viability and growth with sound financial management systems in place. The degree of accomplishment of the specific goal predetermines the extent to which the overall goal of the JGDM is reached.
- Internal process perspective
Strategic goal: achieve operational excellence. Continuous effort for improvement is the strategic goal of this perspective: the JGDM should operate in compliance with legislation to minimise delays and mistakes with excellent coordination and cooperation within its departments and structures.
- Learning and growth perspective
Strategic goal: increase employees and JGDM's efficiency. The strategic goal in this perspective can be easily defined as employees' efficiency contributes directly along with other factors to the municipality's operational excellence.

Step 4

For each critical KPI, an appropriate performance measure is identified to assist managers in assessing progress towards achieving that KPI as well as overall strategic goals. Some of these performance measures are likely to be in place already while others will need to be introduced. Wisniewski (1998:11) declares that there is a clear need to keep the number of measures manageable and avoid the common “paralysis through analysis” problem. He further states that a set of between 20-25 performances

measures in total are adequate to allow managers to track strategic performance using the scorecard approach.

This is not to say that the entire municipality requires only 20-25 performance measures. Rather inter-related sets of scorecard measures will be needed at different levels in the municipality or for different departments, each with its own set performance measures that speak to the overall vision and mission of the municipality.

A baseline is used to determine improvement. According to the National Treasury framework for Programme Performance Information (2007: 21), a baseline comprises the current performance levels that an institution aims to improve when setting performance targets. The baseline used in the valuation form at the end of the chapter is from the JGDM IDP report for the year 2012/2013.

Step 5

The performance measures from step 4 are incorporated into the scorecard and monitored over time. It is also possible to incorporate agreed standards, targets or scores into these measures and develop specific initiatives to achieve such scores or standards. In the case of JGDM, the researcher will use scores to rate and monitor progress over time. The score are allocated per indicator and constructed as:

- 5= Outstanding: no further improvement possible;
- 4= Good quality: above average (high quality and standards);
- 3= Acceptable: average (meets expectations);
- 2= Improvement needed: below average (low quality and standards);
- 1= Needs urgent support: unacceptably very low quality and standards; and
- 0= No information available.

6.4 THE SCORECARD AS A STRATEGIC MANAGEMENT TOOL

The scorecard was initially introduced solely as a performance measurement system but the inventors soon realised that a measurement system can help the organisation to

navigate the future. Subsequently, the scorecard has become the operational framework in which strategy is organised. It can be concluded that a scorecard provides a framework in which strategic objectives are organised within the four perspectives.

The strategy's critical elements and the linkage between them is organised top down on a cause-and-effect relationship basis. According to Kaplan and Norton (2001: 91), cause-and-effect relationships should exist between these four perspectives in such a way that learning and growth leads to the improvement of the internal process, which in turn leads to financial improvement, finally bringing about customer satisfaction improvement. Figure 6.2 shows the design of an ideal scorecard, as supported by the discussion above.

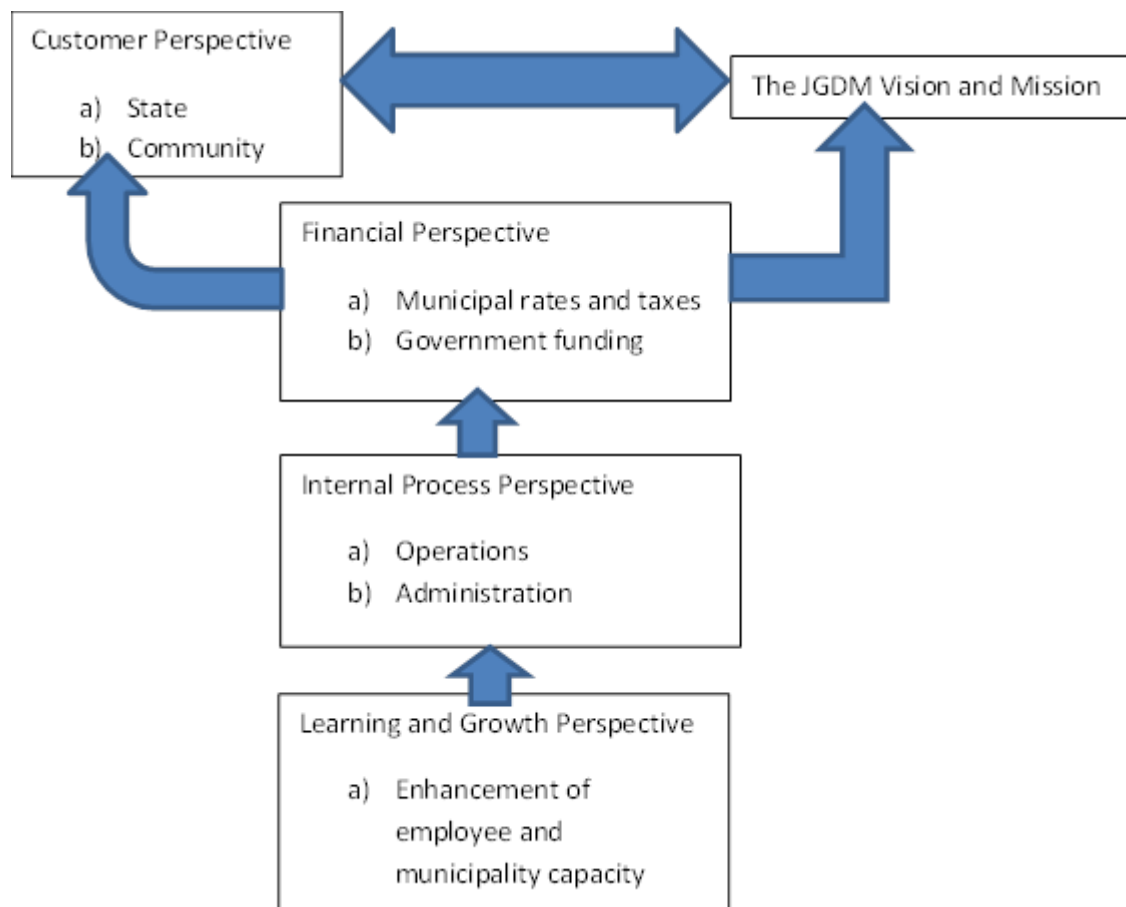


Figure 6.2: A design of an ideal scorecard framework

Source: Compiled by author

The proposed scorecard employs four separate three-level hierarchical structures with sub-systems, each representing a different perspective of the scorecard. The perspectives are organised differently to the order of the four perspectives discussed in Chapter three, with the perspective for the JGDM depicted in Figure 6.3 below. Starting with the customer perspective at the top and ending with the learning and growth perspective at the bottom, each poses a separate key question:

- Customer perspective: Does the municipality focus on the needs of its citizens and offer quality services?
- Financial perspective: Is the municipality providing quality service standards at a reasonable and cost effective rate (value for money)?
- Internal process perspective: is the municipality maintaining its operational systems and striving to improve its method of service provision?
- Learning and growth perspective: Can the municipality change or adapt to innovative methods of service provision?

The scorecard design is based on the assumption that the municipality's performance in the achievement of the strategic goal of every perspective is related to its performance in achieving the strategic goal of the lower level perspective. Every sub-system has one strategic goal and contains both outcome measures (objectives) and performance drivers (KPIs). The strategic goal of each perspective takes place on the first level. The second level consists of the outcomes of the measures of the perspective which serve as objectives, while the third level contains the selected KPIs for every objective.

The scorecard provides the municipality with a comprehensive framework that translates vision and strategy into a coherent and linked series of objectives and KPIs; it is not just a collection of critical, financial or non-financial indicators of these four perspectives.

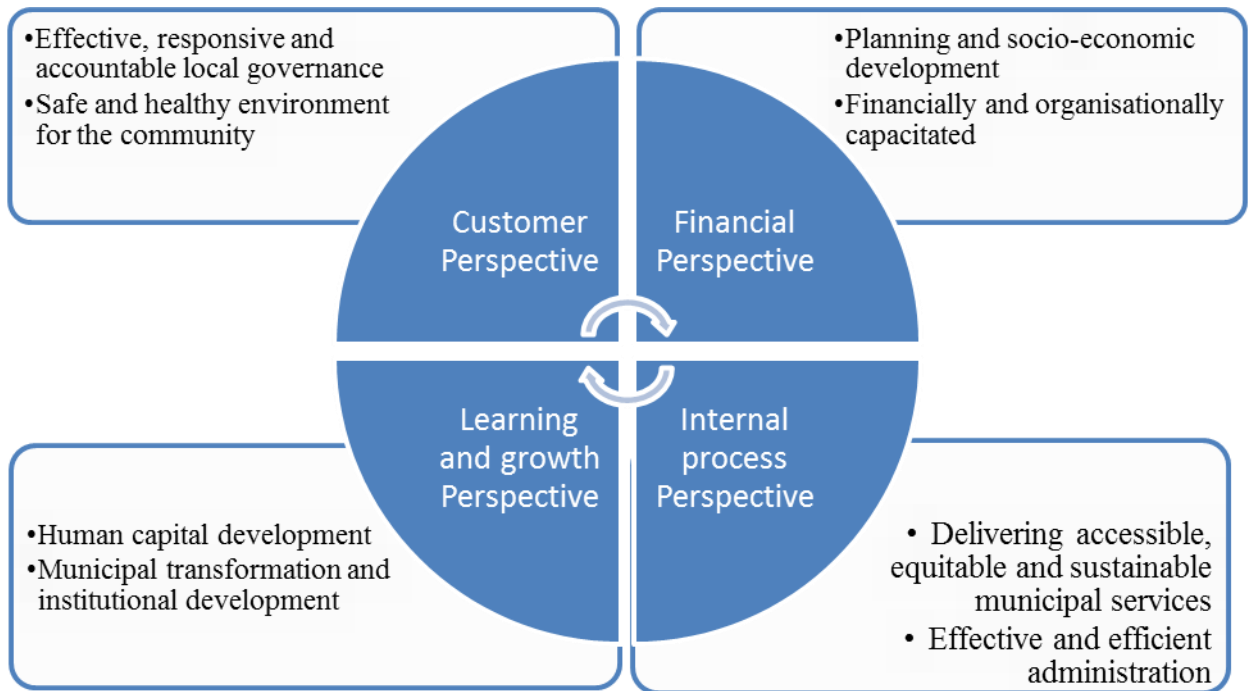


Figure 6.3: The four perspectives of the JGDM scorecard framework

Source: Compiled by author, 2015

6.5 QUANTIFYING THE EFFECT OF THE SCORECARD MEASURES ON THE OVERALL PERFORMANCE

The final step in the design of a scorecard is to quantify the effect of every factor (objectives and KPIs) on the achievement of the strategic goal of each perspective. For the estimation of statistical weights, the adoption of an easy and accurate method of operational research is proposed: the Analytic Hierarchy Process (AHP) that was introduced and developed at the Wharton School of Business by Thomas Saaty.

The AHP allows decision makers to model a complex problem in a hierarchical structure showing the relationships of the goal, objectives and KPIs and enables them to derive ratio scale priorities or weights instead of assigning them arbitrarily. The AHP user asks the community and stakeholders (internal and external) via a questionnaire to make a sequence of pair-wise comparisons of the employed measures.

The comparisons are then analysed with a mathematical model to establish the relative priorities of the measures, usually taking the geometric mean of the answers for each specific question, after which another algorithm is applied to establish the final ranking of the decision objectives. The pair-wise comparisons are quantified using the standard 1-9 AHP measurement scale as proposed by Saaty (1980). The results are then synthesised to determine the overall importance of each measure in achieving the overall goal.

6.6 CRUCIAL ELEMENTS TO BE CONSIDERED WHEN IMPLEMENTING A BSC

6.6.1 Leadership and support of senior management

Kaplan and Norton (1996:285) argue that the leadership and support of senior management is crucial for the successful implementation of a BSC. Organisations that complied with the criteria for a fully developed and structurally complete BSC were found to have had greater senior management involvement during the BSC implementation process. These organisations also reported fewer BSCs that were cluttered with inappropriate measures or measures not linked to cause-and-effect relationships (Soderberg, Kalagnanam, Sheehan & Vaidyanathan, 2011: 704).

6.6.2 Burning platform for change

In addition to senior executive support, Niven (2003:47–48) is of the opinion that a burning need for change (also referred to as a “burning platform”) has to be determined. This is supported by a case study of seven private-sector financial companies, which found that the initial reasons given for the implementation of the BSC affect the potential benefits of BSC use (Agostino & Arnaboldi, 2011:99, 109–111). Niven (2003:47–48) explains that the “burning platform” for change to the BSC includes understanding why it is being done, the need to get involved (“buy-in”) and its value to the organisation.

Resistance to change is natural (Mooraj, Oyon, & Hostettler, 1999:490). Learning anxieties are central to the resistance, consequently people will only adapt to change when “survival anxiety is greater than learning anxiety” (Niven, 2003:48). The

implementation of the BSC helps to encourage change by placing the focus of employees on long-term objectives (Mooraj *et al.*, 1999:490). The objectives that will be developed by the BSC team will communicate the survival anxieties of the organisation to the staff and convey why change is required for success. The BSC reduces learning anxiety by providing a safe environment for learning (Niven, 2003:48).

6.6.3 BSC team and leader

Kaplan and Norton (1996:64) posit that a BSC cannot be drawn up by one person because no single person has the requisite knowledge to tell the strategic story of the organisation. Kaplan and Norton (1996:64) contend that collective know-how, experience and input have to be provided by all well-prepared staff members who are part of the BSC team, a position with which Niven (2003:51) concurs. This approach enables the BSC team to own and drive the BSC concept under the guidance of the BSC team leader/driver/architect (Kaplan & Norton, 1996:64; 2001:362–363). Kaplan and Norton (2001:363) argue that a broader set of people could be involved in smaller subgroups, possibly focusing on one perspective. The work of the subgroups would then be integrated at a bigger meeting.

6.7 WHY THE BSC MAY NOT WORK

6.7.1 BSCs which are not reviewed periodically

A BSC should not be built once and then left unchanged (Niven, 2003:287) but should be maintained (Weinstein & Bukovinsky, 2009:54). In fact, best practice studies have shown that most practitioners do an annual critical evaluation of the BSC to ensure that the strategic story is still being told accurately (Niven, 2003:287–288).

6.7.2 BSC development labelled a short-term project

Niven (2003:289) is of the opinion that the development of a BSC which is seen as a “project” is doomed to failure. He argues that a project is a short-term endeavour and the BSC should become a fixture in management processes. To reach this level, it should be used continually in every facet of the operation, including decision-making and resource allocation. On the other hand, Nair (2004:157) believes that BSC

development should be treated as a project. This reflects a different viewpoint in that Nair (2004:157) does not see a project as short-term but focuses on the strict and controlled sequencing that flows from the planning and implementation of projects.

According to Kaplan and Norton (2001:365), the BSC should be seen as a management project, and certainly not as a systems project. Kaplan and Norton (2001:365) argue that where consultants are appointed to develop and implement a BSC management system, engagement with managers on strategic dialogue rarely occurs. Consultants are more likely to design a system which gives managers desktop access to masses of data but does not contribute to the organisation's being managed differently and is never used.

6.7.3 Lack of disciplined management and leadership

Nair (2004:157) sees disciplined management and leadership as crucial to successful BSC implementation. Nair (2004:157) believes that without disciplined management and leadership, projects tend to be overcommitted, understaffed and miscalculated.

6.7.4 Keeping the BSC at the top

According to Kaplan and Norton (2001:364), while senior management should support BSC implementation, the mistake of involving them alone should be avoided. In order to be effective, BSC implementation should ultimately involve everyone in the organisation. The aim is for all staff to have an understanding of the strategy and contribute to implementing it, therefore making strategy "everyone's everyday job".

6.7.5 Drawn-out development process

Kaplan and Norton (2001:364) caution that the BSC is a building process and that a limited amount of time should be invested in initial development and implementation. Even though there may not be data for all measures on the BSC at first, implementation should proceed. Delaying implementation to design the "perfect" BSC will inevitably lead to its being ineffective or even not being implemented at all. Once the implementation of the initial BSC is embedded in the management system, developments and refinements are done on a continual basis.

6.7.6 Appointing inexperienced consultants

Kaplan and Norton (2001:366) argue that the appointment of consultants who do not specialise in the BSC and have not implemented multiple successful BSCs will most likely doom it to failure. An inexperienced consultant generally proceeds with the implementation of a measurement or information system that he/she is familiar with, makes minor changes and calls it a BSC, even though it is not.

