

**A NORMATIVE FRAMEWORK FOR ANALYSING THE  
TRAINING NEEDS OF LOCAL GOVERNMENT  
MANAGERS IN IMPLEMENTING PERFORMANCE  
MANAGEMENT SYSTEMS**

- Babette Smit -



Thesis presented in partial fulfilment of the requirements for the degree of Master in Public and Development Management at the University of Stellenbosch.

Promoter: Professor Erwin Schwella

December 2003

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

## **ABSTRACT**

*Recent developments in legislation pertaining to local government in South Africa depict performance management as a means to enable local government managers to actively plan, manage and measure the performance of the organisation. In order to ensure the implementation of performance management, local governments are required to develop and adopt an integrated performance managements system, which should consist of seven elements, namely performance planning; a framework for performance management; key performance indicators and targets; shared responsibility for performance; performance monitoring and measurement; performance review and reports; and performance improvement. However, the successful implementation of the performance management system is dependent on the availability of competent managers that possess the necessary knowledge, skills and abilities to implement and manage the performance management system. Performance management training is seen as a fast and effective way to ensure the obtainment of competent managers to implement the performance management. However, to ensure that training programmes address the most critical needs in a cost-effective manner, training should be preceded by a comprehensive training needs assessment. This research aims to development a normative framework developed in this research, describing several knowledge elements, skills and abilities necessary for effective performance management, upon which a formal training needs assessment for local government managers may be based. Recommendations are also made pertaining to the development of performance management training activities to ensure the development of performance management capacity under local government managers.*

## **OPSOMMING**

*Onlangse beleidsontwikkelinge rondom die bestuur van plaaslike owerhede in Suid-Afrika beskryf prestasiebestuur as 'n wyse waardeur plaaslike owerheid bestuurders die prestasie van die organisasie aktief kan beplan, bestuur en meet. Om die implementering van prestasiebestuur te verseker word plaaslike owerhede deur die wet verplig om 'n geïntegreerde prestasiebestuurstelsel te ontwikkel en formeel aan te neem. So 'n stelsel sal uit sewe elemente bestaan, naamlik prestasie beplanning; 'n raamwerk vir prestasiebestuur; kern prestasie indikatore en mikpunte; gedeelde verantwoordelikheid vir prestasie; prestasie monitering en meting; prestasie hersiening en rapportering; en prestasie verbetering. Die suksesvolle implementering van 'n munisipale prestasiebestuurstelsel is egter onderhewig aan die beskikbaarheid van kundige personeel wat oor die nodige kennis, vaardighede en vermoëns beskik om die stelsel te implementeer en bestuur. Prestasiebestuur opleiding word beskou as 'n vinnige en effektiewe manier om bevoegde personeel te bekom waardeur die implementering van prestasiebestuur verseker kan word. Gegee die hoë koste verbonde aan opleiding programme, is dit wenslik dat sulke intervensies vooraf gegaan word deur 'n omvattende opleiding behoefte bepaling. Hierdie navorsing mik op die ontwikkeling van 'n normatiewe raamwerk, saamgestel uit verskeie kennis elemente, vaardighede en vermoëns noodsaaklik vir die implementering van 'n prestasiebestuurstelsel, waarop 'n formele opleiding behoefte bepaling vir plaaslike owerhede gebaseer kan word. Aanbevelings word ook gemaak vir die ontwikkeling van prestasiebestuur opleiding intervensies waardeur prestasiebestuur kapasiteit onder plaaslike owerheidsbestuurders bevorder kan word.*

Opgedra aan my ma en pa, vir julle bystand en liefde wat my ewig naby is.

Met spesiale dank aan Professor Erwin Schwella, sonder wie die “chalk” nie “cheese” kon word nie.

*Aan Hom al die eer.*

**TABLE OF CONTENTS**

<b>SECTION</b>	<b>TITLE</b>	<b>PAGE</b>
	<i>Content page</i>	<i>i</i>
	<i>Declaration</i>	<i>ii</i>
	<i>Abstract</i>	<i>iii</i>
	<i>Opsomming</i>	<i>iv</i>
	<i>Acknowledgements</i>	<i>v</i>
	<i>Table of contents</i>	<i>vi</i>
	<i>List of Tables and Figures</i>	<i>xi</i>
<b>CHAPTER 1</b>	<b>RESEARCH METHODOLOGY AND ORGANISING OF CHAPTERS</b>	<b>1</b>
<b>1.1</b>	<b>INTRODUCTION</b>	<b>1</b>
<b>1.2</b>	<b>RESEARCH METHODOLOGY</b>	<b>3</b>
1.2.1	Theory search	4
1.2.2	Case analysis	5
<b>1.3</b>	<b>OVERVIEW OF CHAPTERS</b>	<b>5</b>
<b>1.4</b>	<b>DEFINITIONS AND TERMINOLOGY</b>	<b>7</b>
1.4.1	Performance management	7
1.4.2	Performance Management System	7
1.4.3	Training needs assessment	8
1.4.4	Training	8
<b>1.5</b>	<b>LIST OF ABBREVIATIONS</b>	<b>8</b>
<b>CHAPTER 2</b>	<b>PERFORMANCE MANAGEMENT AND THE PERFORMANCE MANAGEMENT SYSTEM</b>	<b>9</b>
<b>2.1</b>	<b>INTRODUCTION</b>	<b>9</b>

<b>2.2</b>	<b>DEVELOPMENT OF PERFORMANCE MANAGEMENT</b>	<b>9</b>
2.2.1	The business environment of the 21 <sup>st</sup> century	10
2.2.2	Critique against previous performance systems	11
2.2.3	New public service values and legislation	14
2.2.4	Social pressures and economic restrains	16
<b>2.3</b>	<b>DEFINING PERFORMANCE MANAGEMENT</b>	<b>17</b>
<b>2.4</b>	<b>THE PERFORMANCE MANAGEMENT SYSTEM</b>	<b>19</b>
2.4.1	Performance planning	21
2.4.2	A Framework for the implementation of Performance Management	22
2.4.3	Key performance indicators (KPIs) and performance targets	22
2.4.4	Shared and delegated responsibility for performance	23
2.4.5	Monitor and measurement of performance on individual, team and organisation level	24
2.4.6	Performance review and report	24
2.4.7	Performance improvement through organisational development	25
<b>2.5</b>	<b>CONCLUDING REMARKS</b>	<b>25</b>
<b>CHAPTER 3</b>	<b>LEGISLATIVE REQUIREMENTS FOR PERFORMANCE MANAGEMENT IN SOUTH AFRICAN LOCAL GOVERNMENT</b>	<b>27</b>
<b>3.1</b>	<b>INTRODUCTION</b>	<b>27</b>
<b>3.2</b>	<b>LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT IN LOCAL GOVERNMENT</b>	<b>27</b>
3.2.1	The Constitution	28
3.2.2	The Batho Pele White Paper of 1997	28
3.2.3	The White Paper on Local Government of 1998	29
3.2.4	The Municipal Structures Act of 1998	30
3.2.5	The Municipal Systems Act of 2000	30

3.2.6	The PMS Regulations of 2001	32
3.2.7	The Municipal Finance Management Bill of 2001	33
<b>3.3</b>	<b>GOVERNMENT'S EXPECTATIONS OF PMS</b>	<b>34</b>
<b>3.4</b>	<b>CONCLUDING REMARKS</b>	<b>37</b>
<b>CHAPTER 4</b>	<b>TRAINING FOR SUCCESSFUL PMS IMPLEMENTATION AND MANAGEMENT</b>	<b>38</b>
<b>4.1</b>	<b>INTRODUCTION</b>	<b>38</b>
<b>4.2</b>	<b>CRITICAL ORGANISATIONAL ELEMENTS FOR THE IMPLEMENTATION OF A PMS</b>	<b>39</b>
<b>4.3</b>	<b>COMPETENT MANAGERS FOR IMPLEMENTING THE PMS</b>	<b>40</b>
<b>4.4</b>	<b>PM TRAINING</b>	<b>41</b>
<b>4.5</b>	<b>TRAINING NEEDS ASSESSMENT</b>	<b>43</b>
4.5.1	Objectives of the Training Needs Assessment	44
4.5.2	Three levels of Training Needs Assessment	45
4.5.3	Approaches for conducting the Training Needs Assessment	46
4.5.3.1	Comprehensive approach	46
4.5.3.2	Performance gap approach	47
<b>4.6</b>	<b>CONCLUDING REMARKS</b>	<b>48</b>
<b>CHAPTER 5</b>	<b>A NORMATIVE FRAMEWORK FOR ANALYSING TRAINING NEEDS OF LOCAL GOVERNMENT MANAGERS WITH REGARD TO THE IMPLEMENTATION OF A PMS</b>	<b>50</b>
<b>5.1</b>	<b>INTRODUCTION</b>	<b>50</b>
<b>5.2</b>	<b>RESEARCH BACKGROUND AND METHODOLOGY</b>	<b>51</b>
<b>5.3</b>	<b>DETERMINING IDEALS: NORMATIVE FRAMEWORK</b>	<b>52</b>
5.3.1	Common elements for the application of the PMS	53
5.3.2	Performance planning	54
5.3.3	A framework for the implementation of Performance Management	55



5.3.4	Key performance indicators (KPIs) and performance targets	57
5.3.5	Shared and delegated responsibility for performance	58
5.3.6	Monitoring and measuring of performance on individual, team and organisation level	59
5.3.7	Performance review and report	60
5.3.8	Performance improvement through organisational development	60
5.3.9	Summary of identified knowledge, skills and abilities	61
5.3.10	JUPMET PMS training	63
<b>5.4</b>	<b>TENTATIVE ANALYSIS OF POSSIBLE COMPETENCE DEFICIENCIES IN CAPE TOWN UNICITY AND DRAKENSTEIN MUNICIPALITY</b>	<b>65</b>
5.4.1	Case study: Cape Town Unicity	66
5.4.2	Case study: Drakenstein Municipality	68
5.4.3	Tentative findings on areas for development	70
<b>5.5</b>	<b>CONCLUDING REMARKS</b>	<b>77</b>
<b>CHAPTER 6</b>	<b>RECOMMENDATIONS AND CONCLUSION</b>	<b>78</b>
<b>6.1</b>	<b>INTRODUCTION</b>	<b>78</b>
<b>6.2</b>	<b>OVERVIEW OF THEORETICAL BACKGROUND AND UNDERSTANDINGS</b>	<b>78</b>
<b>6.3</b>	<b>RECOMMENDATIONS FOR FUTURE PM TRAINING PROGRAMMES</b>	<b>81</b>
6.3.1	PM Training Programme recommendations	82
6.3.2	National policy recommendations	85
<b>6.4</b>	<b>RECOMMENDATIONS FOR FUTURE RESEARCH</b>	<b>86</b>
<b>6.5</b>	<b>CONCLUDING REMARKS</b>	<b>87</b>
<b>CHAPTER 7</b>	<b>LIST OF REFERENCES</b>	<b>88</b>
<b>7.1</b>	<b>PUBLISHED SOURCES</b>	<b>88</b>

7.1.1	Books	88
7.1.2	Periodicals and Journals	89
7.1.3	Dictionaries	90
7.1.4	Legislation	90
<b>7.2</b>	<b>UNPUBLISHED SOURCES</b>	<b>91</b>
7.2.1	Official Documents	91
7.2.2	Research Papers	92
7.2.3	Web Pages	92
7.2.4	Interviews	92

**ADDENDUM A GENERALISED SUMMARY OF KNOWLEDGE, SKILLS AND ABILITIES FINDINGS OF CASE STUDIES**

<b>LIST OF TABLES AND FIGURES</b>		<b>PAGE</b>
<b>Figure 2.1</b>	<b>Old versus emerging characteristics of high-performing organisations of the 21<sup>st</sup> century</b>	<b>10</b>
<b>Table 2.1</b>	<b>Elements of a local government PMS</b>	<b>21</b>
<b>Table 3.1</b>	<b>Integration of core components of Municipal Systems Act and the PM Regulations with the characteristics of PMS</b>	<b>35-36</b>
<b>Table 5.1</b>	<b>General competencies for the application of the PMS</b>	<b>54</b>
<b>Table 5.2</b>	<b>Competencies for performance planning</b>	<b>55</b>
<b>Table 5.3</b>	<b>Competencies for developing a framework for PM implementation</b>	<b>56</b>
<b>Table 5.4</b>	<b>Competencies regarding KPI's and performance targets</b>	<b>57</b>
<b>Table 5.5</b>	<b>Competencies for sharing and delegating responsibility for performance</b>	<b>58</b>
<b>Table 5.6</b>	<b>Competencies for monitoring and measuring performance on individual, team and organisation level</b>	<b>59</b>
<b>Table 5.7</b>	<b>Competencies regarding performance review and report</b>	<b>60</b>
<b>Table 5.8</b>	<b>Competencies for performance improvement through organisational development</b>	<b>61</b>
<b>Table 5.9</b>	<b>Knowledge needed for the successful implementation and management of the PMS</b>	<b>62</b>
<b>Table 5.10</b>	<b>Skills and abilities needed for the successful implementation and management of the PMS</b>	<b>63</b>

***All citations used in this thesis are typed in italics.***

## Chapter 1

### **RESEARCH METHODOLOGY AND ORGANISING OF CHAPTERS**

*"The best way to predict your future is to create it."*

***Stephen R. Covey***

#### **1.1 INTRODUCTION**

A fundamental question in public management focuses on getting public institutions to act in the best interest of the public they serve [DPLG (2), 2001:3]. The responsibility to ensure that local government institutions function in an effective and efficient manner when meeting the needs and expectations of the community falls on the shoulders of the local government manager. The complex demands of modern societies, the fast changing nature of the 21<sup>st</sup> century environment and resource constraints are, however, rendering previous management and control systems inadequate. While these systems focussed primarily on the past financial performance of the public organisation, the new environment requires a system where changes in objectives or the status of goal attainment are monitored constantly. This enables the managers of public organisations to adapt the actions of the organisation in such a way that the overall performance of the organisation continuously improves.