6.7.7 Only introducing the BSC for compensation

While BSC implementation can effectively be used as a tool to gain the attention and commitment of individuals, Kaplan and Norton (2001:366–367) are of the opinion that great care should be taken when a BSC is implemented mainly for compensation, because there is a tendency to skip the conversion of the strategy into measures. When strategy is skipped, a collection of financial and non-financial measures that resemble a stakeholder or strategy scorecard are grouped together and called a BSC.

6.8 DESCRIPTION OF THE BALANCED SCORECARD MODEL

The balanced scorecard model is presented below as a guide to the evaluation of service delivery performance within the JGDM for a particular financial year. Part of the model is a series of statements for each key performance area taken from South African Local Government Association (SALGA) and targets for key performance areas. It also has other important elements such as key performance indicators, goals, measures, scores, baseline and comments. Each indicator should be scored between 0 and 5, based on the level of performance.

The baselines for the balanced scorecard model are based on the data from the 2012/13 IDP document of JGDM as this document which is the latest available document.

JOE GQABI DISTRICT MUNICIPALITY LOGO

THE BALANCED SCORECARD FOR SERVICE DELIVERY IN THE JOE GQABI DISTRICT MUNICIPALITY

Name of the Municipality: Joe Gqabi District Municipality

Type of the Municipality: Category C

Address:.....
.....

Postal code:.....

Contact details:

Telephone numbers:.....Fax.....

District Mayor:.....Signature.....

Municipal Manager:.....Signature.....

Vision: An improved quality of life to residents

Mission: Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities within a sustainable environment.

Key Performance Area 1: DELIVERING ACCESSIBLE, EQUITABLE AND SUSTAINABLE MUNICIPAL SERVICES:

Municipal services are recognised as a critical success factor for human and community development (SALGA, 2012: 47).

Target: To ensure that the municipality is able to provide a comprehensive range of municipal services (legislated and value adding) to communities, organisations and people in a manner that makes it accessible (easy and affordable), equitable (fair and based on means and need) and sustainable (cost effective, long-lasting and environmentally friendly).

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards-30-49%) =2; Needs urgent support: unacceptably very low quality and standards (10-29%)=1; No information available =0.

Key Performance Indicators	Goals	Measures	Score (0-5)	Baseline 2012/13	Comments
The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	To provide access to basic level of services to all households	The percentage of households provided with access to basic level of water, sanitation, electricity and solid waste		61%	
The percentage of households earning less than R1100 per month with access to free basic services	To provide free basic services to all households earning less than R1100 per month	The percentage of households earnings less than R1100 per month provided with access to free basic services		New Indicator	

Provide community advice and briefing on policy, legislation, budget and correspondence enquiries	To provide an efficient and effective service to the community	The level of quality and timeliness in relation to municipal service provision and responsiveness to enquiries		New Indicator	
Average time taken to answer calls at the municipality	To enhance customer service	Acceptable average time taken to answer calls		45 minutes	
Develop, agree and implement customised Batho Pele principles for the municipality in line with a customer satisfaction improvement plan	To provide high quality services which are responsive to and meet the needs and expectations of the community	Improved customer satisfaction rates and reduction in complaints rates		70%	

Key Performance Area 2: SAFE AND HEALTHY ENVIRONMENT FOR THE COMMUNITY: A key priority for South Africa is the development of sustainable human settlements where social, health, economic and environmental factors are addressed in an integrated manner. Local government has a crucial role to play in this regard. Hence, there is need to focus on safe and healthy environments and communities.

Target: To encapsulate the various social, health, economic and environment interventions that are implemented to build safe communities (crime and disaster), healthy communities (health status, socio-psychological wellbeing, functional communities), and environmentally aware and active communities (improved environment management). It also incorporates a specific focus on eradicating poverty, inequality, and marginalisation at a municipal level (SALGA, 2012:48) and seeks to provide and ensure sustainability of basic services to all residents within the JGDM area with the following basic levels of services:

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
A well-defined and funded municipal role in health system	A healthy community	An effective municipal health System		69%	
Adequately capacitated and funded role for the municipality on public safety	A reduced crime rate and increased community safety	A well-coordinated responses to public safety issues		100%	

Active citizenry for a cleaner environment promoted	An environment conducive towards sustainable service provision	The municipality advocated for the development of a campaign on a cleaner environment (municipality/town)		100%	
Municipal state of readiness for disasters relief and management	Enhanced emergency preparedness and effective disaster responses	Improved and coherent municipal planning for disaster management and risk reduction		72%	
The percentage increase in the number of enforcements for infringements of municipal by-laws	To ensure effective by-law enforcement	Reduction in infringements cases		80%	
Number of inspections and tests and their frequency	To ensure healthy and clean supply of water	Compliance with water quality criteria and standards		New Indicator	

Key Performance Area 3: PLANNING AND SOCIO-ECONOMIC DEVELOPMENT: The history of municipal planning in South Africa has contributed to inappropriate and undesirable patterns of development in municipalities characterised by inefficiency, inequality and segregation. Planning under a democratic dispensation has not significantly challenged or remoulded these patterns. This has been exacerbated by a lack of economic development and job creation strategies and programmes at a local level. The net result of this scenario is poorly developed municipalities that continue to suffer from a lack of integrated planning and delivery by the different spheres and agencies of government and the absence of focused programme targeting economic development and job creation.

Target: To address planning and economic development at a local level as it serves as a critical foundation for the development and viability of the municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Building the capacity of the municipality to drive Local Economic Development	To promote local economic development	Number of programmes for the achievement of a conducive economic environment implemented		18	

Building the capacity of the municipality to create opportunities for new and better jobs	To create an environment that enables the community to be actively involved in economic development	Number of jobs created through municipal initiatives including capital projects		875	
Compliant with the Integrated Development Plan and Spatial planning directives	Integrated planning for the municipality	The number of cross departmental teams actively contributing to planning		22	
Effective situational analysis to inform developmental planning	To promote and ensure a strategic planning with emphasis on sustainable development	A detailed municipal strategic plan		Approved JGDM strategic Plan 2012	

Key Performance Area 4: EFFECTIVE, RESPONSIVE AND ACCOUNTABLE LOCAL GOVERNANCE: South Africa is a young democracy compared to other well developed democracies. In its ambitious agenda to establish a developmental state and developmental local government, the country has implemented a range of legislation, policy and institutional arrangements to deliver democratic governance to its people. Reflection on these, particularly at local government level, has highlighted a number of governance challenges between the different spheres of government and within local government itself. The current legislation and policy and the intergovernmental structures and practices do not always work in the interest of local government; indeed, in some instances, they work against it. Of particular concern are instances where the constitutional status of local government as an independent sphere of government has been negatively impacted. There is therefore a critical need to address issues of local governance and cement the power of status of this sphere within a broader democratic governance framework (SALGA, 2012: 49).

Target: To encapsulate the various governance and intergovernmental issues from legislation and policy, to funding and institutional arrangements.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Good governance in the municipality through effective internal governance structures	To cultivate good governance and leadership	Municipalities with improved transparent and accountable governance systems		New Indicator	

and systems					
Functional ward committee structures	To strengthen community participation in municipal governance	Innovative and effective public participation system		Quarterly meetings with stakeholders	
Implementation of the anti-corruption strategy	To support and lead the fight against corruption	Reduced incidents/occurrence of corruption activities		90%	
An effective, efficient and enabled local government system	To facilitate an enabling environment for the functioning of developmental local government	Understanding and execution of the role and responsibility of municipality in a developmental state		Municipal Integrated Service Delivery Plan 2012/13	

Key Performance Area 5: HUMAN CAPITAL DEVELOPMENT: It is essential to address challenges in human resource management and development and labour relations in order to build stability in the municipality and ensure that the municipality is appropriately resourced and capacitated to fulfil its mandate.

Target: To ensure productivity and service delivery by placing particular emphasis on achieving stability and growth in the municipality and supporting skills development and optimal human resource use.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Development of an integrated human resource management and development strategy	To ensure an empowered leadership and workforce	Systems, structures and partnerships for enhanced capacity building programmes established		HRM strategy implemented	
Identify and address scarce skills shortage in the municipality	To develop a skilled and diverse workforce	Number of positions in the municipality filled with skilled and competent individuals as required by job description		New Indicator	

Development of norms, standards and policies on human resource utilization	To improved human resource utilisation	Number of staff who meet minimum competency levels (MFA)		New Indicator	
Greater cooperation between organised labour and municipal authority	To ensure sound and stable labour relations	Reduced number of disputes between employees and the employer		Employee satisfaction survey rate high	

Key Performance Area 6: FINANCIALLY AND ORGANISATIONALLY CAPACITATED: The financial challenges faced by municipalities have been well documented, with some municipalities demonstrating a lack of financial viability. This has an obvious impact on the ability of the municipality to be fully functional and fulfil its mandate.

Target: To build long term financial viability and broader sustainability of municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Capacity of the municipality to effectively, efficiently and economically use financial resources	Facilitate an efficient and effective municipal finance management system	Attainment of a clean audit		Unqualified with matters 60% (3) Qualified 40% (2)	
Improved capacity to comply with legislative standards and be aware of financial status	Improvement in the financial viability and management	The percentage of the municipality's budget actually spent on projects identified for that particular		90%	

		financial year in terms of the integrated development plan			
Conduct in-year monitoring schedules and expenditure analysis, which results in no overspending or under spending	To secure, plan, manage and monitor public expenditure in line with the procedures of the Municipal Financial Management Act.	Compliance with agreed/set timelines for expenditures		100%	
Monitor and continuously review implementation	To promote proper governance and financial management and to ensure resources deliver value for money	Standard and quality of service provision		New Indicator	

Key Performance Area 7: EFFECTIVE AND EFFICIENT ADMINISTRATION: Given the significant pressure that will be placed on the municipality to deliver its strategy, it is critical that it has an effective and efficient administration. These interventions will cover areas of governance, products and services, performance management, people development and marketing and communication.

Target: In particular this key performance area focuses on consolidating municipality as a unitary structure. Part of the process will include a bolstering of the municipality's financial and organisational viability.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Amendments to current procedures and operational policies	To review procedures related to administrative services in the municipality	Review of operations and business processes		New Indicator	
Development and implementation of action plans	To translate vision, mission and plans into operational action plans at all levels	Responsive programmes to stakeholder and community needs		Implementation of the IDP'-SDP	
Developing an evaluation form to	To ensure the provision	Positive perception of the		Annual	

conduct an internal and external customer satisfaction survey	of effective and efficient and high quality service to internal and external stakeholders	municipality by internal and external stakeholders		customer satisfaction survey	
Adaptation of the governance structure to changing needs of the community	To refine governance structure	Effective and efficient records management		New Indicator	

Key Performance Area 8: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT: An important challenge facing the country and municipalities is addressing inherited imbalances through employment equity. The municipality has to embrace this mechanism as a positive aspect that will help the organisation to grow rather than to see it as a compliance issue.

Target: Improved representation in all levels of the municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
The percentage of critical vacant positions (Section 57) filled within the current financial year	To fill all vacant critical positions in the municipality	Improved capacity of the municipality to deliver on its mandate as vacant positions are reduced		100%	
The percentage of compliance with the employment equity plan in the 3 highest levels of management	Senior management to reflect the demographics of the community	Improved capacity of municipal to correlate their employment of senior managers to the population dynamics of the community		80%	

6.9 CHAPTER SUMMARY

The municipality's ability to achieve continuous improvement in its service delivery mandate is critically dependent on its performance measurement approach. The scorecard developed in this chapter offers a way of ensuring that a municipality's strategies and detailed plans have been thought through and are visibly linked to the wider vision and mission.

The scorecard presented in this chapter will ensure in turn that these strategies and plans come with a manageable set of appropriate, inter-related, built-in performance measures so that managers can assess overall strategic performance.

The chapter also demonstrated that the approach underpinning the development of a scorecard is about more than simply measuring performance. It is about ensuring alignment between overall vision, mission, KPI measures and scores. It is a system for managing a municipality's performance in delivery services to its communities/customers.

In the next chapter, the balanced scorecard evaluation model that was developed will be populated through a focus group session.

CHAPTER 7

TESTING AND POPULATION OF THE BALANCED SCORECARD EVALUATION MODEL

7.1 INTRODUCTION

This chapter presents the results of the focus group meeting held with expert stakeholders from the Joe Gqabi District municipality at the Aliwal North Spa on 8th August 2014, a meeting which resulted in a populated balanced scorecard evaluation form. The focus group data collection methodology is widely used in science research fields, although the technique' stems from the market research field (Hojjer, 2008: 284; see Chapter 5). The typical objective of a focus group is not consensus or debate but rather to generate ideas and provide opportunities for stakeholders to express feelings about particular areas of expertise or interest.

The purpose of the focus group research is to canvas observations and generate discussions by Joe Gqabi District Municipal employees or experts on service delivery measurements. This makes it important to set up a focus group where participants are likely to share common interests and encounter similar kinds of sources of work-related pressure.

7.2 STRUCTURE OF THE FOCUS GROUP

Focus groups commonly follow a fixed design set up, which includes formulation of questions and procedures. This allows the information collected to be compared against the results of additional focus groups if needed. A notable shortcoming of a fixed approach is that the researcher must adhere to the questions and approaches selected in the initial planning phase of the research design, which can cause difficulty and frustration once the focus group sessions begins (NOAA, 2009: 3).

A truly fixed design can restrict the researcher's ability to explore issues as freely or deeply as he would like when the opportunity arises, which may seem to defeat the purpose of using a qualitative approach to data collection. Undoubtedly a degree of standardisation is required to yield good quality results. The degree of standardisation should be left to the discretion of the researcher, which means he can incorporate minor changes while the focus group is in progress to accommodate any unique or unforeseen circumstances.

Figure 7.1 shows the focus group structure. Participants are councillors, directors, managers, officials and ward committees. The ward committee representatives served as observers invited by the municipality without consulting with the researcher. The researcher served as a facilitator; as an external stakeholder he was perceived as neutral, which was advantageous because it is difficult for an internal person to facilitate owing to possible invested interests or bias.

The facilitator has the task of leading the focus group, which involves:

- Setting the scene, explaining the purpose of the focus group;
- Introducing participants to the topics for discussion;
- Keeping the group on time and focussed on the topics;
- Encouraging participation from all the participants;
- Summarising discussions from time to time to check appropriate understanding of participants comments; and
- Ensuring that all the key issues are addressed (adapted from NOAA, 2009: 4).

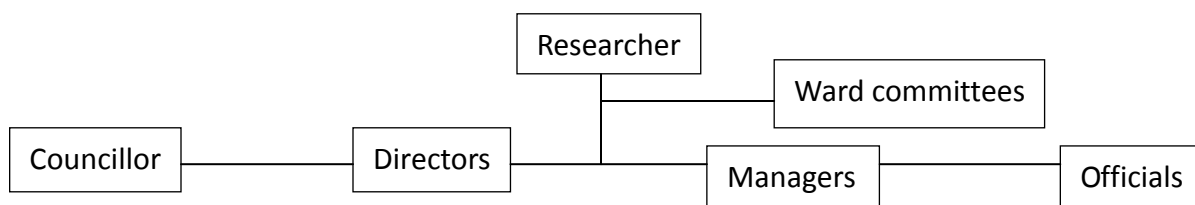


Figure 7.1: Structure of the focus group

Source: Author

7.3 SELECTION OF PARTICIPANTS

Researchers differ over the optimal number of participants to include in a focus group. Estimates generally range from six to twelve individuals homogeneous to a specific variable such as age, race, area of operation and educational level. Too few participants may not generate enough active conversation; a large group may exclude some participants.

The number and make up of a focus group should be determined by the following pointers:

- The issues that are to be addressed as identified from the results of the data analysis process (questionnaire and the interview sessions);
- Groups of employees who are likely to have to deal with similar types of work issues; and
- Considerations of practicability and feasibility (Hoijer, 2008: 284).

In the study, the researcher used the biographical information that appears within the analysis tool or survey to select and invite participants. Section A of the questionnaire dealing with the biographical details of participants, as depicted in **Appendix A**, was selected as containing the appropriate variables to base the focus group's composition on.

Twenty participants were selected to form part of the focus group:

- Two councillors dealing with human resource and performance management issues within the municipality;
- Four municipal directors dealing with corporate services, community services, infrastructure and planning;
- Four managers randomly selected with the assistance of the performance management official within the municipality;
- Ten officials from the environments identified in bullet point two above; and
- Eighty ward committee members who served as observers.

The municipality selected a coordinator to facilitate the invitation of the above-mentioned stakeholders. In the management meeting, an invitation was extended to all directors to form part of the focus group and send officials to the session.

The manager responsible for public participation chose to invite ward committee members as part of a broader participatory practice. All participants were informed of the objectives of the session.

7.4 PLANNING THE SESSION

Sufficient time and adequate planning are crucial for the success and outcomes of the focus group. It is important to confirm issues such the participant list, the location, which should be as convenient as possible, and the duration of the session. The session was held at Aliwal North Spa; as soon as the venue was confirmed, all participants were invited. The researcher selected a venue where participants will be free of interruptions and distractions with comfortable facilities that make it pleasant for participants to engage each other meaningfully for the duration of the session.

The duration of the focus group session was two hours; Time had to be allocated accordingly. There was no catering or refreshments except tea and coffee.

7.4.1 Welcoming the participants and introductory briefing

After the facilitator welcomed the participants to the focus group session and gave a brief presentation of the study background and objectives, the following issues were discussed and explained to all present:

- Introduction of participants and their role or position within the municipality;
- Explanation of the purpose of the focus group; Description of the process itself;
- Provision of name tags for all participants; and
- Distribution of balanced scorecard evaluation forms (see Table 6.1).

At this stage participants were also welcomed by the mayoral committee member present at the meeting, who also extended a word of appreciation to the researcher for choosing their municipality as a case study.

7.4.2 Managing expectations

It is important to manage participants' expectations to ensure that they are realistic and correspond with the study objectives. Key pointers used to manage participants' expectations included:

- Sending an invitation to participants clearly outlining the purpose of the focus group session;
- Emphasising the purpose and objectives of the session at the beginning of the meeting;
- Clarifying the role expected of participants upfront; and
- Summary of the outcomes.

Participants were invited to raise any points they might want to share.

7.4.3 Conducting the focus group session

The researcher started by recapping the vision and mission of the municipality and reminding the participants of the five key performance areas that the municipality adopted. These areas complement the four balanced scorecard perspectives presented in this research:

- Service Delivery and Infrastructure Provision
- Local Economic Development
- Financial Viability and Management
- Institutional Development and Transformation
- Good Governance and Public Participation

7.5 ANALYSING THE DATA

This section discusses the process followed in analysing data from the focus group session. A populated balanced scorecard evaluation form (see Figure 7.2) is presented as

part of the process of testing the balanced scorecard developed in the previous chapter (see Figure 6.4). According to Taylor-Powell and Renner (2003), once data has been collected, a systematic approach to data analysis is required.

The first phase is getting to know the data, which means the researcher should familiarise himself with the data collected. The second phase focuses on the analysis by revisiting the research purpose and objectives. The third phase is categorisation of the information and the fourth phase is identifying patterns in the response from participants. The last phase is interpretation of what has been learned in the focus group (Taylor-Powell & Renner, 2003).

7.5.1 Get to know the data

In this preliminary step, the objective is for the researcher to read and understand the responses and impressions that may be dominant. This took a considerable amount of time as the session was not sound recorded but taken down in the form of notes. It was important to record the impressions to avoid losing critical information. The information was also appraised at this stage; only information useful to the study was kept and analysed further.

If there is, it was important that any potential bias or limitation of the session or participants be recorded and reported up front in order to provide a realistic account of what the data may or may not explain. Concealing such information would have compromised the strength and reliability of the findings.

7.5.2 Focus on the analysis

This section considers key information in terms of the purpose and objectives of the study. Each section was analysed within the four perspectives of the balanced scorecard captured in Figure 6.3 and Section 6.4, in which each poses a separate key question:

- Customer perspective: Does the municipality focus on the needs of its citizens and offer quality services?

- Financial perspective: Is the municipality providing quality service standards at a reasonable and cost effective rate (value for money)?
- Internal process perspective: is the municipality maintaining its operational systems and striving to improve its method of service provision? and
- Learning and growth perspective: Can the municipality change or adapt to innovative methods of service provision?

Later in the chapter, in Figure 7.7 and 7.8, a summary of the BSC is presented with a view to understanding the performance of the municipality in terms of the understanding or opinion of the participants in the focus group.

7.5.3 Categorisation of the information

The purpose of information categorisation is to interpret words and phrases meaningfully: for example, to identify trends, common themes and patterns including ideas, concepts, behaviours and terminology used (refer to Section 7.6 dealing with the suitability of the BSC for addressing municipal effectiveness and Section 7.7 which discusses the common themes in the focus group). The data is then organised into categories that summarise and bring meaning to text. This is the crux of the methodology and can be very labour intensive and time consuming (Blank, 2014; NOAA, 2009).

7.5.4 Identify patterns

When the analysis is under way, connections within the text will begin to appear. It is important to take note of the various themes and play close attention to any subtleties that may be important. The following bullets contain pointers adapted from Hoijer (2008: 281), Blank (2014) and NOAA (2009):

- Within a single category: All the data pertaining to a particular theme (perspective) should be assembled. What are the key ideas being expressed? What are the similarities in the way participants responded, including the subtle variations? Writing a summary that answers these questions for each category is helpful;

- Combined categories: Doing this usually means working up from specific, individual categories to combined ideas and concepts. This approach helps participants see how the perspectives relate to the whole research project and the objectives of performance measurements;
- Relative importance: To determine importance the researcher counts the number of times a theme comes up for a rough estimate of its relative importance. The counts are not statistically significant but can reveal a general pattern in the data;
- Relationship: Two or more themes may occur together consistently in the data. An example is “all stakeholders know the IDP of the municipality” and “the service delivery programme of the municipality is informed by the IDP”. From this it is concluded that when stakeholders know the IDP, they will know whether the service delivery is informed by it or not. The researcher was careful not to assume a strict cause-and-effect relationship in all themes. Attention was also given to statements that did not fit into specific themes as the information may be valuable.
- Interpretation: At this stage the researcher articulates the outcomes of the focus group session, namely a populated balanced scorecard, as seen in Figure 7.6. The researcher is drawing the attention of the reader to the comments section in the evaluation form to offer the richness and meaning participants' input (DiCamillo, 1995: 618)

7.6 SUITABILITY OF THE BSC FOR ADDRESSING MUNICIPAL EFFECTIVENESS

The compatibility of the BSC has been discussed in Chapters 3 and 6; the performance model and assessment are illustrated in Figure 3.6 and 3.7 respectively. Respondent views informed Chapter 5, Section 5.5, which covers all sections captured in the research questionnaire as well as the general view expressed in relation to management commitment to performance measurement (see Section 5.6.2) and Section 5.6.4 dealing with the performance evaluation approach. The researcher chose to evaluate the suitability of the BSC for addressing the municipal service delivery issues in the focus group.

In Chapter 6, the issues that may hinder effective implementation of the BSC in public sector organisations and the municipal environment specifically are identified and discussed (see Section 6.6 and Section 6.7). The framework in the above-mentioned sections formed part of the basis for discussions in the focus group. The use of Tables 7.1 to 7.4 and the choice of design in Section 7.6.1 and 7.6.2 for the focus group discussions and the researcher's observations are adopted from Julyan (2011: 196).

The left hand column of the abovementioned tables contains the points of discussion given to participants; the right hand column contains the responses. Most of them include references to legislation, theory and other policy frameworks pertaining to local government.

7.6.1 Critical elements to be considered when implementing a BSC

According to the literature consulted, there are three key critical elements that need to be considered when implementing a BSC. First, the leadership and support of senior municipal management is necessary for the process to not succeed. Second, the municipality needs to create and support a burning platform for change and adaptation to new ways of doing things internally without restricting creativity with the boundaries of legislation and by-laws. Third, it is important to establish a team tasked with the implementation of the BSC, a team that must be empowered to lead or appoint a leader. Alternatively, the municipality should identify an official to lead the collective. Table 7.1 presents the discussion of the focus group covering two of the three elements identified in the above paragraph.

Critical element	Suitability of the BSC for addressing municipal effectiveness
Leadership and top management support	<ul style="list-style-type: none"> • The participants argued that a BSC cannot be drawn up by one person because no single person has the requisite knowledge to tell the strategic story of a municipality (Kaplan and Norton (1996, 2001) and Niven (2003: 51) concur) • Political office bearers, management, officials and stakeholders are involved in the development and implementation of the municipality’s performance improvement instrument, in this case the BSC (Figures 5.2, 5.8 & 5.19) • The municipality should appoint a BSC champion and a team for implementation purposes (Figure 5.13) • Organisations that complied with the criteria for a fully developed and structurally complete BSC were found to have had greater senior management involvement during the BSC implementation process (Kaplan & Norton, 1996:285) • The above approach enables the team to drive and own the BSC process (Figure 5.10) and (Section 5.6.2) • Based on the above discussion, the BSC is suitable for addressing this element.

Table 7.1: Suitability of the BSC for addressing municipal effectiveness

Source: Author

Critical element	Suitability of the BSC for addressing municipal effectiveness
Burning platform for change	<ul style="list-style-type: none"> • The participants emphasised the need for change in how the municipality does things and took up the popular expression that “it should not be business as usual” It became apparent to participants that managers need a balanced presentation of both financial and non-financial measures so that they are able to view the organisation’s performance simultaneously across several areas of service delivery • The above view is supported by the response reflected in Figure 5.24 and the need to change the perception in Figure 5.15 • In Section 38 (a) (iii) of the Municipal Systems Act, 2000, it is stipulated that “a municipality must establish a performance management system that is in line with the priorities, objectives, indicators and targets contained in its integrated development plan” (Section 2.3.8) • The last decade has seen a paradigm shift in the public sector towards more accountability and the adoption of the new public management, which is more closely aligned with private sector management systems (Sharma & Gadenne, 2011: 167). • The above has precipitated the adoption of more sophisticated performance management and control systems such as the BSC in the public sector (Section 3.3.4)

Table 7.2: Suitability of the BSC for addressing municipal effectiveness

Source: Author

7.6.2 Critical elements that may hinder effectiveness of the BSC

This section discusses critical elements that may hinder the effectiveness of the BSC in the municipal environment as discussed by the focus group, with reference to sections from the previous chapters. The critical elements below are based on Section 6.7, which

deals mainly with challenges to implementing an effective BSC within the municipal environment.

Critical element	Suitability of the BSC for addressing municipal effectiveness
Non-periodical review	<ul style="list-style-type: none"> • Participants agreed that annual reviews of the BSC and municipality performance should be done • The Municipal Planning and Performance Management Regulations define a Municipality’s Performance Management System as “a framework that describes and represents 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” (Section 4.7) • Kaplan and Norton (2001:364) caution that the BSC is an incremental process and that a limited amount of time should be invested in the initial development and implementation. Even though there may not be data for all measures on the BSC at first, implementation should proceed. Delaying implementation to design the “perfect” BSC will inevitably lead to its being ineffective or even not being implemented at all. Once the implementation of the initial BSC is embedded in the management system, developments and refinements are done on a continual basis (Section 6.7.5)

Table 7.3: Suitability of the BSC for addressing municipal effectiveness

Source: Author

Critical element	Suitability of the BSC for addressing municipal effectiveness
BSC development labelled a short-term project	<ul style="list-style-type: none"> • After a long and sometimes tense discussion in this critical element, consensus was reached by participants that BSC is a long-term strategy and should be viewed by all as such. • A number of participants were of the view that performance measurement is a process only undertaken during or before the end of the financial year as a once-off project. Niven (2003:289) is of the opinion that the development of a BSC which is seen as a “project” is doomed to failure. He argues that a project is a short-term endeavour and that the BSC should become a fixture in management processes. To reach this level, it should be used continually in every facet of the operation, including decision-making and resource allocation. On the other hand, Nair (2004:157) believes that BSC development should be treated as a project. This reflects a different viewpoint in that Nair (2004: 157) does not see a project as short term, but rather focuses on the strict and controlled sequencing that flows from the planning and implementation of projects. • Participants alluded to a practice of employing consultants as the route that the municipality prefers. According to Kaplan and Norton (2001:365), the BSC should be seen as a management project, and certainly not as a systems project. Kaplan and Norton (2001:365) argue that where consultants are appointed to develop and implement a BSC management system, engagement with managers on strategic dialogue rarely occurs. Consultants are more likely to design a system which gives managers desktop access to masses of data, but which does not contribute to the organisation’s being managed differently and is never used.

Table 7.4: Suitability of the BSC for addressing municipal effectiveness

Source: Author

7.7 COMMON THEMES

The following are common concerns and views shared by participants during the focus group session which were not part of the structured themes prepared by the researcher for the session.

7.7.1 Lack of participation

The majority of participants were concerned that they are not directly involved in the development of the IDP report, which has a balanced scorecard component: the municipality uses consultants who are sometimes not familiar with the environment or fail to engage with them in the process until they produce the final product. The second concern raised by participants was that the district municipality doesn't involve local municipal councils when developing the district's review process except to request them to submit their performance reports at set intervals.

7.7.2 Lack of capacity

The district municipality has human resource capacity challenges that affect its service delivery performance outputs; there is a shortage of qualified personnel in essential services such as engineers, health and safety practitioners, technicians and accounting professionals. One of the initiatives taken by the municipality is for all environments within the district to prioritise the filling of critical positions as identified by the strategic plan. This is a challenge that is crippling many municipalities in the country, as they are struggling to recruit and retain skilled employees, which negatively affects performance measurement.

7.7.3 Appointment of consultants

The feeling amongst participants was that the municipality appoints inexperienced consultants who do not even understand the environment that the municipality operates in. Some of them have no local government background and experience.

7.7.4 Lack of motivation

There is lack of employee motivation within the municipality exacerbated by no performance management policy having been implemented by all local municipalities within the district: some have draft policies, others only implement policy for performance bonus purposes.

7.8 BALANCED SCORECARD EVALUATION FORM

A populated BSC evaluation form is presented in Figure 7.6 below, adapted from the framework discussed in Chapter six of the study. The BSC evaluation form is categorised according to the four perspectives as highlighted in Section 6.2 and 6.3 previously. A number of key performance areas are identified and a short explanation is given for each as demonstrated in Figure 6.4, which presents a BSC evaluation form. The presentation of the BSC format is under the following subtopics: key performance indicators, goals, measures, score, baseline and comments.

7.8.1 Key performance indicators

The key performance indicators in the BSC below are imported from the evaluation form in Chapter six. Key performance indicators were defined in Section 6.3 and in Figure 6.1. Participants were informed that the indicators are determined by the municipality after developing an IDP and a SDBIP. There are also process indicators measured in the BSC evaluation form; these do not mean tangible services have been provided but that a particular prescriptive process in terms of procedure or/and legislation has been followed.

7.8.2 Goals

The strategic goal of each indicator is taken from Chapter six as informed by the documents mentioned in the section above and in some cases also informed by the mission and vision of the municipality as referred to in Chapter four, Section 4.15.2.

7.8.3 Measures

For each KPI an appropriate performance measure is identified that will assist all stakeholders in assessing progress made towards achieving that KPI and consequently the overall strategic goals. The measures from Chapter six were presented to participants. It must also be noted that some of the indicators are process indicators.

7.8.4 Score

Participants were further asked to score each key performance indicator and compare the current situation and previous performance results (baseline). Reports from the Auditor General, provincial government and the municipality were used to determine the baseline. Scores are allocated per indicator and constructed as:

- 5= Outstanding: no further improvement possible;
- 4= Good quality: above average (high quality and standards)
- 3= Acceptable: average (meets expectations)
- 2= Improvement needed: below average (low quality and standards)
- 1= Needs urgent support: unacceptably very low quality and standards
- 0= No information available

7.8.5 Baseline

A baseline is used to determine improvement in provision of services by a municipality by comparing previous financial year performance to current performance. According to the National Treasury framework for Programme Performance Information (2007: 21), a baseline comprises the current performance levels that an institution aims to improve when setting performance targets. The baseline used in the valuation form at the end of Chapter six is from the JGDM report for the year 2013/2014.