"Performance management" has emerged as the most recent theory in a long line of management research regarding organisational performance. Encompassing the good characteristics of previous theories, it holds much promise for transforming the way organisations think about and ensures performance. Performance management *may be narrowly viewed as a set of tools and techniques which can be used by managers and politicians to manage the performance within their own organisations, or it can be viewed more widely as a pattern of thinking that results from as wide-ranging set of changing political, economic, social and ethical pressures that have impacted on local authorities in ways that are more extensive than simply the deployment of specific techniques* [Rogers, 1999:2]. Relating to local government, the Department of Provincial and Local

Government of South Africa defines performance management as *a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact* [DPLG (2), 2001: 3].

Research by the Institute for Personnel Management [IPM] found that the definitions of performance management widely diverge from the real systems that public and private organisations use to implement performance management. Existing legislation in South Africa, such as the *White Paper on Local Government* (1998), the *Local Government: Municipal Structures Act* (1998), the *Local Government: Municipal Systems Act* (2000) and the *Local Government: Municipal Planning and Performance Management Regulations* (2001) depict performance management as a means to enable local government managers to actively plan, manage and measure the performance of their organisation and employees. However, the *Local Government: Municipal Systems Act* (2000) also determines that each local authority should develop a unique performance management system suitable to its specific needs and circumstances. The implication is that there is no “blue-print” that managers of local governments could replicate to ensure that the final performance management system facilitates an integrated performance management process, dealing with all aspects of performance planning, measurement and review.

Adjusting the general legislative guidelines for performance management systems to the unique circumstances of each local government presupposes that local government managers have the necessary competence to develop and implement a performance management system. Research evidence by Armstrong & Baron [1998:371] indicates that a fundamental requirement for the successful introduction and sustaining of performance management is the range and quality of training provided to managers, supervisors and individuals. Performance management training ensures that everybody within the system becomes acquainted with the theory, practice and possible benefits to be derived from performance management, and develops the skills to implement the systems, processes and procedures through which performance management can be managed.

Training is one of the fastest and possibly the most effective ways whereby local government managers could develop the capacity to implement and manage performance management in their organisation. However, because of the high cost of training programmes, it should be preceded by a comprehensive training needs assessment to determine the most critical knowledge, skill and ability deficits of managers. Through the training needs assessment the actual knowledge, skills and abilities of managers are compared to the optimal knowledge, skills and abilities necessary for successful performance management with the purpose of identifying possible deficiencies that may be addressed through training. Basing a training programme on the identified competence deficiencies will optimise the effectiveness and efficiency of the training.

Performance management holds much promise for transforming the way organisations regard and ensure performance. In local government, performance management systems have the potential to direct all thinking, activity and resources towards the achievement of the outcomes and strategic objectives of the relevant municipality. In order to successfully implement and manage performance management in South African local government, competent managers are needed to develop performance management systems and to drive the performance management process. Although such competence may be instilled through training, such programmes will only enhance the application of performance management if it addresses the knowledge, skill and ability deficits of those managers responsible for performance management.

It is against this background that a study of training needs of local government managers with regard to the practical implementation and management of a performance management system has been undertaken.

## **1.2 RESEARCH METHODOLOGY**

The broad research goal of this study was determined through the following objectives:

- I. To identify the elements of an integrated performance management framework by which the principles of performance management can be applied in local government authorities;
- II. To determine the expectations of local government legislation of performance management in local government;
- III. To identify the current training related problems that the managers of local authorities experience with the implementation of a performance management system;
- IV. To make recommendations for future performance management training programmes in order to address the real needs of local government managers in the practical implementation of organisational performance management.

The research intends to answer the following questions:

- I. What are the training needs of local government managers that prevent them from applying performance management?
- II. What issues should current and future performance management training address to enable local government managers to implement performance management?

The research consists of the following:

Research on theory and case analysis.

### **1.2.1 Research on theory**

A study was undertaken of available texts comprising relevant books, journals, dissertations, magazines, official publications, papers and reports that have a bearing on performance management and the training of local government managers. An interview was also conducted with a performance management consultant and trainer.

### **1.2.2 Case analysis**

Personal interviews were conducted with the managers from City of Cape Town and Drakenstein Municipality who are responsible for the implementation of the performance management system.

## **1.3 OVERVIEW OF CHAPTERS**

The chapters in this study are organised as follows:

### **CHAPTER 1: DEMARCATION OF STUDY FIELD AND RESEARCH METHODOLOGY**

This chapter demarcates the field of study and outlines the research methodology. It includes a formulation of research objectives and study goals, as well as an overview of the proposed study.

### **CHAPTER 2: PERFORMANCE MANAGEMENT AND THE PERFORMANCE MANAGEMENT SYSTEM**

The chapter examines performance management as a possible management solution to attaining high performance in public organisations, especially local authorities. The chapter first explores the emergence and development of performance management theory. This is followed by a comprehensive definition of performance management, both in general and as it applies to local government in South Africa. In linking abstract theory to practical implementation, the elements of an integrated performance management system are identified.

### **CHAPTER 3: LEGISLATIVE REQUIREMENTS FOR PERFORMANCE MANAGEMENT IN SOUTH AFRICAN LOCAL GOVERNMENT**

Chapter 3 analyses the various pieces of legislation pertaining to performance management in South African local government, with specific focus reference to the *White Paper on Local Government (1998)*, the *Local Government: Municipal Structures*



*Act (1998), the Local Government: Municipal Systems Act (2000), the Local Government: Municipal Planning and Performance Management Regulations (2001) and The Municipal Finance Management Bill (2002).* The guidelines for implementing performance management systems as contained in the various pieces of legislation are compared with the elements of an integrated performance management system to assess whether they enable local authorities to successfully implement performance management.

#### **CHAPTER 4: TRAINING FOR SUCCESSFUL PERFORMANCE MANAGEMENT SYSTEM IMPLEMENTATION**

The chapter identifies eight organisational, environmental and staff elements and attributes that enable local authorities to implement and effectively manage the performance management system as prescribed by the relevant legislation. The importance of competent staff to direct the performance management process is emphasised. The chapter also explains the rationale and theory for conducting a training needs assessment whereby the specific needs of local government managers may be determined. This allows for the development of effective and efficient training programmes.

#### **CHAPTER 5: A NORMATIVE FRAMEWORK FOR ANALYSING TRAINING NEEDS OF LOCAL GOVERNMENT MANAGERS WITH REGARD TO THE IMPLEMENTATION OF A PERFORMANCE MANAGEMENT SYSTEM (PMS)**

This chapter develops a normative framework consisting of 15 knowledge elements and 17 skills and abilities that local government managers need to implement and manage their PMS. The validity of the elements captured in the normative framework is tested by comparing it to the modules of the JUPMET performance management training programme, which was based on a similar training needs assessment. The normative framework is used tentatively to explore possible deficiencies of managers charged with the implementation of the PMS in City of Cape Town and Drakenstein Municipality. The PMS implementation processes of the two municipalities were analysed to draw tentative conclusions on the actual knowledge, skills and abilities of managers involved in the PMS process. This leads to a simple gap analysis where the normative framework

and described PMS processes are compared to identify possible knowledge, skill and ability deficiencies that may hinder managers in the two case studies in successfully implementing the PMS.

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

The final chapter in this thesis commences with an overview and summary of the main points of departure, theoretical background and understandings that provide the basis for the developed normative framework and the conducted research. Thereafter the findings of the tentative training needs assessment of managers in City of Cape Town and Drakenstein Municipality are discussed in terms of recommendations for future PM training programmes directed at local government managers and officials. Brief recommendations are also made on national policy matters regarding PM and further research regarding PM training.

### **1.4 DEFINITIONS AND TERMINOLOGY**

For the purpose of greater clarity, the following summary of definitions of significant concepts pertaining to this thesis is provided.

#### **1.4.1 Performance management**

With specific reference to the public sector, the Department of Provincial and Local Government (2001) defines performance management broadly *a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.*

#### **1.4.2 Performance Management System**

The performance management system (PMS) is a framework that describes and represents how the municipality's cycle and processes of performance planning,

monitoring, measurement, review and reporting will be organised, implemented and managed [DPLG (1), 2001:10].

### **1.4.3 Training needs assessment**

Training needs assessment refers to all analysis activities that trainers use to examine and understand performance problems caused by knowledge and skill deficits or new technologies [Rosset & Arwady, 1987:14]. The process comprises a comparison between the actual and desired knowledge, skills and abilities of trainees in order to identify discrepancies or needs to be addressed through training activities.

### **1.4.4 Training**

Statt (1991:154) defines training as:

*An area of personnel management concerned with making the best use of the human resources in an organisation by providing them with an appropriate instruction to acquire the necessary skills for their jobs.*

## **1.5 LIST OF ABBREVIATIONS**

DPLG: Department of Provincial and Local Government

JUPMET: Joint Universities Public Management Education Trust

PM: Performance management

PMS: Performance Management System(s)

KPI and KPI's: Key Performance Indicator(s)

IDP and IDPs: Integrated Development Plan(s)

## CHAPTER 2

### PERFORMANCE MANAGEMENT AND THE PERFORMANCE MANAGEMENT SYSTEM

#### 2.1 INTRODUCTION

Public managers continuously strive to improve their organisations to successfully meet the needs of the public. Performing work for the public, especially at local level, is important as it has a direct impact on the day to day lives and the futures of individuals and communities [Brizius, 1998: xvii]. The responsibility falls on local government managers to ensure, through their actions and decisions, that municipalities operate in an effective and efficient manner when meeting the needs and expectations of the community. Venkatraman and Ramanujam state that this focus on performance improvement lies at the heart of management research [Cohen, 2001:17]. It is also central to new local government legislation in South Africa, which proclaims performance management as the means for local government managers to ensure optimal performance of both employees and the organisation as a whole.

This chapter will examine performance management as a possible management solution to attaining high performance in public organisations, especially local authorities. The chapter will first explore the emergence and development of performance management theory. This will be followed by a comprehensive definition of performance management, both in general and as it applies to local government in South Africa. In linking abstract theory to practical implementation, the elements of a Performance Management System will finally be analysed.

#### 2.2 DEVELOPMENT OF PERFORMANCE MANAGEMENT

The emergence and recent interest in performance management (PM) can be ascribed to various reasons of which the four most important are discussed below. In brief, PM developed as a result of the fast changing nature of the 21<sup>st</sup> century environment; critique against traditional systems that enforce performance, e.g. management-by-

objectives and performance appraisals; new public service legislation aiming to instil a culture of responsibility and accountability; and greater social pressures and economic restraints to which governments have to respond. These reasons will now be described briefly.

## 2.2.1 The business environment of the 21<sup>st</sup> century

*The ebb and flow of today's global economy, technological evolution, market and shifting customer demands, changing work forces etc. are forcing organisations to rethink the way they operate* [Venter, 1998:43]. These changes place new pressures on both organisations and their managers. Cohen [2001:26] states that improving performance in a competitive and uncertain environment is the greatest challenge set before today's management team. High performance organisations of the 21<sup>st</sup> century display contrasting attributes to those of high performing organisations in the 20<sup>th</sup> century. Figure 1.1 demonstrates Wind and Main's distinction between the attributes of high performance organisations in the 20<sup>th</sup> and 21<sup>st</sup> century [Burger, 1999:426].