The baseline column in Table 7.5 below displays information provided by the municipality indicating the previous financial year's performance in each key performance area. The information is coded:

- As a percentage of service provision level;
- In average minutes' response to a reported incident or enquiry;

- As a new indicator where there is no previous information from the municipal report reviewed by the researcher;
- As a number quantitatively indicating the number of programmes undertaken and meetings held;
- Approved strategic and operational plan for that financial year; and
- Type of audit report received from the AG and provincial treasury.

7.8.6 Comments

Participants were asked to make general comments in the last column of the BSC evaluation form as part of the reasons or explanation of why the situation is what it is or perceived to be.

Below Table 7.5, a populated balanced scorecard model is presented.

BALANCED SCORECARD EVALUATION MODEL

JOE GQABI DISTRICT MUNICIPALITY LOGO

THE BALANCED SCORECARD FOR SERVICE DELIVERY IN THE JOE GQABI DISTRICT MUNICIPALITY

Name of the Municipality: Joe Gqabi District Municipality

Type of the Municipality: Category C

Address:.....
.....

.....**Postal code:**.....

Contact details:

Telephone numbers:.....**Fax:**.....

District Mayor:.....**Signature:**.....

Municipal Manager:.....**Signature:**.....

Vision: An improved quality of life to residents

Mission: Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities within a sustainable environment.

Key Performance Area 1: DELIVERING ACCESSIBLE, EQUITABLE AND SUSTAINABLE MUNICIPAL SERVICES:

Municipal services are recognised as a critical success factor for human and community development (SALGA, 2012: 47).

Target: To ensure that the municipality is able to provide a comprehensive range of municipal services (legislated and value adding) to communities, organisations and people in a manner that is accessible (easy and affordable), equitable (fair and based on means and need) and sustainable (cost effective, long-lasting and environmentally friendly).

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards-30-49%) =2; Needs urgent support: unacceptably very low quality and standards (10-29%)=1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	To provide access to basic level of services to all households	The percentage of households provided with access to basic level of water, sanitation, electricity and solid waste	3	61%	Acceptable level
The percentage of households earning less than R1100 per month with access to free basic services	To provide free basic services to all households earning less than R1100 per month	The percentage of households earning less than R1100 per month provided with access to free basic services	3*	New Indicator	The process needs better coordination.
Provide community advice and briefing on policy, legislation,	To provide an efficient and effective service	The level of quality and timeliness in relation to	3*	New Indicator	Needs further improvement.

budget and correspondence enquiries	to the community	municipal service provision and responsiveness to enquiries			
Average time taken to answer calls by the switchboard or when an incident is reported till the crew arrive at the scene	To enhance customer service	Acceptable average time taken to answer calls	2	45 minutes	Poor response rate
Develop, agree and implement customised Batho Pele principles for the municipality in line with a customer satisfaction improvement plan	To provide high quality services which are responsive to and meet the needs and expectations of the community	Improved customer satisfaction rates and reduction in complaints rates	3	70%	Principles not fully implemented

***New indicator: This is a new indicator because there is no baseline; previously this key performance indicator was not measured or there are no records. References include the previous financial report, municipality SDBIP and the IDP report for 2013/14.**

Key Performance Area 2: SAFE AND HEALTHY ENVIRONMENT FOR THE COMMUNITY: A key priority for South Africa is the development of sustainable human settlements where social, health, economic and environmental factors are addressed in an integrated manner. Local government has a crucial role to play in this regard. Hence, there is a need to focus on safe and healthy environments and communities.

Target: To encapsulate the various social, health, economic and environmental interventions that are implemented to build safe communities (crime and disaster), healthy communities (health status, socio-psychological wellbeing, functional communities), and environmentally aware and active communities (improved environmental management). It also incorporates a specific focus on eradicating poverty, inequality, and marginalisation at a municipal level (SALGA, 2012:48). The target is to provide and ensure sustainability of basic services to all residents within the JGDM area with the following basic levels of services:

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
A well-defined and funded municipal role in health system	A healthy community	Reduction in the number of community members diagnosed or treated for opportunistic diseases within the municipality	3	69%	Health campaign interventions working

Adequately capacitated and funded role for the municipality on public safety	A reduced crime rate and increased community safety	Less than 5% crime rate reported: A well-coordinated responses to public safety	5*	96%	Improved coordination
Active citizenry for a cleaner environment promoted	An environment conducive towards sustainable service provision	The municipality to advocate for the development of a campaign for a cleaner environment (municipality/town)	5*	100%	Adequate campaign awareness
Municipal state of readiness for disasters relief and management	Enhanced emergency preparedness and effective disaster responses	Improved and coherent municipal planning for disaster management and risk reduction	3	72%	Compliant
The percentage increase in the number of enforcements for infringements of municipal by-laws	To ensure effective by-law enforcement	Reduction in infringements cases	4	80%	More resources needed
Number of inspections and tests and their frequency	To healthy and clean supply of water	Compliance with water quality criteria and standards	4**	New Indicator	Compliant

***The municipality identified and approved a number of campaigns for each of the above categories at the beginning of the financial year and a threshold for each key performance indicator was set (quantitatively).**

**** New indicator: This is a new indicator because there is no baseline; previously this key performance indicator was not measured or there are no records. References include the previous financial report, municipality SDBIP and the IDP report for 2013/14. In this case, for example, the participants agreed that previous water quality criteria and standards were not measured in the municipality.**

Key Performance Area 3: PLANNING AND SOCIO-ECONOMIC DEVELOPMENT: The history of municipal planning in South Africa has contributed to inappropriate and undesirable patterns of development in municipalities characterised by inefficiency, inequality and segregation. Planning under a democratic dispensation has not significantly challenged or remoulded these patterns. This has been exacerbated by a lack of economic development and job creation strategies and programmes at a local level. The net result of this scenario is poorly developed municipalities that continue to suffer from a lack of integrated planning and delivery by the different spheres and agencies of government and the absence of focused programme targeting economic development and job creation.

Target: To address planning and economic development at a local level as it serves as a critical foundation for the development and viability of the municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Building the capacity of the municipality to drive Local Economic Development	To promote local economic development	Number of programmes for the achievement of a conducive economic environment implemented	2	18 (out of 40 planned)	Lack of funding and capacity

Building the capacity of the municipality to create opportunities for new and better jobs	To create an environment that enables the community to be actively involved economic development	Number of jobs created through municipal initiatives including capital projects	3	875	More could be done to create sustainable job opportunities
Compliant with the IDP and spatial planning directives	Integrated planning for the municipality	The number of cross departmental teams actively contributing to planning	5	22	Active forums coordinator
Effective situational analysis to inform developmental planning	To promote and ensure a strategic planning with emphases sustainable development	A detailed municipal strategic plan	5	Approved JGDM Strategic Plan 2012	Acceptable

Key Performance Area 4: EFFECTIVE, RESPONSIVE AND ACCOUNTABLE LOCAL GOVERNANCE: South Africa is a young democracy compared to other well developed democracies. The country, in its ambitious agenda to establish a developmental state and developmental local government, has implemented a range of legislation, policy and institutional arrangements to deliver democratic governance to its people. Reflection on these, particularly at local government level, has highlighted a number of governance challenges between the different spheres of government and within local government itself. The current legislation and policy and intergovernmental structures and practices do not always work in the interest of local government and in some instances work against it. Of particular concern are instances where the constitutional status of local government as an independent sphere of government has been negatively impacted. There is therefore a critical need to address issues of local governance and cement the power of status of this sphere within a broader democratic governance framework (SALGA, 2012: 49).

Target: To encapsulate the various governance and intergovernmental issues from legislation and policy, to funding and institutional arrangements.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Good governance in the municipality through effective internal governance structures and systems	To cultivate good governance and leadership	Municipalities with improved transparent and accountable governance systems	3*	New Indicator	Needs improvement
Functional ward committee	To strengthen	Innovative and effective public	3	Quarterly	Limited support to ward

structures	community participation in municipal governance	participation system		meetings with stakeholders	committees
Implementation of the anti-corruption strategy	To support and lead the fight against corruption	Reduced incidents/occurrence of corruption activities	1	90%	Not functional
An effective, efficient and enabled local government system	To facilitate an enabling environment for the functioning of developmental institution	Understanding and execution of the role and responsibility of municipality in a developmental state	3	Municipal Integrated Service Delivery Plan 2012/13 (concept document stage)	Acceptable

***New indicator: This is a new indicator because there is no baseline; previously this key performance indicator was not measured or there are no records. References include the previous financial report, municipality SDBIP and the IDP report for 2013/14. The number of public participation meeting and report back sessions with all stakeholders is predetermined in accordance with applicable legislation as four times in a year.**

Key Performance Area 5: HUMAN CAPITAL DEVELOPMENT: Addressing the human resource management and development and labour relations challenges is critical in building stability in the municipality and ensuring that the municipality is appropriately resourced and capacitated to fulfil its mandate.

Target: Is to ensure productivity and service delivery by placing particular emphasis on achieving stability and growth in the municipality and supporting skills development and optimal use of human resource.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Development of an integrated human resource management and development strategy	To ensure an empowered leadership and workforce	Systems, structures and partnerships for enhanced capacity building programmes established	3*	HRM strategy implemented	In progress
Identify and address scarce skills shortage in the municipality	To develop a skilled and diverse workforce	Number of positions in the municipality filled with skilled and competent individuals as required by job description	2	18 (out of 45 positions in the District)	Lack of will from top management
Development of norms, standards and policies on human resource utilisation	To improved human resource utilisation	Number of staff who meet minimum competency levels (MFA)	2	5 (out of 16 at senior level in the District. The	Lack of resource

				municipality has a staff compliment of 131 employees)	
Greater cooperation between organised labour and municipal authority	To ensure a sound and stable labour relations	Reduced number of disputes between employees and the employer	4**	Employee satisfaction survey rate high	Acceptable

***The HRM strategy is a five-year plan that has annual target/ milestones which the municipality needs to achieve.**

****Previously the municipality had high employee and employer dispute cases that remain unresolved for one reason/justification or the other. A survey to evaluate employee happiness and motivation in the municipality was done, with overwhelmingly positive results.**

Key Performance Area 6: FINANCIALLY AND ORGANISATIONALLY CAPACITATED: The financial challenges faced by municipalities have been well documented, with some municipalities demonstrating a lack of financial viability. This has an obvious impact on the ability of the municipality to be fully functional and fulfil its mandate.

Target: To build the long-term financial viability and broader sustainability of the municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Capacity of the municipality to effectively, efficiently and economically use financial resources	Facilitate an efficient and effective municipal finance management system	Attainment of a clean audit	4	Unqualified with matters 60% (3) Qualified 40% (2)	Improved financial systems
Improved capacity to comply with the legislative standards and be aware of financial status	Improvement in financial viability and management	The percentage of the municipality's budget actually spent on projects identified for that particular financial year in terms of the integrated	5	90%	Improved accountability

		development plan			
Conduct in-year monitoring schedules and expenditure analysis, which results in no overspending or under spending	To secure, plan, manage and monitor public expenditure in line with the procedures Municipal Financial Management Act.	Compliance with agreed/set timelines for expenditures	3	40% (ideal percentage should be over 60%)	Acceptable for a rural municipality
Monitor and continuously review implementation	To promote proper governance and financial management and to ensure resources deliver value for money	Standard and quality of service provision	2	29% (ideal percentage should be over 60%)	No systems to monitor implementation

Key Performance Area 7: EFFECTIVE AND EFFICIENT ADMINISTRATION: Given the significant pressure that will be placed on municipality to deliver its strategy, it is critical that it has an effective and efficient administration. These interventions will cover areas of governance, products and services, performance management, people development and marketing and communication.

Target: In particular this key performance area the focus is on consolidating the municipality as a unitary structure. Part of the process will include bolstering municipal financial and organisation viability.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Amendments to current procedures and operational policies	To review procedures related to administrative services in the municipality	Review of operations and business processes	3*	New Indicator	New
Development and implementation of the action plans	To translate vision, mission and plans into operational action plans at all levels	Responsive programmes to stakeholder and community needs	4	Implementation of the IDP'-SDBIP	Acceptable
Developing an evaluation form to conduct an internal and external survey customer satisfaction	To ensure the provision of effective and efficient and high quality service to internal and external stakeholders	Positive perception of the municipality by internal and external stakeholders	2	Annual customer satisfaction survey	Needs improvement

Adaptation of the governance structure to changing needs of the community	To refine governance structure	Effective and efficient records management	3*	New Indicator	New
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***New indicator: This is a new indicator because there is no baseline; previously this key performance indicator was not measured or there are no records. References include the previous financial report, municipality SDBIP and the IDP report for 2013/14. The number of public participation meeting and report back sessions with all stakeholders is predetermined in accordance with applicable legislation as four times in a year.**

Key Performance Area 8: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT: An important challenge facing the country and municipalities is addressing inherited imbalances through employment equity. The municipality has to embrace this mechanism as a positive aspect that will help the organisation to grow rather than see it as a compliance issue.

Target: Improved representation in all levels of the municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
The percentage of critical vacant positions (Section 57) filled within the current financial year	To fill all vacant critical positions in the municipality	Improved capacity of the municipality to deliver on its mandate as vacant positions are reduced	2	30%	Urgent support needed
The percentage compliance with the employment equity plan in the 3 highest levels of management	Senior management to reflect the demographics of the community	Improved capacity of municipality to correlate their employment of senior managers to the population dynamics of the community	4*	80%	Municipality doing well because of community demographics

***The demographics of the municipal jurisdiction were taken into consideration. The focus group questioned the fact that in some local municipalities within the district there is no representation of other ethnic groups such as White people and Coloured people.**

7.10 SUMMARY OF THE BSC

In this section, a summary of the BSC is presented in Table 7.6 and Figure 7.2. The purpose is to interpret the results of the populated BSC and make appropriate conclusions. The table below has the BSC perspectives, which are customer, financial, internal process and learning and growth as depicted in the evaluation form above. For each perspective there is a key performance area, a score, a total and a percentage.

7.10.1 Key performance area

A key performance area is a focus area with a BSC perspective identified by an organisation or municipality as a focus point of service provision. In the study, two key performance areas for each BSC perspective are identified in the evaluation form.

7.10.2 Score

As indicated in Section 7.8.4, participants were asked to score each key performance indicator in all four perspectives of the BSC evaluation form. The scores of each key performance indicator within a particular key performance area in the BSC evaluation form were added together to come up with the final score.

7.10.3 Total

The total equals the combined total of key performance area scores for each BSC perspective.

7.10.4 Percentage

The total for each BSC perspective is converted into a percentage by using the following calculation formula: divide by the total score and multiply by one hundred (i.e $34/50*100$).

BSC Perspective	Key Performance Area	Score	Total	Percentage
Customer	<ul style="list-style-type: none"> • Effective, responsive and accountable local governance 	10	34	68
	<ul style="list-style-type: none"> • Safe and healthy environment for the community 	24		
Financial	<ul style="list-style-type: none"> • Planning and socio-economic development 	15	26	60
	<ul style="list-style-type: none"> • Financially and organisationally capacitated 	11		
Internal process	<ul style="list-style-type: none"> • Delivering accessible, equitable and sustainable municipal services 	15	27	60
	<ul style="list-style-type: none"> • Effective and efficient administration 	12		
Learning and growth	<ul style="list-style-type: none"> • Human capital development 	11	17	57
	<ul style="list-style-type: none"> • Municipal transformation and institutional development 	6		

Table 7.6: Summary of the BSC

Source: Author

The above table does not present a good picture for the municipality as the average total percentage of all the BSC perspectives combined is 62.5%, which is not acceptable by any standard in the South African local government environment.

The customer perspective is about finding a means of adequately predicting customer behaviour through assessments of their opinion and perceptions of existing service provision, the quality and standard of services and the impact of services provided to the community. This could mean the development of a shared vision and mission statement by all stakeholders. The municipality scored 68% in this perspective, which is acceptable.

In the financial perspective the municipality received a score of 65%. This is a perspective that needs to be balanced to provide a view of both the organisation's current financial standing and its future performance trends. It is necessary to implement financial measures that enable an organisation to continually evaluate and improve its access to budget increases and future spending patterns, know the true costs of its processes and services and link them to financial indicators.

In the internal process perspective, the municipality scored 60%. This perspective is concerned with what the organisation should do internally to meet the community's expectations, which include cycle times, performance measures and quality of service delivery. It may also involve identifying and measuring key processes in each department and unit of the organisation, correlating performance measures to customer requirements.

In the learning and growth perspective, the municipality scored the lowest percentage at 57%. The perspective requires a focus on building and refining an organisational infrastructure for skills and knowledge development and an effective workplace culture. Typical measures include the improvement of knowledge levels through training and development and generation of new ideas leading to improved productivity.

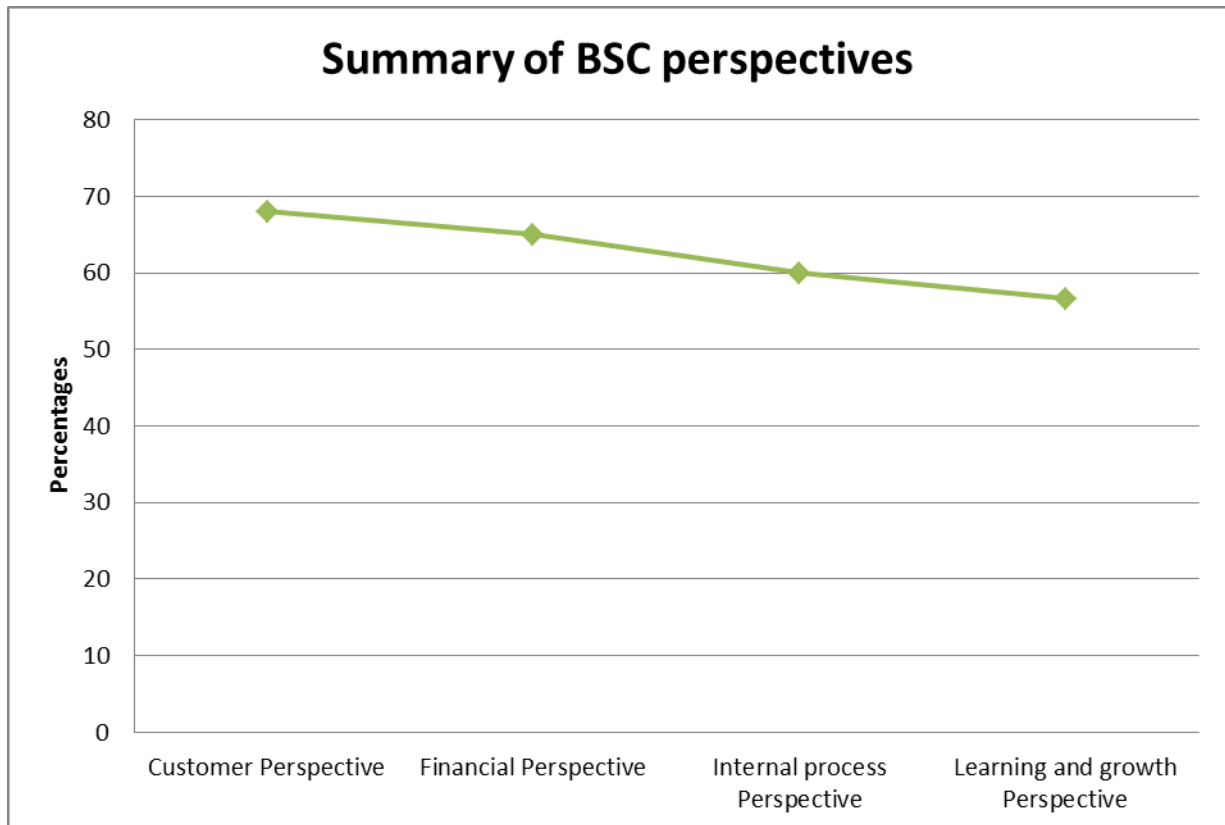


Figure 7.2: Summary of the BSC

Source: Author

Figure 7.2 shows that the municipality scored highest in the customer perspective followed by the financial and internal process perspectives. The learning and growth perspective scored very low.

The customer perspective was measured using ten KPIs. The participants in the focus group were expected to give a score to each KPI after evaluating current performance against the baseline or the previous financial year's performance. There is growing acceptance that the municipality must understand and address the wants, needs and requirements of the communities it serves. Understanding the customer view means that the municipality should deliver services in a responsive, and timely manner to ensure good a service quality from the customer's point of view. It is undoubtedly true that customer perspective is the most important aspect of any municipality.

The financial perspective was measured using eight KPIs. Once again the participants in the focus group were expected to give a score to each KPI after evaluating current

performance against the baseline or the previous financial year performance. The municipality scored 65% on this perspective, which confirmed that for any institution to function properly it needs to manage its finances in accordance with the prescribed rules and regulations. Consequently the municipality should focus more on satisfying the immediate needs of the community and meeting its financial obligations as stated in the MFMA.

7.11 A PROPOSED INTEGRATED VALUE-BASED MODEL FOR IMPROVING SERVICE DELIVERY IN LOCAL GOVERNMENT

This section provides a description of the proposed integrated value-based model for improving service delivery in local government to address challenges identified in the research. Given the current challenges experienced by local government as depicted in Chapter 2 and the findings of the empirical study, the model is recommended for the municipality to introduce reform and improvement to the service delivery process.

The model is customised for the Joe Gqabi District Municipality and can be used by other municipalities in the country with adaptations. The model should be applied within the context of service provision in local government and cannot be one size fits all; challenges faced by a municipality should be taken into consideration when implementing the model. According to Roux and Nyamukachi (2005: 697), a model should be seen as a symbolic representation (example/image) of a particular phenomenon, not a substitute for reality.

The model should be implemented within the prescripts of the law pertaining to local government in South Africa, namely the Constitution (1996), which is the supreme law of the country, the White Paper on Local Government (1998), Municipal Systems Act (2000), Municipal Structures Act (1998) and the Municipal Finance Management Act (2003).

The model has four main features:

7.11.1 Contextual setting

As discussed in Chapter 2, municipalities countrywide are facing challenges of service delivery reflected in the high volume of service delivery protests, the report from the

national department of Cooperative Government and Traditional Affairs and the recent report from the Auditor General. The findings of the empirical research of this study have also confirmed the existence of these challenges. It is therefore important for the municipality to understand the complex social, economic, cultural and political context within which it operates.

Local government across the country continues to experiment with various models to create better alignment between public policy goals and local community values. It is fundamental to engage with the community within the jurisdiction of the municipality on issues pertaining to service provision. It is important in developing municipal strategies and processes to consider the uniqueness of the operational contextual setting is important.

An example of issues to be taken into consideration is the diversity of stakeholders within a municipal jurisdiction. The municipality should be able to identify viable opportunities that would further its vision and mission; threats within and outside the municipality that may hamper service delivery must also be identified.

7.11.2 Core values

Every community, stakeholder and organised formation within the municipal jurisdiction has a set of values and principles that informs its purpose for existence and set the aspirational standards for measuring its achievements. In the South African context, some of the values are derived from the Constitution, more specifically the Bill of Rights. To recap from As mentioned in Chapter 4, the core values stipulated in the Constitution are human dignity, equality, justice, Ubuntu, non-racism, non-sexism, respect and freedom (RSA, 1996).

According to Bao, Wang, Larsen and Morgan (2013: 452), the United States values liberty as the primary value, in contrast to China and Vietnam, which give official primacy to the value of the greater collective good.

They go further to say that “in addition to the underlying core values of a political system, there are party and ideological values that interpret these core regime values and transform them into policy platforms, policy initiatives, and public programs, which take on meaning

through regime structures and processes.” The context of the South African policy regime is outlined in Section 5.6.1, which deals with policy making and compliance, and Chapter 4, which discusses the policy framework for local government.

7.11.3 Structures and processes

A municipality needs to develop structures and processes that will provide a framework for decision-making, participation, policy making and implementation of services within its municipal jurisdiction. Increasingly, governments do not have all of the authority structures and processes in place to solve the problems that plague citizens, communities, and public officials alike. Innovative ways of providing services to the community need to be devised by local government through active engagement with organised labour, business associations, individual citizens and other significant stakeholders. This could be done through setting up community forums such as public participation sessions, as envisaged in the Municipal Systems Act (2000) (RSA, 2000a), through the IDP process.

In practice, a municipality has two main options for service delivery depending on community needs and context. The first is the traditional internal mechanism whereby a line department is created to produce and deliver a service to the community. The other option entails using external mechanisms to deliver services whereby an entity outside the municipality is tasked with the production and delivery of a service with or without municipal control (Municipal Systems Act, 2000: Section 76) (RSA, 2000a). An example of the latter is the Private Public Partnership (PPP), an agreement between a municipality and one or more parties where there is an agreement to work cooperatively to achieve service delivery objectives.

In implementing the structures and processes component of the model, financial or budgetary measures as prescribed in the MFMA should be taken into consideration. The organisational and administrative capacity of the municipality to undertake and deliver services through the alignment of the municipality’s mission and vision, goals and community needs should be taken into consideration when deciding on an option.

Current issues of xenophobia attacks, unemployment, inadequate housing, economic inequality, lack of health care facilities and service delivery issues and protests call for a

collaborative approach by all stakeholders within the community as well as municipal structure and processes that are responsive to community needs.

The model will have to incorporate into its structures and processes component such principles as:

- Openness;
- Transparency;
- Consistency;
- Administrative fairness;
- Service standards; and
- Value for money.

Monitoring and evaluation of municipal performance in provision of services should be implemented through a BSC that speaks to the vision and mission of the municipality.

7.11.4 Leadership and management

A new leadership and management ethos is needed at municipal level that will be driven by the principles set out in our Constitution and legislation pertaining to local government. The Constitution prescribes the following values for leadership and management: honesty, integrity, trustworthy, ethical, accountability and responsiveness (RSA, 1996).

The legitimacy of the municipality suffers when institutional leadership and management are not viewed as trustworthy custodians or are out of touch with community needs and values. “Leadership and management should be good not only in doing traditional hierarchical management but also at creating and operating in loosely constructed networks and confederations that are held together by agreement rather than rules and the exercise of hard power” (Brookes, 2008; Crosby, 2010; Salamon, 2002 in Bao *et al.*, 2013:pp).

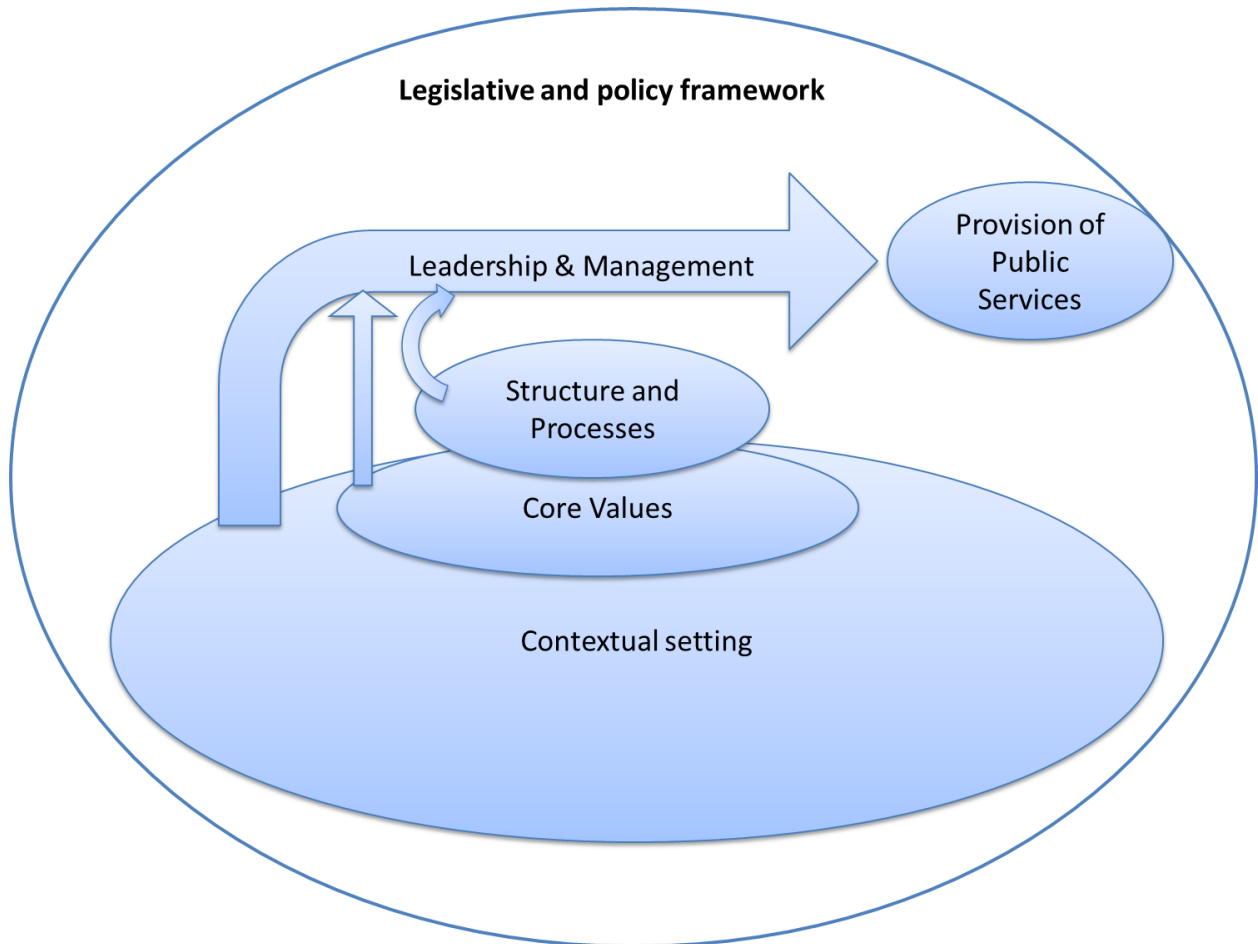


Figure 7.3: A value-based integrated model for improved service delivery

Source: Author (adopted from Bao *et al.*, 2013: 452)

7.12 CHAPTER SUMMARY

This chapter discussed the process followed in setting up the focus group session and some of the processes followed. The results analysis process was also discussed. A populated balanced scorecard as one outcome of the focus group was also presented in this chapter.

The objective of the chapter was to establish the influence of the balanced scorecard on service delivery within the Joe Gqabi District Municipality. As mentioned in the chapter on organisational effectiveness, customer, financial, internal process and innovation and learning perspectives influenced service delivery. The customer perspective is a significant contributor to municipal service delivery performance; the same could also be said of the financial perspective as the focus group outcomes and data indicates. The internal and

learning and innovation perspectives are lagging behind; meaning JGDM does not have significant influence on service delivery.

As indicated in similar studies, the findings of this study suggest that a BSC evaluation form can be used as an important performance measurement tool as it enables municipalities to clarify their vision and strategy and translate them into goals or actions. Reporting based on the BSC can be used as a benchmark to improve accountability.

The next chapter will present recommendations and discuss challenges arising from the study. The conclusion of the study will also be presented.

CHAPTER 8

GENERAL CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

In the quest to understand how organisational effectiveness leads to improved service delivery, the research drew on the copious literature shaping organisational performance measurement and effectiveness concepts, theories and applications. The discussion was thematically arranged and set out as interdependent blocks in various chapters. The chapters included a historical overview of local government service delivery; a theoretical perspective of organisational effectiveness; the legislative and policy framework applicable to local government; and a case study of the Joe Gqabi District Municipality.

The themes and chapters formed the collective theoretical framework of the research. The conceptual approach to the research was completed by the empirical study, the balanced scorecard evaluation form and the testing and population of the balanced scorecard evaluation form which served to analyse the relationship between theory and practice.

This chapter will be devoted to highlighting arguments or insights deemed particularly important for understanding how organisational effectiveness will result in improved service delivery in local government. General conclusions and recommendations will be made relating to the research objectives and the study will conclude with suggestions for future research in the field. Before the general conclusions and recommendations commence, there is a brief overview of the background to and focus of the research included in Chapter 1, followed by reflections, limitation and suggested future research topics.

In the final analysis, the study makes seven recommendations specific to the Joe Gqabi District Municipality regarding the implementation of the proposed balanced scorecard model and integrated value-based model for improving service delivery in local government. A conclusion summarising the chapter is provided as the last section in the chapter.

8.2 IMPROVING SERVICE DELIVERY IN LOCAL GOVERNMENT

The discourse in this section includes an exploration of issues highlighted during the research which are particularly important when discussing the improvement of service delivery in local government. A conceptual framework of the historical perspective of local government in South Africa which included the JGDM as a case study set the scene for the research.