**Figure 2.1: Old versus emerging characteristics of high-performing organisations of the 21<sup>st</sup> century**

20 <sup>th</sup>	Century Organisation Versus	21 <sup>st</sup>
Goal-directed		Vision-directed
Product-driven		Customer-driven
Shareholder-focused		Stakeholder-focus
Price-focused		Value-focused
Product quality mind-set		Total quality mind-set
Finance orientated		Speed-orientated
Efficient, stable		Innovative, entrepreneurial
Hierarchical		Flat, empowered
Functional		Crossfunctional
Rigid, committed		Flexible, learning
Local, regional, national		Global
Vertically integrated		Networked, interdependent

PM plays a crucial role in the realisation of the attributes of 21<sup>st</sup> century high performance organisations. PM compels the organisation to translate its long-term vision into specific outputs and outcomes for organisational units. This enables each member of the organisation to concentrate on those actions that will contribute to the bottom-line of the organisation. PM fosters a client-focus and value focus outlook by concentrating activities on those products and services that are important to the client [Wind en Main in Burger, 1999:427]. PM enhances innovation by constantly monitoring the changing needs of all customers and stakeholders of the organisation. It facilitates empowerment, flexibility and cross-functional integration by identifying and correcting individual performance gaps before these may start to negatively impact on the outputs of the organisation.

### **2.2.2 Critique against previous performance systems**

Although examples of formal reviewing of performance could be traced back to as early as the Wei dynasty in China (AD 221-265), the first modern pioneer in this field was WD Scott, who introduced a rating of the abilities of workers in industry prior to World War I [Armstrong & Baron, 1998: 29]. The main critique against these earlier performance appraisals was that they focussed on the past performance and the personality traits of the employee. McGregor in Armstrong and Baron [1998:31] stated that appraisals, while analysing past performance, should stay focussed on the future by establishing realistic targets and seeking the most effective ways of reaching them. The performance appraisal movement was adapted during the 1970s to allow 'results-oriented appraisals' that *regularly record an assessment of an employee's performance, potential and development needs. The appraisal is an opportunity to take an overall view of work content, loads and volume, to look back at what has been achieved during the reporting period and agree objectives for the next period* [ACAS in Armstrong & Baron, 1998:40]. Despite this change, performance appraisals are still cited as a frequent source of dissatisfaction in the human resource system, as neither supervisors nor subordinates look forward to appraisals nor are they satisfied with the appraisal system of their organisation [Le Roux, 1995:15].

The management-by-objectives movement claimed to overcome the problems of trait

rating [Armstrong & Baron, 1998:33]. Peter Drucker in Armstrong and Baron [1998:33] wrote that *what the business enterprise needs is a principle of management that will give full scope to individual strength and responsibility and at the same time give common direction of vision and effort, establish teamwork and harmonise the goals of the individual with the common wealth*. He proposed the principle of management by objectives and self-control as the only way to achieve this. The most formidable attack on this principle was published in the Harvard Business Review in 1970. Levison in Armstrong and Baron [1998:36] argued that an overemphasis on objective measurement and quantification result in the negligence of the subtle, non-measurable elements of the task, such as the quality of the work, the interpersonal relationships between members of the organisation and the personal needs, wishes and objectives of individuals that motivate them to greater performance and work satisfaction. Bowman also questioned the assumption that individual employees could be held responsible for outcomes derived from a complex organisational system [Spangenberg & Theron, 2001:42]. In fact, it is estimated that between 80% and 94% of performance variance could be ascribed to system variance [Spangenberg, 1994:16]. Maintaining a systems perspective, Bowman argued that causes of good or bad performance are spread throughout the organisation and its processes [Spangenberg & Theron, 2001:42]. Therefore, performance cannot be measured only on individual level, but should also be measured and managed at team and system / process level [Spangenberg, 1994:16]. Individual goal setting and performance appraisal should form part of an integrated system of PM where individual objectives are derived from team and organisational objectives.

It was stated that another form of performance management – the critical incident technique – should *avoid trait assessment (merit-rating) and over concentration on output (management-by-objectives)*, [while] *appraisers should focus on critical-behaviour incidents which were real, unambiguous and illustrated quite clearly how well individuals were performing their tasks* [Armstrong & Baron, 1998:38]. Flanagan, the advocate of this technique, defended it against accusations that managers had to keep a “black book” of all transgressions by employees. As a result of this critique, the critical incident technique never gained much acceptance, but it has had considerable influence on the development of competence frameworks. *The technique is used to assess what constitutes good or poor performance by analysing events observed to have a noticeably*

*successful or unsuccessful outcome, thus providing more factual, 'real' information than by simply listing tasks and guessing performance requirements.* [Armstrong & Baron, 1998:38] The Minnesota Department of Transport in the USA has developed an innovative technique that replaces performance definitions with mastery descriptions and behavioural frequency scales. Mastery descriptions describe the performance of a master of the specific activity. These descriptions provide the appraiser with a clear benchmark against which the actual activities of the individual being assessed could be measured. Furthermore, they also provide the person being appraised with precise information on what is expected of him or her. Mastery descriptions are used in conjunction with behavioural frequency scales indicating the degree to which an individual acts like a true master [Grote in Spangenberg & Theron, 2001:43].

PM was introduced in the late 1980s partly as a reaction to the negative aspects of merit-rating and management-by-objectives. It was based on the desire to avoid the inherent weaknesses of results-and behaviour-orientated modes of appraisal and attempted to build on the strengths of the two approaches [Le Roux, 1995:16]. As such, it incorporated many of the elements of earlier approaches; for example, rating, objective-setting and review, and a tendency towards trait assessment [Armstrong & Baron, 1998:47]. Another factor that accounted for the emphasis on PM was the evolution in human resource management. Organisations realised that people were assets to be invested in, so that they would further the interests of the organisation by obtaining higher levels of contribution through human resource development and reward management, as well as employee commitment to organisation objectives and values [Armstrong & Baron, 1998:47]. Performance management – as discussed in section 2.3 – is portrayed as a practical approach to the achievement of these aims.

Although originally developed as a technique to measure and manage individual performance, PM has since then expanded into a multifaceted system of organisational performance management, whereby organisation goals are translated into subservient goals on task, team and individual level. There is a continual focus on aligning both team and individual performance with the strategy and goals of the organisation [Renton, 2000:41]. This will only be realised if line management, and not the human resource department, owns and drives the process, starting at the top of the organisation [Renton, 2000:41-42]. PM thus represents *a move from an isolated, mechanistic HR-driven*



*approach to performance appraisal towards a comprehensive, integrated business-driven system aiming at organisational and people development [Spangenberg & Theron, 2001:36].*

### **2.2.3 New public service values and legislation**

Section 2.2 illustrated the various management theories that strove for optimal organisational performance. In the public sector, the traditional approach to performance measurement was the establishment of public auditing agencies that focussed exclusively on the financial performance of the organisation. *Initially, attempts at evaluating public sector organisational performance centred on the assessment of value for money. This was normally conducted by external auditors through scrutinisation of agencies' accounts. Gradually, a whole range of measures and indicators of performance arose throughout the whole public sector, in an attempt to identify examples of good and poor resource usage [Boland & Fowler, 2000:418].* Although the advantages of good financial management cannot be denied, a performance management system that focussed only on the “profitability” of the organisation is limited, especially in the public sector that is largely not profit driven [Amaratunga, Baldry & Sarshar, 2001:2-3]. Instead of financial profitability, the real success of public organisations could be seen in the impact of the organisation on the public that it serves. The need thus arose for a performance management system that focused on the outputs and outcomes of public institutions and enabled the organisation to actively plan and manage for future performance.

Halachmi [2002:1] states that the nature of performance measurement and management in government is changing to meet changing agendas, particularly in striking the right balance between accountability and increased flexibility. Although governments are taking various approaches to meet modern challenges, it was noted at the October 1997 meeting of the Commonwealth Association for Public Administration and Management (CAPAM) that there was a common pattern pertaining to a new public administration which:

- *emphasizes the role of public managers in providing high quality service valued by citizens;*
- *advocates increasing managerial autonomy, particularly by reducing central agency controls;*
- *demands, measures, and rewards both organizational and individual performance;*
- *recognizes the importance of providing the human and technological resources that managers need to meet their performance targets;*
- *is receptive to competition and open-minded about which public purposes should be performed by public servants as opposed to the private sector or non-governmental organizations; and more recently*
- *recognizes the changing nature of the political/administrative interface in the Westminster system of governance*

[CAPAM in Halachmi, 2002:1-2].

According to Halachmi [2002:2] the Organisation for Economic Cooperation and Development (OECD) offers a similar conclusion:

*In place of the old paradigm that was largely process and rules driven with an emphasis on hierarchical decision-making and control, the new public management environment is characterized by:*

- *a focus on results in terms of efficiency, effectiveness, quality of service and whether the intended beneficiaries actually gain;*
- *a decentralized management environment which matches authority and responsibility so that decisions on resource allocation and service delivery are made closer to the point of delivery, and which provide scope for feedback from clients and other interest groups;*
- *accountability for results and for establishing due process rather than compliance with a particular set of rules, and a related change from risk avoidance to risk management.*

These changes in public sector values are reflected in South Africa's new public sector legislation that aims to instil a culture of PM in local government. The legislation,

initiating PM as the means to ensuring the effective and efficient functioning of local government, will be analysed in Chapter 3.

#### **2.2.4 Social pressures and economic restraints**

The current reality in South Africa is that local governments face increased pressures and reduced resources, which means that they have to deliver more and better services with less funds to their disposal [Schierschmidt, 2002]. PM is driven by the market economy and entrepreneurial culture that has developed in public management thinking and practice since the 1980s, which focussed attention on gaining competitive advantage and obtaining added value from the better use of resources [Armstrong & Baron, 1998: 47]. *In recent years, the public has witnessed the successful transition of many private companies to more result-based management* [Brizius et al, 1998:13]. Organisations are doing more with less, by improving the value and quality of their products and services. *What we demand of businesses – value, quality, innovation, customer service – we also want from the public sector* [Brizius et al, 1998:13]. Technological improvements and a more skilled workforce also make change both necessary and possible. *New technologies are also giving consumers the ability to abandon public sector services for better-performing options. The advent of technologies that force competition with traditional public sector services put pressure on government to improve performance* [Brizius et al, 1998:13,15,16].

Against this background, PM is both a product of the challenges of a modern era that inspires unique values in the face of great social and economic pressure and is also the result of decades of research into performance improvement. PM could, therefore, be seen as the solution to both modern and historical problems. The British Audit Commission acknowledges that *performance management has become something of an industry in its own right, that has been variously presented as a management theory, a fad, and by the committed, almost a theology* [Audit Commission in Rogers, 1999:2]. To obtain a clear understanding of what PM entails, the following section will analyse various definitions of PM to derive an appropriate definition for PM in local government.

## 2.3 DEFINING PERFORMANCE MANAGEMENT

PM is a broad concept characterised by relatively diverse definitions, processes and techniques. *PM may be narrowly viewed as a set of tools and techniques which can be used by managers and politicians to manage the performance within their own organisations, or it can be viewed more widely as a pattern of thinking that results from a wide-ranging set of changing political, economic, social and ethical pressures that have impacted on local authorities in ways that are more extensive than simply the deployment of specific techniques* [Rogers, 1999:2].

Venter [1998:45] regards the underlying philosophy of PM as striving toward maximised performance through the continuous measurement against clearly defined and agreed upon standards. The measurement provides management with information for decisions on the recognition and development of employees in order to enhance their contribution to the organisation's goals. Armstrong & Baron [1998:51] add that *the basic aims of performance management are to share understanding about what is to be achieved, to develop the capacity of people and the organisation to achieve it, and to provide the support and guidance individuals and teams need to improve their performance*. Rogers [1999:9] defines PM in local government as *the interrelated processes which ensure that all the activities and people in a local government contribute as effectively as possible to its objectives, [and which systematically reviews the activities and objectives] in a way which enables a local authority to learn and thereby improve its services to the community*.

Analysing these definitions, PM consists of three interrelated processes, namely:

- I. Translating the organisation's vision and broad goals into specific unit, task and individual goals. PM is an approach by means of which a shared vision of the purpose and aims of the organisation are created and communicated, so that all employees could understand and recognise their part in contributing to the organisation's goals. In this way, both individual and organisational performance is enhanced [Fletcher in Armstrong en Baron, 1998:8]. PM as a process establishes a shared understanding about what is to be achieved. It manages and develops employees in a way that increases the probability that the relevant objective(s) would be achieved in both the short and longer

term [Armstrong in Armstrong & Baron, 1998:49]. The PM process aims to improve the performance of employees and link each person's contribution directly to the applicable policy objectives [Schierschmidt, 2002].