An international perspective of local government was explored with a view to understanding the historical origin of local government in terms of a paradigm shift from a regulatory system of local government to a developmental one. The study noted that the evolution of local government in Africa was characterised by five stages: pre-colonial period; colonial period; transitional period; post-honeymoon period and contemporary new dawn period. Evidence in the literature indicates that all these periods of change were brought about by the need to improve service delivery at local government level. South African local government is no exception to this phenomenon. The examination of the state of local government showed an urgent need for change from a regulatory style of local government to a developmental one, from communities being only the recipients of assistance from government in a top-down approach to communities having control and taking ownership of structure, processes and decision-making.

The legislation and policy framework applicable to local government were discussed with a view to identify, evaluate and unpack legislative imperatives concerning effective and efficient service delivery. The chapter proceeded to outline the constitutional and legal provisions for service delivery at local government level. A brief description of the Joe Gqabi District Municipality was presented, drawing a picture of the population size, economic and employment conditions according to municipal performance statistics.

An exploratory discourse on organisational effectiveness with the aim of improving service delivery in local government was undertaken. The need for a new approach to performance measurement in local government was established as a response to current challenges of service delivery. The study proceeded to focus on defining organisational effectiveness as the degree to which organisational goals and objectives are successfully achieved at

acceptable quality standards within a prescribed time frame with the limited resources at local government disposal.

The discourse on organisational effectiveness looked at four different approaches. The goal-attainment approach assumes that organisations are deliberate, rational, goal-seeking entities and are created to achieve one or more goals. This approach views organisational effectiveness in terms of internal objectives and performance.

The second approach was the systems approach, which refers to the implementation of performance measures based on a combination of inputs, processes, outputs and outcomes. Inputs measures track program inputs such as the program/problem to be addressed, staff complement, budgetary resources and other resources needed. The process stage deals with the policies and methods that are going to be utilised in implementing the decision taken at the input stage. Output measures the number of people served and services provided and focuses on whether the target population's situation has improved.

The strategic constituencies approach to organisational effectiveness proposes that an effective organisation is one that satisfies the demands of those constituencies in its environment from whom it requires support for its continued existence. Under this approach, the organisation is assumed to be an association of political arenas where vested interests compete for control over resources.

The balanced scorecard approach is more concerned with the measurement of four perspectives within an organisation: the financial, consumer, internal processes and innovation and learning perspectives. This approach was originally developed for the private sector but the last decade has seen a paradigm shift in the public sector towards more accountability and the adoption of the new public management, which is more closely aligned with private sector management systems. The above has precipitated the adoption in the South African local government space of more sophisticated performance management and control systems such as the balanced scorecard.

The balanced scorecard approach requires managers to take a balanced view of the four perspectives to be able to make informed decisions on service delivery at local government

level. The study pointed that the balanced scorecard has the potential to enable local government to bridge the gap between vision and mission, which is sometimes vague, strategic statement and day-to-day operational actions.

A theoretical discourse on performance management as a strategic and integrated approach to delivering sustainable success to local government by improving the performance of employees who work in the organisation and by developing the capabilities of teams and individual contributors was carried out by way of reviewing a number of approaches and models.

The study also reviewed work of a variety of prominent scholars on the development of indicators, with the sole aim of deepening our understanding and considering an appropriate approach to service delivery at local government level.

The data was presented in table and figure format for easy reading and interpretation. The study consisted of responses to the questionnaire, interview and the focus group session with stakeholders within the municipal jurisdiction.

The researcher proposed that a new revised balanced scorecard evaluation form informed by literature and the findings of the empirical survey be designed for the Joe Gqabi District Municipality. The ability of the municipality to achieve continuous improvement in its service delivery mandate is critically dependent on its performance measurement approach. The research covered the purpose of the scorecard by looking at literature and the directive from government through the municipal planning and performance management regulations. Detailed discussion was undertaken on the design of a scorecard with a step-by-step explanation.

The aim of this scorecard was to assist the Joe Gqabi District Municipality to effectively evaluate performance in the provision of socio-economic services as mandated by the Constitution. The proposed scorecard employed four separate three-level hierarchical structures with sub-systems, each representing a particular perspective of the scorecard. The four perspectives are the financial perspective, customer perspective, internal process perspective and innovation and learning perspective. Every sub-system has one strategic

goal and contains both outcome measures (objectives) and key performance drivers. The strategic goal of each perspective is formulated in the first level. The second level consists of the outcomes of the measures of the perspective which serve as objectives, while the third level contains the selected KPIs for every objective.

Municipalities have a different philosophy than private companies: they take their current vision and mission as a given and try to do their work more efficiently, faster, at lower cost and with fewer defects. Unlike private-sector companies, their constituents are primarily communities rather than shareholders. Consequently they define their goals by developing scorecards of measures and targets focused on these communities. The study concluded by presenting a modified balanced scorecard tailor-made for the Joe Gqabi District Municipality with summarised distinct features to help management, councillors and organised community stakeholders understand better performance measurement within the municipality.

The results of the focus group meeting held with expert stakeholders from the Joe Gqabi District municipality at the Aliwal North Spa on 8th August 2014, which resulted in a populated balanced scorecard evaluation form, were presented. The purpose of the focus group was to gather information on employees or experts' observations and discussions of the area of service delivery measurements. Thus it was important to set up a focus group where participants are likely to share common interests and encounter similar sources of work-related pressure.

The structure of the focus group was presented. The participants were councillors, directors, managers, officials and ward committees. The ward committee representatives served as observers invited by the municipality without consulting the researcher. The researcher served as a facilitator; as an external stakeholder he was perceived as neutral, which was advantageous because it is difficult to have an internal person facilitating the session on account of potential vested interest and bias.

A populated BSC evaluation model was presented with common themes and explanation of the meaning of the scores. The study later provided a description of the proposed integrated value-based model for improving service delivery in local government to

address challenges identified in the research. Given the current challenges experienced by local government, as depicted in Chapter 2, and the findings of the empirical study, the model proposed for the municipality is intended to introduce reform and improvement to the service delivery process.

The evidence-based service delivery improvement model proposed in Chapter 7 has four interlinked components: contextual setting, core values, structures and processes and organisational leadership. The model was customised for the Joe Gqabi District Municipality and can be used by other municipalities in the country with adaptations. The model should be applied within the context of service provision in local government and cannot be a one size fits all. Challenges faced by a municipality should be taken into consideration when implementing the model.

The balanced scorecard model should be implemented within the prescripts of the law pertaining to local government in South Africa: the Constitution (1996) which is the supreme law of the country, the White Paper on Local Government (1998), Municipal Systems Act (2000), Municipal Structures Act (1998) and the Municipal Finance Management Act (2003).

8.3 REFLECTIONS

The study set out in Chapter 1 has contributed significantly to the understanding of the role played by organisational effectiveness and performance measurements in improving service delivery at local government level in South Africa. The highlights include but are not limited to the following:

Theory versus practice: The research emphasized the important role of the policy framework in the implementation of service delivery, bridging the gap between theory and experience on the ground, as evident in the discourse in Chapter 2 and the case study of the Joe Gqabi District Municipality in Chapter 4. The research identified and analysed three main categories: theory, policy and practical experience. The analysis revealed that while SALGA as a regulatory body in local government emphasises the importance of municipalities using the balanced scorecard in measuring performance, some

municipalities use it only for compliance purposes. The lesson to be drawn is that each category must be understood as complementary to the others and not as an independent entity. This means that organisational effectiveness enabling improved service delivery should be viewed as an on-going process.

A historical perspective of governance: The research examined the historical perspective of governance with a view to understanding concepts and theories from an international, African and local perspective. This approach illustrated the different ideological leanings informing local governance discourse, which is important for analytical and application purposes.

Legislative framework as a guidance instrument: The research also demonstrated that performance measurement and management as depicted in the number of legislative and policy frameworks discussed in the chapter represents both the political will and constitutional imperative to entrench an improved service delivery regime in the South African local government space.

Performance measurement as a tool: There is overwhelming evidence that in order for an organisation to be able to manage and reward performance, effective performance measurement must be implemented. The research in Chapter 3 has shown that organisational effectiveness can be achieved by choosing and implementing a performance measurement tool.

Stakeholder participation and commitment: The research's empirical survey demonstrated the importance of involving and soliciting input from all stakeholders within the municipal jurisdiction. This involves utilisation of local resources and expertise to enhance and improve service delivery within the municipality. Individual community members and organised formations in society have also seen the potential spin-off effects of partnering with local government for purposes of improving service delivery.

Evidence-based decision-making: The research focused on two conceptual aspects in the empirical survey: the tools applicable to measuring performance and the attitude towards the implementation of the performance measurement instrument within local government.

The analysis showed that these concepts must be examined both independently and in relation to each other.

Elected political representatives and senior management: The research examined the importance of leadership buy-in for the implementation of the performance measurement approach adopted by the institution. As indicated in the legislative framework and the proposed value-based model for improved service delivery, a visionary political and management leadership style gives legitimacy to a performance management system, which in turn helps to improve service delivery within local government and government in general.

A balanced scorecard evaluation model: It is apparent that the balanced scorecard is an essential tool for municipal performance measurement that will continue to dominate the service delivery discourse well into the future. The research shows that the balanced scorecard methodology originated in the private sector and was transferred to developing countries such as South Africa. Importantly, the research revealed that the balanced scorecard process in local government is relatively new and further capacity for conceptualisation and implementation is needed.

Potential value of the research: While there are coordinated efforts to implement the balanced scorecard as a performance measurement tool in municipalities, these seldom focus on the results of government interventions on the community in the processes of service provision. Within the context of outcomes-based governance, demonstrating results is as critical as evidenced-based policy and decision-making. The benefits of the research outcomes to the municipality is that if the findings and recommendations of the study are implemented there will be increased effectiveness and value for money; greater employee alignment to overall goals; improved collaboration-co-creation of knowledge; and unrelenting focus on strategy.

The section below sets out specific recommendations of the study.

8.4 RECOMMENDATIONS

The research makes seven recommendations:

- Revision of the municipal mission and vision;
- Training on the application of the balanced scorecard evaluation model for all structures and departments within the municipality;
- Top management support for the implementation of BSC;
- Recognition that the BSC evaluation model should not be used for compensation purposes only;
- Community participation in the review process;
- Consequences for non-compliance with set and agreed targets; and
- Employment of skilled personnel.

8.4.1 Revision of the municipal vision and mission

It is important to have a mission and vision that is supported by all stakeholders within the municipal jurisdiction, namely community members, organised civil and business formations within the municipality, municipal employees and councillors. The characteristics of an effective mission and vision are that it should be realistic, simple, feasible, challenging and reflective of the municipality's aspirations.

The mission and vision should also be endorsed and frequently communicated to all levels within a municipality by management, especially top management. According to Lewis (1997: 9) in Roux and Nyamukachi (2005: 699), a shared vision is one that “provides focus and energy to what the leadership wants the institution to be and inspires a commitment from everyone to achieve it”. A shared vision provides a unifying framework that guides all decision-making, planning and actions.

A correctly shared mission and vision provides a picture of what the municipality wants to achieve and this vision becomes the energy that drives the institution. Lewis (1997: 16) writes that the right shared vision increases commitment, motivation among employees and stakeholders because they understand their purpose and believe in the common purpose of the municipality as a whole. As Thompson and Strickland (1995:31) state, a vision is “the star we can steer by, as we sail the turbulent and uncharted waters of the future”.

8.4.2 Training on the application of the balanced scorecard for all structures and departments within the municipality

One of the findings or issues raised in the focus group by the participants was that training should be carried out to municipal employees and stakeholders with the skills to interpret and understand the BSC evaluation form and its contribution to service delivery in the municipality. Trainees should be municipal councillors, officials, and community stakeholders.

To achieve best practice in the use of the BSC evaluation form in a municipality, Kaplan and Norton (2001: 101) emphasise the importance of both good design and effective implementation. In relation to good design, they draw attention to the planning and development phases, whose steps include developing objectives for the BSC evaluation model, determining the appropriate organisational unit, developing and confirming mission, values and strategy, developing objectives and measures and establishing targets for each measure (Kaplan & Norton, 2001: 101).

The aim of the training is to promote common understanding of the BSC evaluation model in practice and create a space for dialogue which will contribute to reducing conflict, reducing competition for municipal resources by communities and improved service delivery. There should also be a mechanism to review the BSC evaluation model annually to align the objective of the municipality with emerging service delivery challenges. This also helps remove obsolete measures, update and make decisions on the validity of the measures.

The outcomes of the training will also be close collaboration between the municipality and community, which will build trust and confidence in the municipality.

8.4.3 Top management support/involvement for the implementation of the BSC model

In Chapter 6, it was argued that the leadership and support of senior management is crucial for the successful implementation of a BSC. Municipalities and institutions that complied with the criteria for a fully developed and structurally complete BSC evaluation form were found to have had greater top management involvement during the BSC implementation

process. These institutions reported fewer challenges such as being cluttered with inappropriate measures or measures not linked to cause-and-effect relationships.

The feedback from interviews conducted with all stakeholders reflects different views. The municipality's political office bearers and officials indicated that there is support from council, which is a top management governance structure in the municipality, but the organisation lacks capacity to implement the initiative, a situation exacerbated by current budgetary constraints.

However, other stakeholders interviewed in the empirical survey chapter indicated that top management is not willing to take decisions and commit to supporting the implementation of the BSC evaluation form. They based their argument on the fact that there is currently no municipal policy or they are not aware of any municipal policy dealing with performance measures, especially the BSC.

The third recommendation is that the Joe Gqabi District Municipality should develop a formalised institutional processes that will talk to top management support for the implementation of the BSC.

8.4.4 BSC evaluation model should not be used for compensation purposes only

The research findings revealed that performance measurement incentives such as bonuses can effectively be used as a tool to gain the attention and commitment of individual officials. However, the literature reviewed points to the fact that great care should be taken when a BSC evaluation form is implemented mainly for compensation, because there is a tendency to skip the conversion of the strategy into measures. When strategy is skipped, a collection of financial and non-financial measures that resemble a stakeholder or strategy scorecard are grouped together and called a BSC evaluation model.

The view is that the BSC evaluation model is a tool that can be used to encourage better performance in the municipality through the setting of targets and performance indicators. Municipal officials should measure the performance of their organisations as well as the private contractors and other stakeholders including measuring achievement goals and standards.

8.4.5 Community participation in the review process

The democratisation of the local sphere so clearly set out in the White Paper on Local Government is now fraught with community frustration over poor institutionalisation of systems, poor service delivery and poor political governance. A culture of patronage and nepotism is now so widespread in many municipalities that the formal municipal accountability system is ineffective and inaccessible to many communities.

There is now a lack of community and stakeholder confidence and trust in the system. This has been publicly evidenced in the spate of community protests, as illustrated in Chapter 2, which may be seen as a symptom of the alienation of citizens from local government. According to COGTA (2009a), lack of effective complaints management and no coherent systems in place to measure service delivery or the quality of client interface are some of the reasons underlying protest action.

The increasing numbers of public service delivery protests that continue to engulf local government demands that more attention and effort be focused on this sphere of government by all stakeholders.

According to Goh (2012: 34), a key element raised by many researchers is stakeholder involvement in the performance measurement system design process. Stakeholders can be broadly defined as participants that are part of the performance measurement system, including those responsible for developing and gathering performance measures and potential users of the information such as politicians and public sector officials accountable for the performance of the organisation.

A study by Yang (2008) found that stakeholder participation in the development of a performance measurement system is directly and positively related to honest performance reporting. It is argued from the results of the study that employee-inclusive stakeholder participation enhances transparency in performance reporting.

Radnor and McGruire (2004) also conclude that when performance measurement is implemented solely as an administrative operational activity, managers are reduced to administrators and fail to see the process as a performance improvement tool. They argue that the people element is important and that those employees involved in developing a

performance measurement system should not only be trained to understand the impact of performance measurement but should also be involved in creating and managing the performance measurement system. They suggest that only by involving stakeholders such as employees in the development process will performance measurement systems become a tool for improvement. It is recommended that community participation in the process be treated as integral to municipal strategy in BSC evaluation form.

8.4.6 There should be consequences for non-compliance with set and agreed targets

The research further suggested that where the set goals and targets in the BSC are not met, corrective measures as stipulated in the recommendations of the MFMA section 133 should be applicable.