II. Monitoring and managing performance on individual, team and organisation level. PM requires the managers of an organisation to manage a manner that holds all components and individual employees accountable, thereby ensuring improved delivery and value for money to the local community and citizens [DPLG (2), 2001:3]. Armstrong and Baron [1998:7-8] refer to a strategic and integrated approach to ensuring sustainable organisational success, not only by improving the performance of individuals, but also constantly developing the abilities of individuals and teams in the organisation. On an individual level, PM generally includes planning for performance (e.g. goal setting), ongoing coaching and development of subordinates, formally reviewing performance and rewarding performance [Spangenberg & Theron, 2001:35].

III. Reviewing progress on goal achievement and making necessary adjustments. PM ensures that plans are implemented, that they have the desired impact, and that resources are used efficiently. Rogers [1999:11] describes PM as a set of interrelated and complementary processes that establish monitoring, review, evaluation and appraisal processes and techniques in order to enforce conformity with planned performance.

Pertaining to South Africa, the Department of Provincial and Local Government defines PM as *a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact* [DPLG (2), 2001: 3]. This definition is accepted as the basis for this thesis.

Research by the Institute for Personnel Management in Rogers [1999:6] found that definitions of PM widely differ from the real systems that public and private organisations use to implement PM. Therefore, the last section of this chapter will be devoted to analysing the characteristics of a formal, integrated system of PM.

## 2.4 THE PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System (PMS) is a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review and reporting will be organised, implemented and managed [DPLG (1), 2001:10]. The PMS facilitates the practical implementation of PM ideals. As such, the purpose of the PMS is to reveal those areas in which the organisation excels and also the areas in which it needs to improve. It also helps employees to improve their performance, increase their productivity, and experience personal satisfaction and gratification [Schwartz, 1999:2].

According to Rogers [1999:6] the Institute for Personnel Management determined that a formal, integrated system of performance management would have the following characteristics:

- *Mission statements that are communicated to all employees.*
- *Regularly communicated information of business plans.*
- *Implemented policies for such processes as total quality management and performance related pay.*
- *A focus on the performance of senior managers rather than on other employees.*
- *Performance targets expressed in terms of measurable outputs, accountabilities and training targets.*
- *Formal appraisal processes and presentations by senior managers used as ways of communicating performance requirements.*
- *Performance requirements set on a regular basis.*
- *Performance requirements linked to pay, particularly for senior managers.*

The eight attributes of performance-oriented public organisations identified by Matheson in Halachmi [2002:3] strongly correspond with the findings of the IPM. These attributes are:

- (1) *clarity of role;*
- (2) *clarity of purpose;*
- (3) *responsible managers;*

- (4) incentives for good performance;*
- (5) budget and management systems which support performance;*
- (6) accountability and transparency;*
- (7) appropriate staff capability; and*
- (8) culture and values aligned with organizational performance.*

In the design of a PMS for local government in South Africa, the common characteristics and attributes of such systems should be incorporated. However, South African local government are also charged with the implementation of the Integrated Development Plan (IDP). The IDP provides a framework for planning in local government. *Each elected council must, within a prescribed period, adopt an inclusive plan that links and coordinates the various schemes and proposals for an area's development. This plan will form a policy framework and a basis on which annual budgets must be drawn up. This integrated development must reflect the council's vision for the long-term development of a municipality with emphasis on developmental and internal transformation needs* [<http://www.gov.za/structure/local-gov.htm>]. Therefore the PMS of local government also need to integrate those processes and systems needed to operationalise the IDP. In this regard, each municipality needs to:

- 1. Plan for performance — ensuring the IDP clarifies the objectives and results to be achieved over the period in order that municipalities have the required impact;*
- 2. Clarify performance expectations by setting standards and targets to be achieved for each of the indicators you will use to assess performance;*
- 3. Monitor, measure, assess and evaluate performance;*
- 4. Link all jobs to the strategic priorities, goals and objectives agreed in the IDP and enable staff to understand how their job contributes to these;*
- 5. Ensure resources are directed and used in efficient, effective and strategic ways;*
- 6. Include communities and other stakeholders in decision-making, monitoring, and evaluation of what was achieved and whether it was adequate;*
- 7. Learn from experience and use it to continuously improve what is achieved;*
- 8. Maintain transparency and accountability and promote good governance* [DPSA & JUPMET, 2002:110].

By integrating the requirements of the IDP and the characteristics and attributes of PMS,

certain key elements integral to PMS for local government in South Africa may be deduced. The implementation of these elements form the base for subsequent study into the training needs of local government managers charged with the implementation of PM. A summary of the seven essential elements for a well-integrated PMS for local government (as construed by the researcher) are provided in Table 1.1. Each of these elements will subsequently be explained.

**Table 2.1: Elements of a local government PMS**

- 1. Performance planning**
- 2. A framework for the implementation of Performance Management**
- 3. Key performance indicators (KPI's) and performance targets**
- 4. Shared and delegated responsibility for performance**
- 5. Monitor and measurement of performance on individual, team and organisation level**
- 6. Performance review and report**
- 7. Performance improvement through organisational development**

#### **2.4.1 Performance planning**

The planning stage of PM *is where agreements and commitments are made regarding what outcomes are necessary and relevant* [DPSA & JUPMET, 2002:110]. Performance planning requires that the overarching objectives and mission of the organisation and each organisational unit should be clearly stated. A tangible, measurable and unambiguous commitment has to be made to achievement of the mission and objectives [DPLG (2), 2001:14].

The integrated development plan (IDP) of the municipality transforms the mission of the organisation into *a set of delivery priorities and objectives, based on the identified needs, achievable in the current term of office, that would contribute to the development vision for the area* [DPLG (2), 2001:13]. The identified priorities and objectives provide an input



to the PMS and are transformed into measurable deliverables with time-specific targets. Furthermore, the set of objectives delivered by the IDP process need to be translated into specific unit, project team and individual objectives. This allows all members of the organisation to contribute to the bottom-line – rendering development services to the local community - of the organisation. Lastly, the performance plans of the municipality have to be linked to the budget to keep the stated objectives attainable.

#### **2.4.2 A Framework for the implementation of PM**

The PM framework is the documented PMS describing the municipality's cycle and processes of performance planning, monitoring, measurement, review and reporting, and stipulating the roles of different role players [DPLG (2), 2001:10.] *A performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan.* [Local Government: Municipal Planning and Performance Management Regulations, 2001:10]

Managers need to take on two processes to establish the framework. They should firstly assess the current reality of the organisation to determine how the planning, implementing and monitoring of performance is currently taking place, and, secondly, they should involve all stakeholders in the development of the framework. The created framework should cover decisions on both the process and content of the PMS. Process or cycle decisions concern HOW and WHEN each stage of the performance cycle would take place, from planning through monitoring and measuring, to evaluating and re-planning for improvement. Content decisions determine WHAT aspects of performance need to be planned, monitored, measured and evaluated in order to form a reliable and adequate picture of how well the organisation is performing [DPLG & JUPMET, 2002:59].

#### **2.4.3 Key performance indicators (KPI'S) and performance targets**

KPI's are measurements that indicate progress in the achievement of a stated objective

by describing the performance dimension(s) considered key for successful goal attainment [DPLG, 2001:14]. KPI's provide valuable information as development, value-for-money and efficiency indices. Development indices help municipalities to know their areas better and to plan more effectively and assist municipalities in assessing and adapting the impact and effectiveness of their development strategies. Value-for-money indicators provide valuable guidance for municipal organisational transformation. Efficiency and quality indicators enable municipalities to set targets for continued improvement in their operations, to prioritise areas where organisational change is required, and to assess the success of their transformation process [The White Paper on Local Government, 1998:31]. By involving communities in the development of KPI's the accountability of the municipality could be increased [The White Paper on Local Government, 1998: 31-32].

#### **2.4.4 Shared and delegated responsibility for performance**

The municipal council is responsible for the adoption of the PMS, while the executive committee or executive mayor is responsible for the actual implementation of the system [DPLG (2), 2001:6]. Although final accountability for the PMS rests with the Municipal Manager, the responsibility for the actual implementation of various components should be delegated to individual managers and employees. This ensures that the goals of the organisation are actively promoted on each organisational level and within each department. The following description of a provincial PMS can be used to extrapolate the aims of the municipal PMS:

- *Clarify and align broader municipal, departmental, team and individual efforts and expectations, thereby ensuring that energies are directed at achieving the Provincial strategic goals*
- *Identify individuals' potentials, strengths, weaknesses and align these with the municipal priorities*
- *Facilitate and build open communication in order to agree on the prioritisation and importance of job related activities*
- *Develop a results and quality-orientated culture that ensures the provincial administration operates efficiently and effectively*

[DPSA & JUPMET, 2002:109]

#### **2.4.5 Monitor and measurement of performance on individual, team and organisation level**

Performance monitoring is an ongoing process running parallel to the implementation of objectives. Municipalities would need to develop a monitoring framework that:

- determines the data to be collected to assess performance;
- stipulates how data are to be collected, stored, verified and analysed;
- provides for reporting to all relevant parties;
- enables the municipality to detect under-performance as soon as possible;
- provides for corrective measures should under-performance be identified;
- compares current performance with performance of the previous year and baseline indicators [DPLG (2), 2001:19-20].

Performance measurements are essentially the process of analysing the data provided by the monitoring system in order to assess performance [DPLG (2), 2001:19-20].

It is important that performance monitoring and measurement of performance also take place on an individual level. In this regard the PMS of a municipality must *[e]nsure that the assessment process is fair and promotes equity and accountability in managing performance and implementing remuneration, affirmative action, employment equity and promotion policies* [DPSA & JUPMET, 2002:109].

#### **2.4.6 Performance review and report**

During performance review the municipality assess whether it is doing the right thing, and doing it better than in the past by analysing the data obtained from performance measurement [DPLG (2), 2001:24]. The first method is to compare current performance with previous years' performance using baseline indicators. Secondly, a municipality could compare its performance with that of other similar municipalities. Lastly, the

opinions of the community served by the municipality can be obtained to determine whether or not an improvement in provided service has been observed or experienced [DPLG (2), 2001:24]

As before, a performance review should also focus on the performance of individual employees. The PMS should *recognise and reward excellent performance and address nonperformance* [DPSA & JUPMET. 2002:109]. The required (and expected) level of performance needs be communicated clearly to the individual. It is recommended that the achievement of these performance requirements be linked to the pay of the employee, particularly on senior management level [Armstrong & Baron, 1998: 397].

#### **2.4.7 Performance improvement through organisational development**

It is not sufficient that organisations evaluate their performance; they need to translate these findings into strategies and action plans that would ensure better future performance. Local governments need to recognise that the organisational and individual capacity to learn from past successes and failures, together with the ability to utilise new ideas and methods, have become a core requirement for future performance [Rogers, 1999:90].

Organisational learning deals with the need to be creative and flexible in responding to changing community needs. This could be ensured in two ways. Firstly, the PMS should be linked to the IDP processes of the municipality to ensure adaptation to changing community demands. Secondly, new strategies (e.g. total quality management and expressing performance targets in terms of measurable outputs) should be included as subject matters in the initial training of personnel, and also become part of the ongoing learning culture so that strategies are adapted to fulfil the needs of the organisation.

#### **2.5 CONCLUDING REMARKS**

PM has emerged as the latest theory in a long line of performance management research. Encompassing the good characteristics of previous theories, it holds much

promise for transforming the way organisations regard and ensure performance. But, as could be seen in the wide variety of definitions on the concept, it may conceivably become everything to everybody, and in such confusion it may consequently fail miserably due to misapplication. A well-developed PMS plays a crucial role in ensuring proper implementation of PM. Such a system would have seven elements, namely performance planning, a formal PM framework, key performance indicators (KPI's) and performance targets, the sharing and delegation of responsibility for performance, performance monitor and measurement, performance review and report and performance improvement.

In local government, the PMS has the potential to function as the basis whereby all thinking, activity and resources could be directed towards the achievement of the outcomes and strategic objectives of the municipality [DPSA & JUPMET, 2002:110]. Post-1998 public sector legislation has paid considerable attention the development and application of a PMS for local government. The next chapter will analyse the various pieces of legislation that prescribe how PMS should be implemented in South African local government.

## CHAPTER 3

# LEGISLATIVE REQUIREMENTS FOR PERFORMANCE MANAGEMENT IN SOUTH AFRICAN LOCAL GOVERNMENT

### 3.1 INTRODUCTION

The South African public service, like those of many other countries, has come to recognise the advantages that could be derived from performance management. Therefore, specific public service legislation concentrating on the initiation and application of inclusive PMS for local government was formulated especially in 1998 and 2000. This chapter analyses the post-1996 legislation and policy documents pertaining to performance management in South Africa. This analysis aims to clarify National Government's expectations of PM and the PMS in local governments. The relevance of the instruction contained in the legislation is evaluated by comparing this to the elements of an integrated PMS, as specified in Chapter 2.