8.4.7 Employment of skilled personnel

It is recommended that the municipality employ people that are properly skilled with expertise in their fields of operation, especially in strategic and scarce skills positions. The lack of expertise in local government has left many municipalities in South Africa inadequately staffed. The scarce skills shortage at municipalities has resulted in service delivery backlogs that have prevented the institution from addressing community problems effectively and efficiently. This phenomenon is particularly experienced in managerial and technical positions which remain vacant in the Joe Gqabi District Municipality.

8.5 LIMITATIONS OF THE STUDY

The fact that the research was conducted in one district municipality means that the results of the empirical study are not a reflection of what is happening in all the other district municipalities in the Eastern Cape. Time limitation, distance and bureaucracy within the JGDM contributed to the challenge that the researcher encountered during the course of the study. As stated in Section 1.11 in the first chapter, the research results and the models could be used by other municipalities only as a reference or for comparative purposes.

8.6 FUTURE RESEARCH

The time constraints mentioned above prohibited assessment of the balanced scorecard over an extended period of time. Subsequent research can be conducted to determine whether the models constructed in this produce the desired results when tested over an extended period of time.

8.7 CONCLUSION

The chapter observed that while it is tremendously important to have a theoretical overview of performance measurement, service delivery, local government and the BSC evaluation form, the reality of practice was an important learning experience.

The reflections of the research offered an opportunity for the researcher and policy makers at local government level to better understand different variables and factors pertaining to the field of research. The selection of important pointers in the chapter summaries creates a vehicle for better understanding the interconnectedness of the research topics.

Finally, the research recommendations can serve as a reference point to advance research and policy planning activities in an effort to deepen and promote accountability and responsiveness as a practice in municipalities.

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APPENDIX A

RESEARCH QUESTIONNAIRE



UNIVERSITEIT·STELLENBOSCH·UNIVERSITY

SCHOOL OF PUBLIC LEADERSHIP

Researcher : **Zwelinzima Ndevu**
Student number : **16873653**
Contact details : **021-808 2150/0824194756**

IMPORTANT NOTES:

You are kindly requested to complete this questionnaire for the purpose of assisting the above indicated student to fulfil the thesis in the degree of PhD in Public Management and Development at Stellenbosch University.

- It should take approximately **20 MINUTES** to complete this questionnaire.
- All **THREE** sections in this questionnaire must be completed.
- Your responses will be treated with **CONFIDENTIALITY** and **A NONYMITY**.
- Kindly exercise your **HONESTY** in completing this questionnaire.

SECTION A: BIOGRAPHICAL DETAILS

Kindly cross (X) an appropriate box to indicate your choice.

A1. Kindly indicate your age group.

A	Under 20	
B	21 – 30 years	
C	31 – 40 years	
D	41 – 50 years	
E	51 – 60 years	
F	61+ years	

A2. Kindly indicate your race group.

A	Black	
B	Coloured	
C	Indian	
D	White	
E	Other	

A3. Kindly indicate your gender.

A	Male	
B	Female	

A4. Kindly indicate your area of operation.

A	Political Office Bearer	
B	Municipal Manager or Section 57 Manager	
C	Official	
D	Ward Committee	
E	Chamber of Commerce	

F	Organised Commercial Agriculture	
G	National/Provincial Dept	

A5. Kindly indicate the number of residential years or working experience in the area.

A	Under 1 year	
B	2 – 5 years	
C	6 – 10 years	
D	11 – 15 years	
E	16 – 20 years	
F	21+ years	

A6. Kindly indicate your highest educational qualification obtained.

A	None	
B	Lower than Matric	
C	Matric	
D	Diploma and Advanced certificates	
E	Post Graduate Qualifications	

SECTION B : IMPLEMENTING OF A MUNICIPAL PERFORMANCE IMPROVEMENT INSTRUMENT/APPROACH

This section consists of **13** questions. Please consider each question carefully and rate the extent to which you **Agree** or **Disagree** with the items by crossing (**X**) an appropriate box. Where 1 to 5 is equal to:-

	1	2	3	4	5			
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree			
	QUESTION			1	2	3	4	5

B1	In the Joe Gqabi District Municipality everyone knows what an Integrated Development Plan (IDP) is.					
B2	As a stakeholder you have been involved or been part of the IDP meeting/s.					
B3	The municipality's IDP informs the service provision program adoption and implementation.					
B4	The municipal's vision and mission is widely known by the people who live in the area.					
B5	The mission and vision of the municipality determines the areas of focus in service provision.					
B6	The Balanced Scorecard is the performance management approach being used by the municipality currently.					
B7	The municipality's strategy is well defined and understood by all stakeholders.					
B8	Political Office Bearers, Management, Officials and stakeholders are involved in the development and implementation of the municipal's performance improvement instrument.					
B9	The municipality set appropriate, specific and measurable indicators.					

B10	All municipal stakeholders are involved in the design and planning of the implementation of the performance instrument.					
B11	The information for determining objectives, measurements and targets is readily available to all.					
B12	The final evaluation of the performance instrument involves stakeholders.					
B13	The municipality appoints a champion and a team for implementation purposes.					

SECTION C : ATTITUDES REQUIRED FOR IMPLEMENTING A PERFORMANCE IMPROVEMENT INSTRUMENT

*This section consists of **10** questions. Please consider each question carefully and rate the extent to which you **Agree** or **Disagree** with the items by crossing (X) an appropriate box. Where 1 to 5 is equal to:-*

		1	2	3	4	5
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	QUESTION	1	2	3	4	5
C1	There is a perception that management dedicates less time on the implementation of a organisational performance improvement instrument/approach than in financial aspect.					

C2	The implementation of performance instrument takes more time and effort than anticipated.					
C3	There is a lack of positive attitude from the municipal stakeholders towards the performance improvement approach being used.					
C4	The implementation of the performance improvement approach does not have clear goals and understandable strategy.					
C5	Politicians and Management play an active role in implementation of the approach from beginning to the end.					
C6	The performance improvement instrument is implemented for complying with legislation rather than to focus on it as a performance measurement approach of the municipality.					
C7	The organisational performance improvement instrument can be used for the daily management of performance in the municipality.					
C8	The knowledge and skills pertaining to the implementation of performance improvement is adequate in the					

	municipality.					
C9	The municipality does not have sufficient resources and capacity vital for implementation of the approach.					
C10	The culture of organisational performance is institutionalised.					

Thank you for spending the time to complete this questionnaire. Your support is appreciated.

APPENDIX B



ATTENDANCE REGISTER

PUBLIC PARTICIPATION INFORMATION SESSION WITH STELLENBOSH
UNIVERSITY AND REPRESENTATIVES OF ALL WARD COMMITTEES

FRIDAY, 8 AUGUST 2014 AT 09:00

AT ALIWAL SPA CONFERENCE CENTRE

Initial & Surname	Capacity \ Sector Represented	Contact details	Signature	Time arrived <small>(to be inserted by person monitoring register)</small>
ME MANZO	PPO	082 7756 246	<i>Manzo</i>	09:00
Mokheanobane	Director	082 440 3596	<i>Mokheanobane</i>	09:00
Z.E. PONGWANI	DIRECTOR	0824827279	<i>Z.E. Pongwani</i>	09:00
Z Ndevu	Academic	082 4194756	<i>Z Ndevu</i>	09:00
S Jansen	PMS	051-633244	<i>S Jansen</i>	09:00
J.S. Mosen	MTS.	051 633 2406	<i>J.S. Mosen</i>	09:00
R.F. MOHAHEM	WARDS COORDINATOR	0729979304	<i>R.F. Moahem</i>	09:00
S.N. STRAYON	WARDS C. MEMBER	0765958828	<i>S.N. Strayon</i>	09:00
S. Mnikina	Ward 1 coordinator	078984459	<i>S. Mnikina</i>	09:00
Red M. Berman	Lead case	0721770857	<i>Red M. Berman</i>	9:00
M. Mkhobane	Councillor	082 3033 773	<i>M. Mkhobane</i>	9:00
NL. Mgojo	Communication	078 807 8767	<i>NL. Mgojo</i>	09:00
STAN MASHEP	HR	057 633 8346	<i>STAN MASHEP</i>	09:00
P. Shumpan	WARDS C member	0634945481	<i>P. Shumpan</i>	9:00
G.S. Saults	Ward Co-ord 3.	0763033393	<i>G.S. Saults</i>	9:00
D.M. MBETE	WARD COMMITTEE	0789615728	<i>D.M. Mbete</i>	9:00
E. SIEGOLDI	WARD 4 W. COORDINATOR	0781255649	<i>E. Siegoldi</i>	9:00
D. MASUMPA	COORDINATOR WARD SIX	0839788659	<i>D. Masumpa</i>	9:00

APPENDIX C

JOE GQABI DISTRICT MUNICIPALITY LOGO

THE BALANCED SCORECARD FOR SERVICE DELIVERY IN THE JOE GQABI DISTRICT MUNICIPALITY

Name of the Municipality: Joe Gqabi District Municipality

Type of the Municipality: Category C

Address:.....
.....

Postal code:.....

Contact details:

Telephone numbers:.....Fax.....

District Mayor:.....Signature.....

Municipal Manager:.....Signature.....

Vision: An improved quality of life to residents

Mission: Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities within a sustainable environment.

Key Performance Area 1: DELIVERING ACCESSIBLE, EQUITABLE AND SUSTAINABLE MUNICIPAL SERVICES: Municipal services are recognised as a critical success factor for human and community development (SALGA, 2011: 47).

Target: To ensure that the municipality is able to provide a comprehensive range of municipal services (legislated and value adding) to communities, organisations and people in a manner that makes its accessible (easy and affordable), equitable (fair and based on means and need) and sustainable (cost effective, long-lasting and environmentally friendly).

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards-30-49%) =2; Needs urgent support: unacceptably very low quality and standards (10-29%)=1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	To provide access to basic level of services to all households	The percentage of households provided with access to basic level of water, sanitation, electricity and solid waste		61%	
The percentage of households earning less than R1100 per month with access to free basic services	To provide free basic services to all households earning less than R1100 per	The percentage of households earnings less than R1100 per month provided with access to free basic services		New Indicator	

	month				
Provide community advice and briefing on policy, legislation, budget and correspondence enquiries	To provide an efficient and effective service to the community	The level of quality and timeliness in relation to municipal service provision and responsiveness to enquiries		New Indicator	
Average time taken to answer calls at the municipality	To enhance customer service	Acceptable average time taken to answer calls		45 minutes	
Develop, agree and implement customised Batho Pele principles for the municipality in line with a customer satisfaction improvement plan	To provide high quality services which are responsive to and meet the needs and expectations of the community	Improved customer satisfaction rates and reduction in complaints rates		70%	

Key Performance Area 2: SAFE AND HEALTHY ENVIRONMENT FOR THE COMMUNITY: A key priority for South Africa is the development of sustainable human settlements where social, health, economic and environmental factors are addressed in an integrated manner. Local government has a crucial role to play in this regard. Hence, there is need to focus on safe and healthy environments and communities.

Target: To encapsulates the various social, health, economic and environment interventions that are implemented to build safe communities (crime and disaster), healthy communities (health status, socio-psychological wellbeing, functional communities), and environmentally aware and active communities (improved environment management). It also incorporates a specific focus on eradicating poverty, inequality, and marginalisation at a municipal level (SALGA, 2011:48). Provide and ensures sustainability of basic services to all residents within the JGDM area with below basic levels of services:

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
A well-defined and funded municipal role in health system	A healthy community	An effective municipal health System		69%	
Adequately capacitated and funded role for the municipality on public safety	A reduced crime rate and increased community safety	A well-coordinated responses to public safety issues		100%	

Active citizenry for a cleaner environment promoted	An environment conducive towards sustainable service provision	The municipality to advocated for the development of a campaign on a cleaner environment (municipality/town)		100%	
Municipal state of readiness for disasters relief and management	Enhanced emergency preparedness and effective disaster responses	Improved and coherent municipal planning for disaster management and risk reduction		72%	
The percentage increase in the number of enforcements for infringements of municipal by-laws	To ensure effective by-law enforcement	Reduction in infringements cases		80%	
Number of inspections and tests and their frequency	To healthy and clean supply of water	Compliance with water quality criteria and standards		New Indicator	

Key Performance Area 3: PLANNING AND SOCIO-ECONOMIC DEVELOPMENT: The history of municipal planning in South Africa has contributed to inappropriate and undesirable patterns of development in municipalities characterised inefficiency, inequality and segregation. Planning under a democratic dispensation has not significantly challenged or remoulded these patterns. This has been exacerbated by a lack of economic development and job creation strategies and programmes at a local level. The net result of this scenario is poorly developed municipalities that continue to suffer from a lack of integrated planning and delivery by the different spheres and agencies of government and the absence of focused programme targeting economic development and job creation.

Target: To address planning and economic development at a local level as it serves as a critical foundation for the development and viability of the municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Building the capacity of the municipality to drive Local Economic Development	To promote local economic development	Number of programmes for the achievement of a conducive economic environment implemented		18	

Building the capacity of the municipality to create opportunities for new and better jobs	To create an environment that enables the community to be actively involved economic development	Number of jobs created through municipal initiatives including capital projects		875	
Compliant with the Integrated Development Plan and Spatial planning directives	Integrated planning for the municipality	The number of cross departmental teams actively contributing to planning		22	
Effective situational analysis to inform developmental planning	To promote and ensure a strategic planning with emphases sustainable development	A detailed municipal strategic plan		Approved JGDM strategic Plan 2012	

Key Performance Area 4: EFFECTIVE, RESPONSIVE AND ACCOUNTABLE LOCAL GOVERNANCE: South Africa is young as democracy when compared with other well developed democracies. The country, in its ambitious agenda to establish a developmental state and developmental local government has implemented a range of legislation, policy and institutional arrangements to deliver democratic governance to its people. Reflection on these, particularly at a local government level has highlighted a number of governance challenges between the different spheres of government and within local government itself. The current legislation and policy and the intergovernmental structures and practices do not always work in the interest of local government and in some instances, they work against it. Of particular concern are instances where the constitutional status of local government as an independent sphere of government has been negatively impacted. There is therefore a critical need to address issues of local governance and cement the power of status of this sphere within a broader democratic governance framework (SALGA, 2011: 49).

Target: To encapsulates the various governance and intergovernmental issues from legislation and policy, to funding and institutional arrangements.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Good governance in the municipality through effective internal governance structures	To cultivate good governance and	Municipalities with improved transparent and accountable		New Indicator	

and systems	leadership	governance systems			
Functional ward committee structures	To strengthen community participation in municipal governance	Innovative and effective public participation system		Quarterly meetings with stakeholders	
Implementation of the anti-corruption strategy	To support and lead the fight against corruption	Reduced incidents/occurrence of corruption activities		90%	
An effective, efficient and enabled local government system	To facilitate an enabling environment for the functioning of developmental local government	Understanding and execution of the role and responsibility of municipality in a developmental state		Municipal Integrated Service Delivery Plan 2012/13	

Key Performance Area 5: HUMAN CAPITAL DEVELOPMENT: Addressing the Human Resource Management and Development and labour relations challenges is critical in building stability in the municipality and ensuring that the municipality is appropriately resourced and capacitated to fulfil its mandate.

Target: Is to ensure productivity and service delivery by placing particular emphasis on achieving stability and growth in the municipality and supporting skills development and optimal use of human resource.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Development of an integrated human resource management and development strategy	To ensure an empowered leadership and workforce	Systems, structures and partnerships for enhanced capacity building programmes established		HRM strategy implemented	
Identify and address scarce skills shortage in the municipality	To develop a skilled and diverse workforce	Number of positions in the municipality filled with skilled and competent individuals as required by job description		New Indicator	

Development of norms, standards and policies on human resource utilization	To improved human resource utilisation	Number of staff who meet minimum competency levels (MFA)		New Indicator	
Greater cooperation between organised labour and municipal authority	To ensure a sound and stable labour relations	Reduced number of disputes between employees and the employer		Employee satisfaction survey rate high	

Key Performance Area 6: FINANCIALLY AND ORGANISATIONALLY CAPACITATED: The financial challenges faced by municipalities have been well documented, with some municipalities demonstrating a lack of financial viability. This has an obvious impact on the ability of the municipality to be fully functional and perform on its mandate.