### 3.2 LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT IN LOCAL GOVERNMENT

The groundwork for PM could be traced back to *The Constitution of the Republic of South Africa*, 1996 (Act 108 of 1996), *White Paper on Transforming Public Service Delivery (Batho Pele White Paper)*, 1997, *The White Paper on Local Government*, 1998, and *Local Government: Municipal Structures Act*, 1998 (Act 117 of 1998). The implementation of PM through a PMS is explained thoroughly in *Local Government: Municipal Systems Act*, 2000 (Act 32 of 2000). Relevant information is also found in the *Local Government: Municipal Planning and Performance Management Regulations*, 2001, and the *Local Government: Municipal Finance Management Bill*, 2001. The sections on PM within each of these legislative documents will be discussed briefly in order to identify the expectations of the South African Government towards PM.

### 3.2.1 The Constitution of South Africa

Performance management in local government forms part of a government-wide attempt to instil a performance culture and ethos in the public service. This attempt stems from *The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)* (hereafter referred to as the Constitution) that outlined the basic principles that should underpin the public service. The principles are as follows:

- The promotion and maintenance of a high standard of personal ethics.
- The efficient, economic and effective use of resources.
- Public administration must be development-oriented.
- Services must be provided impartially, fairly and equitably without bias.
- Public administration must be accountable.
- Good human resource management and career development practices must be cultivated to maximise human potential.

The Batho Pele White Paper (1997) expanded these principles and made them applicable to public sector PMS.

### 3.2.2 The Batho Pele White Paper of 1997

The *White Paper on Transforming Public Service Delivery (Batho Pele White Paper)*, 1997 (hereafter referred to as the Batho Pele White Paper), developed by the Department of Public Service and Administration, required national and provincial departments to develop PMS that include the setting of service delivery indicators and measurement of performance. The tools needed to attain a new system of public service management are:

- *assignment to individual managers of responsibility for delivering specific results for a specified level of resources and for obtaining value for money in the use of those resources;*
- *individual responsibility for results matched with managerial authority for decisions about how resources should be used;*

- *delegation of managerial responsibility and authority to the lowest possible level; and*
- *transparency about the results achieved and resources consumed* (Batho Pele White Paper, 1997: sections 1.2.6-1.2.7).

In implementing these tools, public service institutions were to be guided by the Batho Pele principles, namely consultation, service standards, access, courtesy, information, openness and transparency, redress, and value for money.

Linking and amalgamating these tools and principles into a formal PMS for local government was initiated by the White Paper on Local Government, 1998.

### **3.2.3 The White Paper on Local Government of 1998**

Within the Constitutional framework, the *White Paper on Local Government* (1998), hereafter referred to as the White Paper (1998), was developed as an extension of the Batho Pele principles. The White Paper (1998) outlines the vision for a more developmental orientated local government system. It sets out the framework and programme for transforming the inherited local government system. The White Paper (1998: Section B, part 3) identifies the following tools for realising a developmental local government:

- integrated development planning and budgeting
- performance management
- partnerships with local citizens and partners

According to the White Paper (1998: section 3.2), PM, linked to the IDP, can assist municipalities in developing an integrated perspective on development in their area. This will enable municipalities to direct resource allocations towards priorities despite an increasingly complex and diverse set of demands. PM is, therefore, critical in ensuring that development plans are implemented, resources are used efficiently and optimally, and ensuring that the desired effect is obtained through implementation. The Municipal Structures Act, 1998, also emphasises the relationship between PM and the implementation of the IDP.



### **3.2.4 The Municipal Structures Act of 1998**

The *Local Government: Municipal Structures Act, 1998* (Act 117 of 1998) (hereafter referred to as the Municipal Structures Act) aims to institute a PMS in local government that *will facilitate access of service information to communities and thereby empower them to...demand better services and thereby cause municipalities to be more accountable* [DPLG (2), 2001:8].

Section 19 of the Municipal Structures Act stipulates that a municipality must annually review:

- a) The needs of the community.
- b) Its priorities to meet those needs.
- c) Its processes for involving the community.
- d) Its organisational and delivery mechanisms for meeting the needs of the community.
- e) Its overall performance.

The Municipal Systems Act provides the policy framework for the implementation of the PMS.

### **3.2.5 The Municipal Systems Act of 2000**

The *Local Government: Municipal Systems Act, 2000* (Act 32 of 2000) (hereafter referred to as the Municipal Systems Act, 2000) provides the most comprehensive national framework for PM in local authorities.

The Municipal Systems Act, 2000, requires all municipalities to:

- Develop a PMS.
- 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.
- Involve the community in setting indicators and targets and reviewing municipal performance.

[Municipal Systems Act, 2000: Sections 38 and 41]

Chapter six of the Act outlines the details of the PMS and identifies the core components. Section 38 and 39 describe the establishment of a PMS, while Section 40 refers to the establishment of mechanisms for monitoring and adapting the system [Burger & Ducharme, 2000:2]. Section 41 outlines the core components of the performance management system:

- Set appropriate performance indicators to measure performance outcomes and impact.
- Specific, measurable targets.
- Regular monitoring of performance.
- Measurement and review of performance at least once a year.
- Ways to improve performance.
- An established process of regular reporting.

The system should be developed to function as an early warning system of under-performance so that it could be addressed by proactive and timely interventions [Burger & Ducharme, 2000:2 and Minister Fholisani Sydney Mufamadi in the foreword to DPLG (2), 2001:2].

The Municipal Systems Act, 2000, provides the most comprehensive guideline to enable local authorities to establish and implement a PMS that would fulfil National Government's expectations of PM in the public sector. The guidelines provided in the Municipal Systems Act, 2000, are complemented by the PMS Regulations (2001) that highlight the involvement of the local community in the establishment, implementation and controlling of the PMS.

### 3.2.6 The Performance Management Regulations of 2001

The Local Government: Municipal Planning and Performance Management Regulations (hereafter referred to as the PM Regulations), published in August 2001, provides additional guidelines for the implementation of the Municipal Systems Act, 2000. The PM Regulations state that in the development of the PMS, a municipality must ensure that the system:

- *complies with all the requirements set out in the Act;*
- *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;*
- *relates to the municipality's employee performance management processes; and*
- *provides for the procedure by which the system is linked to the municipality's integrated development planning processes*

[PM Regulations, 2001:8-9]

With regard to KPI's, the PM Regulations prescribe seven general key performance indicators against which local government can measure its performance in achieving development:

- Access to basic services.
- Access to free basic services.
- Level of capital spending.
- Number of local jobs created.
- Progress on employment equity at senior management level.
- Level of municipal expenditure on the workplace skills plan.

- Financial viability with respect to: debt coverage; outstanding debtors in relation to revenue; and cost coverage.

[PM Regulations, 2001:9-10]

Furthermore, the PM Regulations require municipalities to appoint performance audit committees consisting of at least three members, the majority of whom may not be a councillor or an employee of the municipality [PM Regulations, 2001:13]. Performance audit committees have powers to investigate municipal affairs and are required to:

- review the quarterly reports prepared by internal auditors
- review the PMS and make recommendations for its improvement; and
- submit biannual audit reports to the municipal council.

The PM Regulations also require each municipality to establish a community forum to enhance community participation in the drafting and implementation of the IDP, the development, implementation and review of the PMS, and monitoring municipal performance in relation to KPI's and performance targets [DPSA & JUPMET, 2001:24]. *A municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets set by it. The mechanisms, systems and processes for review must at least identify the strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it, as well as the [prescribed] general key performance indicators.* [PM Regulations, 2001:11-12]

### **3.2.7 The Municipal Finance Management Bill of 2001**

Although the Local Government: Municipal Finance Management Bill, published in August 2001, does not refer directly to PM, it provides the framework for good financial management practices in local authorities. The financial practices and performance of the municipality has a direct bearing on the overall performance of the municipality, especially in terms of ensuring the effectiveness, efficiency and economy of all aspects of service delivery and municipal management. The Bill also provides for a number of

budgetary requirements for linking the budget of the municipality to the IDP (and thereby also to the PMS) as well as for assigning responsibility and accountability of financial performance to both managers and political representatives.

The analysis of the various PM legislative documents concentrated on the requirements that local government PMS must meet. These requirements are necessary to ensure that national policy-makers' expectations of PM are met. The next section illustrates how the legislation forcing the development of municipal PMS corresponds with broader performance expectations of the National Government. Subsequently, the relevance of the instruction given to local government to guide them in implementing the PMS (and thereby meeting the stated expectations) is evaluated. This is done by comparing the requirements of the Municipal Systems Act, 2000, to the characteristics of an integrated PMS, as identified in chapter 2.

### **3.3 GOVERNMENT'S EXPECTATIONS OF PMS**

The Municipal Systems Act, 2000, requires all municipalities to develop a PMS. Through this system policy-makers aim to ensure the efficient, economical and effective use of resources by local governments corresponding to the requirements of the Constitution and the Batho Pele White Paper. The PMS is also part of the greater constitutional initiative to instil accountability, transparency and good human resource management practices in government. During the drafting of the PMS, each local authority needs to identify the needs and priorities of the local community that it serves and establish organisational and delivery mechanisms whereby these needs can be met (Municipal Structures Act). This ensures that local governments respond to the real development priorities of the community. In accordance to the Batho Pele White Paper and the PM Regulations local governments need to establish service standards and general KPI's which require local government to measure performance in terms of community need satisfaction. The formalised lines and procedures for reporting on performance enforced by the Municipal Systems Act, 2000, ensure that local governments continuously measure their performance. This enables higher authorities to detect underperformance early while it is relatively simple and inexpensive to address. Finally, the close link

between the PMS and the IDP ensure that local government priorities are adapted in accordance with changes in the development priorities of the community, making government more responsive.

With the aim of achieving these expectations through the implementation of local government PMS, the legislative instructions given to local authorities should be clear and sufficient to enable local managers to implement and apply the PMS. The seven characteristics of an integrated PMS described in Chapter 2 could be used to evaluate the relevance of the legislative instructions given to local governments. Section 41 of the Municipal Systems Act (MSA), 2000, specifies the core components of a PMS for South African local government. Chapter 3 of the PM Regulations (PMR) expand on the implementation of the Municipal Systems Act, 2000. Table 3.1 was developed to evaluate the relevance and completeness of the prescriptions of these two documents when compared with the characteristics of a well-integrated PMS.

**Table 3.1: Integration of core components of Municipal Systems Act, 2000, and the PM Regulations with the characteristics of PMS**

**1. Performance planning**

*Appropriate performance indicators and targets must be set whereby performance can be planned and measured (MSA, section 41)*

*The system must demonstrate how it is to operate and be managed from the planning stage up to the stages of performance review and reporting (PMR, regulation 7)*

*The PMS must clarify the processes of implementing the system within the framework of the IDP process (PMR, regulation 7)*

**2. Established Performance Management Framework**

*The municipality must establish a PMS in accordance with the IDP framework (MSA, section 38)*

*The system must be developed to provide early warning on under-performance (MSA, section 41 (2))*

**3. Key performance indicators (KPIs) and performance targets**

*Specific, measurable targets must be set for each development priority and objective (MSA, section 41 (1b))*

*The KPI must measure the efficiency, effectiveness, quality and impact of the performance of the municipality, administrative component, structure, body or person for whom a target has been set (PMR, regulation 12)*

**Table 3.1: Integration of core components of Municipal Systems Act, 2000, and the PM Regulations with the characteristics of PMS (continued)**

**4. Shared and delegated responsibility for performance**

*The system must define the roles and responsibilities of all role-players, including the local community, in the functioning of the system (PMR, regulation 7)*

**5. Monitor and measurement of performance on individual, team and organisation level**

*The mechanisms, systems and processes for monitoring must provide for reporting to the municipal council at least twice a year (PMR, regulation 13)*

*Mechanisms must be implemented to enable monitoring of the PMS (MSA, section 40)*

*The PMS must determine the frequency of reporting and the lines of accountability for performance (PMR, regulation 7)*

**6. Performance review and report**

*The municipality must appoint a performance audit committee to review reports and the PMS (PMR, regulation 14)*

*Performance must be reviewed at least once a year (MSA, section 41 (1c))*

*Reports on performance must be made available to the council, administrative personnel and the community (MSA, section 41 (1e))*

**7. Performance improvement through organisational development**

*The PMS must be designed to provide for corrective measures where under-performance has been identified. (PMR, regulation 13)*

*Implement necessary steps to improve performance (MSA section 41 (1a,b,d))*

*Foster a culture of PM under political and administrative municipal personnel (MSA section 38c)*

As illustrated by Table 3.1, there is a definite correlation between the PMS requirements contained in the Municipal Systems Act, 2000, and the PM Regulations, and the elements of a well-integrated PMS. The Municipal Systems Act, 2000, provides sufficient instructions to local government managers for the development of PMS. However, despite the guidance given to the local sphere, few PM success stories could be recorded thus far. Since the problem does not lie with the legislative framework, a study of the organisational and environmental conditions that impact on the successful implementation of PMS needs to be undertaken. Chapter four will analyse the requirements for PMS to function effectively.

### **3.4 CONCLUDING REMARKS**

PM is seen as a means to ensuring the effective and efficient functioning of local authorities. The South African Government thus formulated various pieces of public sector legislation initiating and enforcing the implementation of PMS in local authorities. The most relevant legislation and policy documents are the Constitution, 1996, the Batho Pele White Paper, 1997, the White Paper on Local Government, 1998, the Municipal Structures Act, 1998, the Municipal Systems Act, 2000, the Performance Management Regulations, 2001, and the Local Government: Municipal Finance Management Bill, 2001. Through these legislative instructions, National Government does not only initiate PM in local government, but it also pursues broader objectives of good governance, for example ensuring the efficient use of resources, instilling accountability and enhancing responsiveness to development needs. These broader objectives only serve to enhance the importance of PMS and it is, therefore, disconcerting that so little success has been achieved during the past five years.

The PMS implementation process may either be hindered by inadequate instructions given to local government managers, or by organisational and environmental conditions that influence the implementation of PMS. By comparing the instructions contained in the Municipal Systems Act and the PM Regulations with the elements of an integrated PMS as established in Chapter 2, it is concluded that the legislative instructions given to local government managers are sufficient to enable the implementation of PMS. If the failure of local governments in implementing PMS cannot be ascribed to inadequate instructions, attention needs to be paid to the environmental and organisational elements that are critical in the implementation of a PMS. Chapter 4 will analyse these peripheral factors that may account for the lack of or misapplication of PMS in local governments, where after it will concentrate on PM training as a means to obtaining competent managers capable of implementing the PMS.



## CHAPTER 4

### TRAINING FOR SUCCESSFUL PMS IMPLEMENTATION

*The trouble with the school of experience is that the course is so long that the graduates are too old to go to work.*

*Henry Ford*

[in Naicker, 1995:1]

#### 4.1 INTRODUCTION

Chapter 3 analysed the formal legislative framework that guides local government managers in the implementation of PMS. A sufficient correspondence between the legislative instructions and the elements of a well-integrated PMS was also found, leading to the conclusion that the instructions provided should enable managers to establish and manage a PMS. However, despite these guidelines, few local governments in South Africa have succeeded in implementing a PMS. In search for an explanation as to why local governments are still failing to realise these expectations, this chapter will identify key requirements for the successful implementation of a PMS.

Given that PM is still a relatively new concept to the South African public service, this study concentrates on the importance of competent, skilled persons to implement the PMS. This leads to a discussion on PM training as a means to obtaining competent persons who have the skills and knowledge needed to implement the PMS. Against the background of the high costs of training programmes, the importance of a proper training needs assessment as prerequisite for a successful and efficient training programme is discussed. The theory on training needs assessment is used to identify the appropriate level and approach to determine the training needs of local government managers in implementing the PMS. The outcomes of the training needs assessment are discussed in chapter 5.

## **4.2 CRITICAL ORGANISATIONAL ELEMENTS FOR THE IMPLEMENTATION OF A PMS**

Renton [2000:44] lists twenty key requirements needed for the PMS to function effectively. Organisations that do not meet these requirements will experience severe complications during the application of the PMS and will fail to attain the full potential of PM. The six most relevant requirements for South African local government entities are listed below:

- I. The PMS should be owned by line management and driven from the top of the organisation. This implies that all managers should accept the PM processes that have been defined and would regard these processes as necessary for the successful attainment of organisational objectives.
- II. Each team should develop measurable unit targets for the current planning period. It is essential that the targets reflect the unit's contribution to implementing the short and long-term strategy of the municipality. The identified performance targets should also add significant value to the goals of the municipality and should stretch available resources, but should nevertheless be achievable.
- III. The targets of a unit should be divided between the manager and team members according to each person's job and capability. Every person needs to accept the tasks and targets assigned to him or her and become truly committed to the achievement of these targets. This requires that everybody understand his or her part in the achievement of the performance targets of the unit and perceive it as equal to the contributions of other members.
- IV. Managers should have the necessary knowledge, skills and commitment to manage themselves, their unit and subordinates on a performance basis. This requires that management be trained in the components and application of PMS.
- V. Rewards have to be managed in a manner that reinforces the commitment to the PMS. This implies that both managers and subordinates accept the performance assessment given to them and acknowledge it as a fair indication of their individual

and unit performance. This will only come about when the process is conducted in a transparent manner allowing for open challenges and defences.

VI. The PMS processes may not conflict with any other management processes that are in place in the organisation.

To the above, two more relevant criteria – identified by Agere & Jorm [2000:36] – could be added, namely:

VII. The PMS should be tailor-made to suit the needs and unique situations of the managers, employees and organisation.

VIII. The design of the PMS should be regarded as a process and not an event, since a process outlook allows for the adaptation of the system to changing requirements.

Although all of these requirements enable the successful implementation of a PMS, the specific focus of this thesis is directed on the fourth requirement, namely competent managers. Ensuring that managers understand the components of the PMS and have the necessary skills to implement each component is especially important in local government in South Africa. Not only is PM still a relatively new concept, but it is also one that requires a paradigm shift in the current manner of local government management. This increases the probability that managers may currently not be equipped with the necessary skills and knowledge to implement a PMS. The next section will elaborate on the importance of competent managers in the implementation of the PMS.

#### **4.3 COMPETENT MANAGERS FOR IMPLEMENTING THE PMS**

One of the most disconcerting comments encountered while conducting previous research on PM in local government, was that PM is just a new name for doing the things they (local government managers) have always done. While it is true that PM encompasses some reporting and planning activities that were also done in the past, its successful implementation requires a mind-shift to ensure greater focus on the actual

outcomes of the organisation. However, if managers do not receive appropriate training explaining the subtle differences between PM and previous control systems, they will continue managing as in the past, yet believing that they are indeed implementing PM.

Mohrman and Mohrman state that *[p]erformance management practices must derive from and be tailored to fit each organisation's changing requirements [leading] to a wide diversity of practices* [Armstrong & Baron, 1998:49]. The Municipal Systems Act also requires municipalities to develop a performance management system suitable to their own needs [DPLG (2), 2001:10]. The implication is that there is no "blue-print" that managers of local governments could replicate to ensure that their PMS will be well integrated and successful. Adjusting the general prescriptions for a PMS to the unique circumstances of each local government requires that local managers truly understand and have the skills to develop and implement a PMS.

The importance of competent managers cannot be denied. Research evidence by Armstrong & Baron [1998:371] indicate that fundamental to the successful introduction and sustaining of PM is the range and quality of training provided to managers, team leaders and individuals. Given the wide variety of definitions and expectations associated with PM, appropriate training is necessary to prevent wrongful or only partial implementation of PM, which will limit organisations in realising the full potential of this practice. It is, therefore, imperative that the local government officials charged with the implementation of the PMS receive appropriate training to ensure that everybody shares the same outlook on PM and the ability to fulfil the shared expectations. The next section expands on the objectives of PM training programmes.

#### **4.4 PM TRAINING**

PM training is a developmental process that enables managers to get to the heart of how they can manage and coach people more effectively, and that helps other staff to perform to the best of their ability [Armstrong & Baron, 1998:371]. According to Armstrong & Baron [1998:372] the main objectives of PM training are:

- *To let people know about the whys and wherefores of the processes with which they*

*will be involved — these will include the business drivers that have led the organisation to introduce performance management as well as a description of the processes involved.*

- *To spell out their contribution — why it is important, how they make it and the benefits that will accrue to them and the organisation.*
- *To train people in the skills they have to use.*

These three objectives are confirmed by the research of Le Roux [1995]. Le Roux [1995:35] analysed a PM training programme implemented at Stellenbosch Farmers' Winery (Ltd). According to him, the aims of that training programme were to:

- provide managers with an understanding of PM
- provide managers with the knowledge and skills to establish objectives and set performance standards
- provide managers with the necessary interpersonal skills training to manage the performance of subordinates.

When addressing the first objective of PM training, Allen Cave of the Performance Management Group explains that training should state the business case for PM [Armstrong & Baron, 1998:273]. A briefing document or PM guide could be used to explain how PM would contribute to improving organisational effectiveness and overall performance. This information should be reinforced with face-to-face briefings and presentations. Seminars and workshops could be used to provide more in-depth understanding of PM and provide for opportunities where people's doubts and fears could be addressed. Agere and Jorm [2000:77] emphasise the importance of providing training before the actual implementation to ensure that managers and employees have the information and skills to overcome initial fear and resistance in order to carry out the PM processes successfully.

The second objective necessitates a detailed description of each stage in the PM as well as the specific responsibilities of managers and employees. *The focus is ideally on formulating performance agreements, preparing and implementing personal development plans, including the learning opportunities available, and monitoring and reviewing performance and development.* [Armstrong & Baron, 1998:273]

The third objective stresses the high levels of skill that is required from everyone involved in PM. In local government; these skills are likely to be ones that have not yet been developed or put into practice. The main PM skills needed comprise:

- *defining accountabilities and key-result areas*
- *defining objectives*
- *identifying and using performance measures*
- *defining and assessing competencies and behavioural requirements*
- *giving and receiving feedback*
- *questioning and listening*
- *identifying development needs and preparing and implementing PDPs*  
[Performance Development Plans]
- *diagnosing and solving performance problems*
- *coaching*
- *counselling*

[Armstrong & Baron, 1998:374-375].

A PM learning programme should facilitate the acquirement of these skills.

Designing and implementing PM training programmes are an expensive endeavour. As municipal resources are scarce, it is of utmost importance that the PM training provided should address the most critical skill and knowledge deficits of managers. This will maximise the contribution of PM training to the productivity and effectiveness of the organisation [Cheminais, Bayat, Van der Walt & Fox, 1998:193]. It is, therefore, important that PM training be preceded by a training needs assessment that determines the needs of local government managers with regard to the development and implementation of the PMS. The next section will expand on the importance and procedures for conducting a training needs assessment.

#### **4.5 TRAINING NEEDS ASSESSMENT**

Training needs assessment refers to all analysis activities that trainers use to examine

and understand performance problems caused by knowledge and skill deficits or new technologies [Rosset & Arwady, 1987:14]. This section gives an overview on the objectives and levels of training needs assessment and introduces two methods for conducting a training needs assessment.

#### **4.5.1 Objectives of the Training Needs Assessment**

A training needs assessment is conducted in order to obtain information on:

- *Optimal performance or knowledge.*
- *Actual or current performance or knowledge.*
- *Feelings of trainees and significant others.*
- *Causes of the problem from many perspectives.*
- *Solutions to the problem from many perspectives.*

[Rosset & Arwady, 1987:15]

When seeking the optimal performance or knowledge, the focus is on the knowledge, skills and attitudes that employees need to obtain in order to get the job done well. Boydell and Leary [1996:7-8] identify three levels of need, namely implementing (learning to satisfy basic requirements), improving (redesigning systems to improve efficiency) and innovating (developing unique solutions to problems).

Actual performance refers to the current manner in which the job is done. Data about the current state could be obtained using objective, quantified data on performance (e.g. output, productivity), obtaining feedback from others (qualitative data such as opinions) or using the self-assessment reports of employees [Boydell & Leary, 1996:27-31].

*The gap between optimal and actual [performance] is called a discrepancy or need* [Rosset & Arwady, 1987:15]. Training programmes aim to bridge the gap between actual and optimal performance. Before addressing the performance gap, managers should ascertain that the financial impact of underperformance exceeds the financial costs of the training programme designed to resolve the problem [Fisher, 1997:42].

Lastly, it is important to determine the actual cause of the perceived performance gap, otherwise training may fail to achieve the intended goal by addressing only the visible symptoms and not the underlying cause of the problem [Fisher, 1997:47].

In addition to identifying possible skill and knowledge deficits in the organisation, a thorough training needs assessment could also ascribe the cause of underperformance to three other factors [Rosset & Arwady, 1987:31-37]:

- *Absence of incentive or improper incentive*
- *Absence of environment support*
- *Absence of motivation*

These three deficits cannot be addressed directly through training. A training programme will only enhance performance if it addresses identified knowledge and skill deficits. Training should, however, create an awareness of the influence of environment and motivational factors on the practical application of the acquired knowledge.