Target: To build long term financial viability and broader sustainability of municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Capacity of the municipality to effectively, efficiently and economically use financial resources	Facilitate an efficient and effective municipal finance management system	Attainment of a clean audit		Unqualified with matters 60% (3) Qualified 40% (2)	
Improved capacity to comply with the legislative standards and be aware of financial status	Improvement in the financial viability and management	The percentage of the municipal's budget actually spent on projects identified for		90%	

		that particular financial year in terms of the integrated development plan			
Conduct in-year monitoring schedules and expenditure analysis, which results in no overspending or under spending	To secure, plan, manage and monitor public expenditure in line with the procedures Municipal Financial Management Act.	Compliance with agreed/set timelines for expenditures		100%	
Monitor and continuously review implementation	To promote proper governance and financial management and to ensure resources deliver value for money	Standard and quality of service provision		New Indicator	

Key Performance Area 7: EFFECTIVE AND EFFICIENT ADMINISTRATION: Given the significant pressure that will be placed on municipality to deliver its strategy, it is critical that it has an effective and efficient administration. These interventions will cover areas of governance, products and services, performance management, people development and marketing and communication.

Target: In particular this key performance area the focus is on consolidating municipality as a unitary structure. Part of the process will include a bolstering of the municipal financial and organisation viability.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
Amendments to current procedures and operational policies	To review procedures related to administrative services in the municipality	Review of operations and business processes		New Indicator	
Development and implementation of the action plans	To translate vision, mission and plans into operational action plans at all levels	Responsive programmes to stakeholder and community needs		Implementation of the IDP'-SDP	

Developing an evaluation form to conduct an internal and external survey customer satisfaction	To ensure the provision of effective and efficient and high quality service to internal and external stakeholders	Positive perception of the municipality by internal and external stakeholders		Annual customer satisfaction survey	
Adaptation of the governance structure to changing needs of the community	To refine governance structure	Effective and efficient records management		New Indicator	

Key Performance Area 8: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT: An important challenge facing the country and municipalities are addressing inherited imbalances through employment equity. The municipality has to embrace this mechanism as a positive aspect that will help the organisation to grow rather than to see it as a compliance issue/s.

Target: Improved representation in all levels of the municipality.

Outstanding: no further improvement possible (90+% compliance) =5; Good quality: above average (high quality and standards- 70-89%) =4; Acceptable: average (meets expectations- 50-69%) =3; Improvement needed: below average (low quality and standards- 30-49%) =2; Needs urgent support: unacceptably very low quality and standards- (10-29%) =1; No information available =0.

Key Performance Indicators	Objectives	Measures	Score (0-5)	Baseline 2012/13	Comments
The percentage of critical vacant positions (Section 57) filled within the current financial year	To fill all vacant critical positions in the municipality	Improved capacity of the municipality to deliver on its mandate as vacant positions are reduced		100%	
The percentage compliance with the employment equity plan in the 3 highest levels of management	Senior management to reflect the demographics of the community	Improved capacity of municipal to correlate their employment of senior managers to the population dynamics of the community		80%	

APPENDIX D

Multiple Comparisons p values (2-tailed); B3 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B3 (Data in Analysis - 20140812.stw)					
Independent (grouping) variable: A1					
Kruskal-Wallis test: H (4, N= 68) =16.34408 p =.0026					
Depend.:	D	E	C	F	B
B3	R:38.886	R:32.250	R:39.636	R:42.333	R:11.611
D		1.00000	1.00000	1.00000	0.00490
E	1.00000		1.00000	1.00000	0.17932
C	1.00000	1.00000		1.00000	0.00341
F	1.00000	1.00000	1.00000		0.19777
B	0.00490	0.17932	0.00341	0.19777	

Multiple Comparisons p values (2-tailed); B4 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B4 (Data in Analysis - 20140812.stw)					
Independent (grouping) variable: A1					
Kruskal-Wallis test: H (4, N= 68) =12.41152 p =.0145					
Depend.:	D	E	C	F	B
B4	R:34.955	R:45.083	R:35.500	R:37.000	R:16.000
D		1.00000	1.00000	1.00000	0.15411
E	1.00000		1.00000	1.00000	0.00851
C	1.00000	1.00000		1.00000	0.12692
F	1.00000	1.00000	1.00000		1.00000
B	0.15411	0.00851	0.12692	1.00000	

Multiple Comparisons p values (2-tailed); B5 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B5 (Data in Analysis - 20140812.stw)					
Independent (grouping) variable: A1					
Kruskal-Wallis test: H (4, N= 68) =10.63808 p =.0309					
Depend.:	D	E	C	F	B
B5	R:40.909	R:34.625	R:35.591	R:33.500	R:16.333
D		1.00000	1.00000	1.00000	0.01683
E	1.00000		1.00000	1.00000	0.35921
C	1.00000	1.00000		1.00000	0.13843
F	1.00000	1.00000	1.00000		1.00000
B	0.01683	0.35921	0.13843	1.00000	

Multiple Comparisons p values (2-tailed); B1 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed)			
Independent (grouping) variable: A2			
Kruskal-Wallis test: H (2, N= 68) =12.2			
Depend.:	A	B	D
B1	R:38.400	R:15.900	R:19.313
A		0.04454	0.03222
B	0.04454		1.00000
D	0.03222	1.00000	

Multiple Comparisons p values (2-tailed); B2 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed)			
Independent (grouping) variable: A2			
Kruskal-Wallis test: H (2, N= 68) =13.9			
Depend.:	A	B	D
B2	R:38.327	R:28.800	R:11.750
A		0.90691	0.00114
B	0.90691		0.39122
D	0.00114	0.39122	

Multiple Comparisons p values (2-tailed); B3 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed)			
Independent (grouping) variable: A2			
Kruskal-Wallis test: H (2, N= 68) =11.2			
Depend.:	A	B	D
B3	R:38.109	R:25.800	R:15.125
A		0.54790	0.00638
B	0.54790		1.00000
D	0.00638	1.00000	

Multiple Comparisons p values (2-tailed); B4 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed)			
Independent (grouping) variable: A2			
Kruskal-Wallis test: H (2, N= 68) =10.3			
Depend.:	A	B	D
B4	R:37.845	R:12.400	R:25.313
A		0.01761	0.28178
B	0.01761		0.75605
D	0.28178	0.75605	

Multiple Comparisons p values (2-tailed); B3 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B3 (Data in Analysis - 20140812.stw)							
Independent (grouping) variable: A4							
Kruskal-Wallis test: H (6, N= 68) =18.27277 p =.0056							
Depend.: B3	E R:25.333	A R:53.500	G R:35.909	C R:34.500	D R:27.286	B R:32.625	F R:21.167
E		0.09212	1.00000	1.00000	1.00000	1.00000	1.00000
A	0.09212		0.69453	0.27516	0.01579	1.00000	0.02255
G	1.00000	0.69453		1.00000	1.00000	1.00000	1.00000
C	1.00000	0.27516	1.00000		1.00000	1.00000	1.00000
D	1.00000	0.01579	1.00000	1.00000		1.00000	1.00000
B	1.00000	1.00000	1.00000	1.00000	1.00000		1.00000
F	1.00000	0.02255	1.00000	1.00000	1.00000	1.00000	

APPENDIX E

Multiple Comparisons p values (2-tailed); B5 (Data in Analysis - 20140812.stw)

	Multiple Comparisons p values (2-tailed) Independent (grouping) variable: A2 Kruskal-Wallis test: H (2, N= 68) =10.9		
Depend.: B5	A R:37.991	B R:27.800	D R:14.688
A		0.80961	0.00552
B	0.80961		0.73424
D	0.00552	0.73424	

Multiple Comparisons p values (2-tailed); B6 (Data in Analysis - 20140812.stw)

	Multiple Comparisons p values (2-tailed) Independent (grouping) variable: A2 Kruskal-Wallis test: H (2, N= 68) =6.74		
Depend.: B6	A R:36.218	B R:41.200	D R:18.500
A		1.00000	0.05365
B	1.00000		0.13212
D	0.05365	0.13212	

Multiple Comparisons p values (2-tailed); B7 (Data in Analysis - 20140812.stw)

	Multiple Comparisons p values (2-tailed) Independent (grouping) variable: A2 Kruskal-Wallis test: H (2, N= 68) =14.2		
Depend.: B7	A R:38.636	B R:22.900	D R:13.313
A		0.26528	0.00213
B	0.26528		1.00000
D	0.00213	1.00000	

APPENDIX F

Multiple Comparisons p values (2-tailed); B5 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B5 (Data in Analysis - 20140812.stw) Independent (grouping) variable: A4 Kruskal-Wallis test: H (6, N= 68) =20.50934 p =.0022							
Depend.: B5	E R:27.500	A R:54.500	G R:31.273	C R:37.633	D R:27.857	B R:28.250	F R:19.250
E		0.132640	1.000000	1.000000	1.000000	1.000000	1.000000
A	0.132640		0.102733	0.580385	0.012911	0.451209	0.007631
G	1.000000	0.102733		1.000000	1.000000	1.000000	1.000000
C	1.000000	0.580385	1.000000		1.000000	1.000000	1.000000
D	1.000000	0.012911	1.000000	1.000000		1.000000	1.000000
B	1.000000	0.451209	1.000000	1.000000	1.000000		1.000000
F	1.000000	0.007631	1.000000	1.000000	1.000000	1.000000	

Multiple Comparisons p values (2-tailed); B6 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B6 (Data in Analysis - 20140812.stw) Independent (grouping) variable: A4 Kruskal-Wallis test: H (6, N= 68) =18.23296 p =.0057							
Depend.: B6	E R:25.667	A R:51.500	G R:26.364	C R:39.433	D R:31.714	B R:33.625	F R:19.000
E		0.188530	1.000000	1.000000	1.000000	1.000000	1.000000
A	0.188530		0.048800	1.000000	0.230477	1.000000	0.021250
G	1.000000	0.048800		1.000000	1.000000	1.000000	1.000000
C	1.000000	1.000000	1.000000		1.000000	1.000000	0.680710
D	1.000000	0.230477	1.000000	1.000000		1.000000	1.000000
B	1.000000	1.000000	1.000000	1.000000	1.000000		1.000000
F	1.000000	0.021250	1.000000	0.680710	1.000000	1.000000	

Multiple Comparisons p values (2-tailed); B7 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B8 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B8 (Data in Analysis - 20140812.stw) Independent (grouping) variable: A4 Kruskal-Wallis test: H (6, N= 68) =18.18427 p =.0058							
Depend.: B8	E R:25.833	A R:51.333	G R:31.182	C R:39.367	D R:29.571	B R:32.250	F R:16.417
E		0.20797	1.00000	1.00000	1.00000	1.00000	1.00000
A	0.20797		0.30722	1.00000	0.10813	1.00000	0.00867
G	1.00000	0.30722		1.00000	1.00000	1.00000	1.00000
C	1.00000	1.00000	1.00000		1.00000	1.00000	0.34173
D	1.00000	0.10813	1.00000	1.00000		1.00000	1.00000
B	1.00000	1.00000	1.00000	1.00000	1.00000		1.00000
F	1.00000	0.00867	1.00000	0.34173	1.00000	1.00000	

Multiple Comparisons p values (2-tailed); B9 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B9 (Data in Analysis - 20140812.stw) Independent (grouping) variable: A4 Kruskal-Wallis test: H (6, N= 68) =29.89265 p =.0000							
Depend.: B9	E R:20.000	A R:54.167	G R:28.409	C R:44.467	D R:21.857	B R:38.625	F R:22.667
E		0.01152	1.00000	0.21885	1.00000	1.00000	1.00000
A	0.01152		0.03790	1.00000	0.00068	1.00000	0.03028
G	1.00000	0.03790		0.85645	1.00000	1.00000	1.00000
C	0.21885	1.00000	0.85645		0.04392	1.00000	0.47185
D	1.00000	0.00068	1.00000	0.04392		1.00000	1.00000
B	1.00000	1.00000	1.00000	1.00000	1.00000		1.00000
F	1.00000	0.03028	1.00000	0.47185	1.00000	1.00000	

Multiple Comparisons p values (2-tailed); B10 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B10 (Data in Analysis - 20140812.stw) Independent (grouping) variable: A4 Kruskal-Wallis test: H (6, N= 68) =13.59993 p =.0344							
Depend.: B10	E R:30.667	A R:49.750	G R:30.591	C R:37.367	D R:25.929	B R:40.250	F R:24.000
E		1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
A	1.000000		0.425815	1.000000	0.046125	1.000000	0.193236
G	1.000000	0.425815		1.000000	1.000000	1.000000	1.000000
C	1.000000	1.000000	1.000000		1.000000	1.000000	1.000000
D	1.000000	0.046125	1.000000	1.000000		1.000000	1.000000
B	1.000000	1.000000	1.000000	1.000000	1.000000		1.000000
F	1.000000	0.193236	1.000000	1.000000	1.000000	1.000000	

Multiple Comparisons p values (2-tailed); B13 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B13 (Data in Analysis - 20140812.stw) Independent (grouping) variable: A4 Kruskal-Wallis test: H (6, N= 68) =16.57141 p =.0110							
Depend.: B13	E R:29.750	A R:52.042	G R:26.136	C R:38.467	D R:26.643	B R:35.500	F R:27.250
E		0.507227	1.000000	1.000000	1.000000	1.000000	1.000000
A	0.507227		0.035660	1.000000	0.022980	1.000000	0.255300
G	1.000000	0.035660		1.000000	1.000000	1.000000	1.000000
C	1.000000	1.000000	1.000000		1.000000	1.000000	1.000000
D	1.000000	0.022980	1.000000	1.000000		1.000000	1.000000
B	1.000000	1.000000	1.000000	1.000000	1.000000		1.000000
F	1.000000	0.255300	1.000000	1.000000	1.000000	1.000000	

APPENDIX G

Multiple Comparisons p values (2-tailed); B11 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B11 (Data in Analysis - 20140812.stw)				
Independent (grouping) variable: A6				
Kruskal-Wallis test: H (3, N= 68) =8.345890 p =.039				
Depend.:	E	C	D	A
B11	R:32.731	R:25.524	R:40.550	R:42.000
E		1.00000	1.00000	1.00000
C	1.00000		0.04539	0.76004
D	1.00000	0.04539		1.00000
A	1.00000	0.76004	1.00000	

Multiple Comparisons p values (2-tailed); B12 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B12 (Data in Analysis - 20140812.stw)				
Independent (grouping) variable: A6				
Kruskal-Wallis test: H (3, N= 68) =1.048503 p =.789				
Depend.:	E	C	D	A
B12	R:35.154	R:31.667	R:36.700	R:30.750
E		1.00000	1.00000	1.00000
C	1.00000		1.00000	1.00000
D	1.00000	1.00000		1.00000
A	1.00000	1.00000	1.00000	

Multiple Comparisons p values (2-tailed); B13 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); B13 (Data in Analysis - 20140812.stw)				
Independent (grouping) variable: A6				
Kruskal-Wallis test: H (3, N= 68) =1.614936 p =.656				
Depend.:	E	C	D	A
B13	R:29.500	R:34.357	R:37.200	R:31.250
E		1.00000	1.00000	1.00000
C	1.00000		1.00000	1.00000
D	1.00000	1.00000		1.00000
A	1.00000	1.00000	1.00000	

Multiple Comparisons p values (2-tailed); C1 (Data in Analysis - 20140812.stw)

Multiple Comparisons p values (2-tailed); C1 (Data in Analysis - 20140812.stw)				
Independent (grouping) variable: A6				
Kruskal-Wallis test: H (3, N= 68) =2.274416 p =.517				
Depend.:	E	C	D	A
C1	R:30.538	R:36.238	R:36.383	R:24.125
E		1.00000	1.00000	1.00000
C	1.00000		1.00000	1.00000
D	1.00000	1.00000		1.00000
A	1.00000	1.00000	1.00000	

APPENDIX H

Structured interview questions:

1. Are you familiar or aware of the legislative and policy requirements for the implementation of performance measurement in municipalities? Please response under the following themes or subheadings: Constitution; Municipal systems Act; White Paper on local government; White Paper on transforming public service delivery; Municipal Financial Management Act; Municipal Planning and Management Regulations and Intergovernmental Relations Framework.
2. Is there support or commitment from top management structures within the municipality to drive performance in the institution?
3. Please give input or your opinion on the measures/instruments/tools currently being used by the municipality that includes the following categories: input, activity/process, output, outcome, benchmarks and customer satisfaction surveys.
4. What approach is the municipality using in performance evaluation?