#### **4.5.2 Three levels of Training Needs Assessment**

The training needs assessment could take place on three levels in the organisation. On the individual level the strengths and weaknesses of individuals should be assessed [Van Wart, Cayer and Cook, 1993:71-72]. The analysis compares the skill and knowledge levels of employees to the prerequisite basic and job-related skills that employees need to perform well [Naicker, 1995:19]. The second level of analysis determines the organisational need for training programmes. *The analysis can involve different departments, select job groups or the entire organisation.* [Van Wart et al, 1993:72]. A detailed study of job groups could be done as a precaution to determine the adequacy of current training, otherwise the applicability of training solutions may be analysed as new problems arise [Van Wart et al, 1993:72]. The final level of training needs assessment, namely strategic analysis, concentrates on the future needs of individuals, jobs and departments to ensure their continuous effective functioning [Naicker, 1995:26].



The analysis of the training needs assessment of local government managers with regard to the implementation of PMS concentrates on a select job group (the managers) and thus qualifies as an organisational need analysis (level 2). Two approaches may be used to conduct an organisational need analysis, namely the comprehensive approach and the performance gap approach, as discussed in the next section.

#### **4.5.3 Approaches for conducting the Training Needs Assessment**

Striving towards fulfilling the objectives of training needs assessment, the assessment process passes through three basic steps. First, there should be an assessment of the ideal knowledge, skills, or abilities that are needed. Second, there should be an assessment of the actual knowledge, skills, or abilities that managers currently practice (or that are absent). Third, there should be an assessment of the gap between the knowledge, skills, or abilities that are needed and the current level displayed. There are two approaches to conducting the needs assessment, namely the comprehensive approach and the performance gap approach.

##### **4.5.3.1 Comprehensive approach**

The comprehensive approach generates extensive data through an analysis of organisational needs. The system systematically surveys the system and incumbents of the system to identify and address discrepancies between desired behaviour and actual behaviour [Van Wart et al, 1993:82]. The approach thus encompasses a thorough analysis of the entire organisation and is made up of the following phases:

- Planning
- Exploratory
- Task/Skill inventory
- Task/Skill analysis
- Programme Design
- Implementation of new or revised programmes

[Van Wart et al, 1993:77-82]

While the comprehensive approach provides an in depth analysis of all organisational factors which may impact on performance, it is time consuming, expensive and slow to adapt to changes in the system. An alternative is the performance gap approach, which allows for the targeting of specific problems (for example PMS implementation problems) and fast solutions [Van Wart et al, 1993:89].

#### **4.5.3.2 Performance gap approach**

The performance gap approach is a more direct approach as it focuses on the problem rather than the system [Naicker, 1995:25]. Van Wart et al [1993:84-87] divide the approach into five phases:

1. Perceived problem phase – The problem is an indicator of a possible discrepancy between desired and actual performance.
2. Preanalysis phase – Decisions are made on the approach and the tools that will be used to collect data.
3. Data-collection phase – Various tools, such as focus groups, structured observations, interviews, questionnaires or a focus on key organisational imperatives are used to collect data.
4. Analysis of need phase – The actual individual performance are compared to the organisational needs and job specifications to determine the knowledge, skills, or abilities needs of the person.
5. Results of need assessment – The results of the training needs assessment can be threefold. One possible outcome is that no change is necessary and the problem will correct itself with time and experience. Another possible outcome can indicate the need for an intervention other than training. Lastly, the need assessment may point to the need for a new or revised training programme.

For the purposes of this study, the performance gap approach will be employed to analyse the training needs of local government managers with regard to the

implementation of PMS. The legislative requirements combined with a lack of implementation of PMS in local governments are a warning that a problem is arising (Phase 1). The approach chosen (Phase 2) for the training needs assessment will make use of two case studies. A normative framework will be developed to illustrate the ideal knowledge, skills, or abilities that local government managers need to implement PMS. City of Cape Town and Drakenstein Municipality will be used as examples to determine their actual knowledge, skills, or abilities. The data for each analysis will be obtained through the analysis of relevant publications and a series of semi-structured interviews with managers and experts (Phase 3). The analysis of needs (Phase 4) will compare the actual knowledge, skills, or abilities of City of Cape Town and Drakenstein Municipal managers to the knowledge, skills, or abilities identified in the normative framework. The results of Phase 3 and Phase 4 are discussed in Chapter 5, while recommendations for training resulting from the training needs assessment (Phase 5) are discussed in Chapter 6.

#### **4.6 CONCLUDING REMARKS**

This chapter identified eight organisational elements critical to ensuring the effective functioning of PMS in South African local government. Municipalities need to meet these requirements in order to successfully implement and apply the PMS in line with the legislative prescriptions discussed in Chapter 3. Special emphasis was placed on the importance of competent managers for applying and managing the PMS process. It is important that local government managers charged with the PMS receive PM related training to ensure their understanding of the principles and objectives of the local government PMS. Furthermore the training should provide managers with the knowledge and task and interpersonal skills to apply PM. Due to the high cost of the training programmes, it is important to conduct a training needs assessment to determine to most critical knowledge, skill and ability deficits of managers.

The training needs assessment analyses the current skills and knowledge of managers charged with the implementation of PMS with the objective to determine possible knowledge gaps that may be remedied through training. Basing a training programme on the gaps identified through the training needs assessment would optimise the

effectiveness and efficiency of the training. The discussion on training needs assessment theory concludes that a needs assessment for PMS implementation by local government managers should be conducted on an organisational level, using the performance gap approach.

The next chapter will provide a basis for formal training needs analyses with the development of a normative framework capturing the ideal knowledge, skills and abilities that local government managers need to implement the PMS. In the remainder of the chapter a tentative gap analysis will be undertaken. The PMS implementation processes of City of Cape Town and Drakenstein Municipality will be analysed to draw speculative conclusions on the actual knowledge and skills levels of the local government managers. The results of the tentative gap analysis will be used to make broad recommendations for future local government training programmes in the final chapter.

## CHAPTER 5

### **A NORMATIVE FRAMEWORK FOR ANALYSING TRAINING NEEDS OF LOCAL GOVERNMENT MANAGERS WITH REGARD TO THE IMPLEMENTATION OF A PMS**

#### **5.1 INTRODUCTION**

Chapter 4 emphasised the importance of competent managers in the implementation of a PMS in local authorities. Training is the fastest and possibly the most effective way to ensure that managers obtain the necessary knowledge, skills and abilities needed to establish the principles of PM in their municipality. However, to ensure the effectiveness and efficiency of a PM training programme for managers, the training should be preceded by a comprehensive training needs assessment. The training needs assessment compares the optimal PM knowledge and abilities that managers need for the successful implementation of PM with the existing knowledge and abilities those managers possess.

In this chapter a normative framework capturing the ideal knowledge, skills and abilities local government managers need to implement a PMS will be designed. The framework provides a basis for conducting training needs assessments in local governments in order to determine the relevant training needs with regard to PMS implementation. The developed normative framework will be compared to the performance management-training programme designed by JUPMET to verify the validity of the framework. Thereafter the implementation of the PMS of City of Cape Town and Drakenstein Municipality will be described as an illustration of the knowledge, skills and abilities that managers in these municipalities utilise in implementing the PMS. The final section tentatively concludes on the probable areas of development in the PMS knowledge, skills and abilities of local government managers, which should be addressed through training programmes.

## 5.2 RESEARCH BACKGROUND AND METHODOLOGY

A training needs assessment, determining the knowledge, skills and abilities deficiencies of local government managers with regard to the implementation of PMS, will consist of three phases, namely (1) determining ideal knowledge, skill and ability levels essential for PMS implementation, (2) an analysis of the implementation of the PMS to determine actual knowledge, skills and abilities of managers in two local governments, and (3) a gap analysis between the actual knowledge, skills and abilities being applied and the ideal knowledge, skills and abilities identified in phase one. Identified discrepancies are then used to make certain recommendations for training.

This chapter will concentrate mainly on phase one, the development of a normative framework capturing the ideal knowledge, skills and abilities of local government managers to implement and manage the PMS. Information for the development of the framework is derived from analysing PM training literature and an interview with a PMS consultant. This framework was subsequently presented to local government managers from City of Cape Town and Drakenstein Municipality to obtain further practical insights into the required knowledge, skills and abilities.

City of Cape Town was selected, as it was one of three pilot studies conducted in the Western Cape during July 2001 to June 2002 to determine the advantages and pitfalls of PM in local government. The PMS Managers in City of Cape Town have thus gained some insight as to what knowledge, skills and abilities are required in the implementation of a PMS. Interviews were conducted with members of the Performance Management Project Team who have been implementing a pilot PMS in the top administrative structures and community services divisions of the Unicity during 2001 and 2002. The second case – the Drakenstein Municipality in Paarl – was selected as an example of a local municipality that has yet to start implementing a PMS. This case study provides insight into managers' knowledge, skills and abilities prior to PMS implementation that provide the base for the development of PMS competencies. An interview was conducted with the IDP manager of Drakenstein Municipality, who is primarily in charge of implementing the PMS.

A tentative study was undertaken to identify the current knowledge, skills and abilities that managers in City of Cape Town and Drakenstein Municipality utilise in implementing the PMS. The study analysed the current implementation of the PMS in terms of the identified seven elements of an integrated PMS. Information regarding the process was derived from internal PMS documents and interviews with the PMS Managers of the relevant municipalities. The implementation process was analysed to determine the problem areas and to tentatively relate these to possible knowledge, skill and ability deficiencies under municipal managers. Although the proper identification of training needs requires a complete training needs analysis, the subsequent chapter will use these tentative findings to make general recommendations for PMS training programmes.

### **5.3 DETERMINING IDEALS: NORMATIVE FRAMEWORK**

The normative framework will be based on the seven elements of a well-integrated PMS identified in Chapter 2, namely performance planning, a formal PM framework, key performance indicators, performance monitoring and measurement, performance review and reporting and lastly performance improvement. Relevant knowledge, skills and abilities were identified within each element, using Mayo-Smith and Ruther [1986: 2] and Armstrong and Baron [1998:390-402] as general guidelines. Practical insight into the knowledge, skills and abilities needed to implement of a PMS in South African local government context was derived from a series of interviews with Belinda van Wyk (PMS consultant and trainer), André Roos and Kobus van Schoor (Performance Management Project Team, City of Cape Town) and Stiaan Carstens (IDP Manager, Drakenstein Municipality). The results of the literature review and series of interviews are captured in the normative framework.

The framework starts with three knowledge and three skill and ability components that apply to all aspects of PMS implementation. Thereafter each of the seven elements of an integrated PMS will be discussed in terms of the applicable knowledge, skills and abilities that local government managers need to implement and manage the particular aspect of the PMS. Each section concludes with a tabled summary of the knowledge and competence elements discussed. These summaries will then be amalgamated in

Tables 5.1 and 5.2 to provide a summary of all the identified knowledge, skill and ability components, which managers need. These tables provide a starting point for conducting training needs assessments in local governments to determine possible knowledge, skill and ability deficiencies under local government managers charged with the implementation of the PMS.

### 5.3.1 Common elements for the application of the PMS

Managers need a sound knowledge of the following to manage the general PMS implementation and application processes:

- a) Every manager involved in the implementation or application of the PMS should be *au fait* with the legislation governing PM in local authorities. Minimally, managers should be intimately familiar with the Municipal Systems Act, 2000, and the PM Regulations, 2001. [Roos, 2002; Van Schoor, 2002; and Van Wyk, 2002]
- b) Municipal managers should understand the theory, advantages and potential problems of PM. This also includes awareness of both national and international examples of “best practice” PMS applications. [Roos, 2002; Van Wyk, 2002; and Carstens, 2002]
- c) Given the close link between the PMS and the IDP, it is imperative that managers are acquainted with the IDP of the municipality. This will ensure the alignment of the PMS with the strategic objectives of the organisation. [Roos, 2002; Van Wyk, 2002; and Carstens, 2002]

The management of the PMS implementation and application processes requires the following general skills and abilities:

- d) Managers should have excellent communication and interpersonal skills to convey the subtle elements of PMS application to all employees. [Roos, 2002; Van Wyk, 2002; and Armstrong & Baron, 1998:393]
- e) Managers need organisation and coordination abilities to integrate the various components of performance. [Roos, 2002; Van Schoor, 2002, Van Wyk, 2002; and Carstens, 2002]



- f) Strong leadership skills are necessary to inspire and motivate employees to optimally contribute to the attainment of the PM objectives. [Van Wyk, 2002]

The identified general knowledge, skills and abilities are summarised below:

<b>Table 5.1: General competencies for the application of the PMS</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Legislation	Communication and Interpersonal skills
PM Theory	Organisation and Coordination ability
Municipal IDP	Leadership skills

### 5.3.2 Performance planning

Performance planning involves transcribing the priorities of the IDP into measurable deliverables with time-specific targets. The following knowledge, skills and abilities are required:

- a) Managers need to understand the planning process and the various phases of planning. [Van Wyk, 2002]
- b) In order to set realistic performance targets, managers need a knowledge of the local priorities identified through the IDP and the financial constraints portrayed in the budget. [Roos, 2002; and Carstens, 2002]
- c) Managers should be familiar with the required performance of each municipal department or service covered by the PMS [Mayo-Smith, 1986:2].
- d) Managers need facilitation skills to conduct IDP workshops whereby development priorities are obtained from the community. This requires conflict management and persuasion skills to negotiate major issues and devise solutions acceptable to all parties and the ability to work under pressure. [Van Wyk, 2002; and Carstens, 2002]
- e) Managers should have policy analysis skills to interpret and translate the IDP into the broad and subservient goals forming the basis of the PMS. [Roos, 2002; Van Schoor, 2002, and Van Wyk, 2002]
- f) Managers need well-developed writing skills to write mission statements and corresponding objectives for the organisation as a whole, as well as for all the levels and departments within the organisation. This entails both analytical skills, to identify the key tasks and key results areas of different components, and system thinking to

ensure appropriate integration and coordination between different components. [Van Wyk, 2002]

- g) Managers require motivation skills to obtain the commitment of all employees toward set objectives. This requires communication of the mission and business plans of the organisation and organisation unit.
- h) Managers need the ability to think strategically to develop strategies and action plans whereby the IDP goals can be obtained. This entails the ability to brainstorm, in order to generate ideas, and analysis and evaluation ability to select best strategies. Due to the political nature of local governments, it often happens that strategies are formulated that are impossible to implement, given the resource constraints. It is, therefore, important that not only managers, but also councillors responsible for decision-making, have strategising skills to ensure realistic, attainable solutions to development problems. [Roos, 2002; and Van Schoor, 2002]

These elements are summarised below:

<b>Table 5.2: Competencies for performance planning</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Planning process	Facilitation skills
IDP priorities	Conflict and negotiation skills
Performance requirements of departments	Policy analysis
	Writing skills
	Analytical skills
	Systems thinking
	Motivation skills
	Strategic thinking

### **5.3.3 A framework for the implementation of Performance Management**

Managers should, through the involvement of all stakeholders, develop a PM framework that formalise the planning, implementing and monitoring of performance. The following knowledge, skills and abilities are needed:

- a) Managers involved in the development of the PMS should have an operational knowledge of the purposes, functions, structural components and processes of the

service areas, directives and departments covered by the PMS to ensure tailoring of the PMS to the applicable operational requirements. [Roos, 2002; and Carstens, 2002]

- b) Managers should have a sound knowledge of different PMS models (e.g. the Balanced Scorecard and the Public Service Excellence Model) in order to choose the model most suited to the municipality. [Van Wyk, 2002]
- c) Managers should be familiar with the budget cycle and various management systems (e.g. personnel management system) of the organisation that may impact on the effectiveness of the PMS. [Van Wyk, 2002; and Roos, 2002]
- d) Managers should identify and compare PM “best practices”, both within the organisation and in other local authorities. [Van Wyk, 2002; and Carstens, 2002]
- e) Managers need project management skills to drive and plan the PMS implementation process. This should be accompanied with the ability to utilise appropriate software packages (e.g. Microsoft Project) to improve and simplify the management process. [Roos, 2002; and Carstens, 2002]
- f) Managers need transformational leadership and change management skills to inspire employees to accept and support the new system. [Van Wyk, 2002; and Carstens, 2002]
- g) Managers need the ability to revise and redevelop current organisational systems that conflict with the PMS [Mayo-Smith, 1986:2].
- h) Managers should have the ability to obtain and integrate the viewpoints from different stakeholders. In addition to communication skills, this entails the ability to conduct workshops whereby all relevant stakeholders (e.g. middle management, employees and the community) are involved in the development of the PMS. [Carstens, 2002; Roos, 2002; Van Wyk, 2002; and Van Schoor, 2002]

These elements are summarised below:

<b>Table 5.3: Competencies for developing a framework for PM implementation</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Operation of departments	Project management
PMS Models	Ability to use software packages
Management systems	Change management
Identify best practices	Revise organisation systems
	Integrate viewpoints

### 5.3.4 Key performance indicators (KPI's) and performance targets

KPI should be established whereby progress in the achievement of stated objectives could be measured. Managers need the following knowledge, skills and abilities:

- a) Managers should understand the role of indicators in the working of the PMS [Mayo-Smith, 1986:2].
- b) Each manager responsible for a KPI should know how and when measurement of the KPI is to take place. [Roos, 2002]
- c) Managers need to identify and compare “best practice” indicators of other municipalities to develop well thought-out and balanced indicators. [Van Wyk, 2002]
- d) Managers need excellent language proficiency and writing skills to formulate the KPI and ensure a clear description of the indicator and the objective(s) it support. [Roos, 2002]
- e) Managers need the ability to clearly define the KPI in terms of its objectives, the required data, the data collection and review process, linkages and dependencies to other KPI's and possible initiatives should underperformance be detected. This requires the development of a KPI document to function as reference in the application of the KPI. [Roos, 2002; and Van Wyk, 2002]
- f) Managers need the ability to develop a quality system of “checks and balances” to ensure that the KPI's are aligned with the strategies and objectives of the organisation. [Roos, 2002; and Van Schoor, 2002]

These elements are summarised below:

<b>Table 5.4: Competencies regarding KPI's and performance targets</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Role of indicators	Language proficiency and writing skills
Measurement of KPI	Define and develop KPI's
Compare best practices	Develop quality system

### 5.3.5 Shared and delegated responsibility for performance

Responsibility for the implementation and measurement of the various elements of the PMS should be delegated to individual managers and employees to ensure that organisational goals are promoted on all levels. Managers require the following knowledge, skills and abilities:

- a) Managers should know exactly who are responsible for each KPI.
- b) To assign KPI's, managers should have a knowledge of the goals that each unit and individual should achieve, and the key tasks, key result areas and targets of the individuals and units. [Roos, 2002; and Van Wyk, 2002]
- c) Accepting responsibility cannot be "taught" through training programmes. To ensure that responsibility is accepted, top management (or the PMS Manager) should have the ability to adapt the organisational environment in such a way that employees are motivated to accept responsibility. [Roos, 2002]
- d) Managers should be able to develop performance contracts, linking the performance of KPI's directly to the remunerations of the manager to whom it is assigned. Managers should be able to distinguish in which positions and organisational levels performance contracts will be feasible. This requires an analytical ability to differentiate differences and similarities between positions on different organisational levels to ensure that the unique responsibilities of the job position are sufficient to justify a performance contract. [Roos, 2002, and Armstrong & Baron, 1998:396]

These elements are summarised below:

<b>Table 5.5: Competencies for sharing and delegating responsibility for performance</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Person responsible for KPI	Adapt organisational environment
Individual and unit goals and tasks	Analyse job positions
	Develop performance contracts

### 5.3.6 Monitoring and measuring of performance on individual, team and organisation level

The PMS should continuously monitor the performance of KPI's and organisational units and measure data in terms of the stated objectives. This requires the following knowledge, skills and abilities:

- a) Managers should be able to identify the data necessary for performance measurement. This entails knowledge of the information gathering process (how and where information is obtained) and the management of information. [Carstens, 2002; and Van Wyk, 2002]
- b) Managers should be aware of different systems and software applications that may simplify the monitoring and measurement process. [Van Wyk, 2002]
- c) Managers should know what level of performance could reasonably be expected by comparing previous performance on the KPI or the performance of similar KPI's in other municipalities. This requires a knowledge of the benchmarking process. [Van Wyk, 2002; and Roos, 2002]
- d) Managers should have the necessary skills to utilise software packages such as Oracle, SAP, Excel and Access in the monitoring and measurement of performance.
- e) Managers should have the ability to analyse data and correct under-performance through appropriate strategy formulation [Mayo-Smith, 1986:2].
- f) Managers should be able to develop and implement a functional monitoring and measurement system through which performance could be regularly assessed and deficiencies addressed. [Roos, 2002]

These elements are summarised below:

<b>Table 5.6: Competencies for monitoring and measuring performance on individual, team and organisation level</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Identify data necessary	Utilise software packages
Information management	Analyse data
Software applications	Strategy formulation
Benchmarking process	Develop and implement monitoring and measurement system
Reasonable performance levels	

### 5.3.7 Performance review and report

A performance review and report comprise the assessment of performance to determine whether the municipality is fulfilling its functions effectively and efficiently. Managers need the following knowledge, skills and abilities:

- a) Managers should know in what format (template) the measured performance data should be presented. [Van Wyk, 2002]
- b) Managers should be able to objectively evaluate and interpret the outcomes of performance of indicators. They also need integration skill to determine the general performance of the organisation based on the performance of the various KPI's.
- c) Managers should anticipate difficulties in implementation and identify strategies to deal with them [Mayo-Smith, 1986:2].
- d) Managers should integrate the performance review process with the general functioning and management of the organisation. This might require a redesign of current report systems to provide better feedback. [Carstens, 2002; and Roos, 2002]

These elements are summarised below:

<b>Table 5.7: Competencies regarding performance review and report</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Format for presentation of data	Evaluating and interpreting indicators
	Integration of KPI's and process
	Strategising skills
	System redesign

### 5.3.8 Performance improvement through organisational development

Performance findings should be translated into strategies and action plans to ensure better future performance as well as responsiveness to changing community needs. This requires the following knowledge, skills and abilities:

- a) Managers need a knowledge of the learning discipline philosophy to facilitate organisational learning. [Van Wyk, 2002]

- b) Managers should be familiar with current organisational structure and organisational development theory to analyse the structure. [Van Wyk, 2002; and Roos, 2002]
- c) Managers should understand the political agenda of policy-makers to predict new challenges and devise prospective strategies. This also requires an understanding of available resources.
- d) Managers should be able to set realistic goals for improvement and striving towards goal attainment.
- e) Managers should be able to work under pressure, make unpopular decisions and resist political interference. [Van Wyk, 2002]
- f) Managers need the ability to think strategically and implement organisational and team development. [Van Wyk, 2002]
- g) Managers need the ability to continuously change the organisational culture and revise values to support organisational performance. This also requires the ability to continuously motivate employees to change.

The identified general knowledge, skills and abilities are summarised below:

<b>Table 5.8: Competencies for performance improvement through organisational development</b>	
<i>Knowledge</i>	<i>Skills &amp; Abilities</i>
Learning organisation philosophy	Set realistic goals
Organisation structure and theory	Work under pressure
Political agenda of policy-makers	Resist political interference
Understand available resources	Think strategically
	Change organisational culture and values

### **5.3.9 Summary of identified knowledge, skills and abilities**

The knowledge and skills and abilities identified in each of the seven elements of an integrated PMS could be integrated and condensed into 15 knowledge elements and 17 skills and abilities. Table 5.1 summarises the knowledge that local government managers need to implement the PMS, while Table 5.2 provides a summary of the necessary skill and abilities. In both tables, “x” illustrates a direct correlation between the knowledge, skill or ability and the implementation of the corresponding PMS element (see horizontal axis) as explained in the preceding sections. It is predicted that some



further analysis of the identified knowledge, skill and ability components will reveal a different kind of interrelatedness between elements than that which was described in the preceding sections. The symbol “z” provides speculative examples of knowledge, skills or abilities that may have an indirect impact on the successful implementation of the corresponding PMS element. In the case of a truly integrated PMS, it is predicted that almost all knowledge and skill and ability elements will contribute to the successful implementation of each of the seven elements of the PMS.

**Table 5.9: Knowledge needed for the successful implementation and management of the PMS**

		Seven elements of PMS						
		Performance planning	PM Framework	KPI	Shared Responsibility	Monitor and measurement	Review and report	Performance improvement
<b>Knowledge components</b>	Legislation	x	x	x	x	x	x	x
	PM Theory	x	x	x	x	x	x	x
	IDP of the Municipality	x	x	x	x	x	x	x
	Best practices	z	x	x				z
	Organisational structure and organisational theory		z		z			x
	Operations of departments		x	z		z		
	Individual and team goals and tasks	z			x			z
	Developing and managing KPI's		x			z	z	
	Required performance on each organisational level	x					z	z
	Planning process	x						z
	Management systems		x			z		
	Acquiring and presenting data					z	x	
	Information management					x	z	
	Learning organisation philosophy				z			x
Political agenda of policy-makers	z					z	x	

<b>Table 5.10: Skills and abilities needed for the successful implementation and management of the PMS</b>								
<b>Seven elements of PMS</b>		<b>Performance planning</b>	<b>PM Framework</b>	<b>KPI</b>	<b>Shared Responsibility</b>	<b>Monitor and measurement</b>	<b>Review and report</b>	<b>Performance improvement</b>
<b>Skills and abilities</b>	Communication and interpersonal skills	x	x	x	x	x	x	x
	Organisation and coordination skills	x	x	x	x	x	x	x
	Leadership skills	x	x	x	x	x	x	x
	Facilitation and negotiation	x	x				Z	
	Analytical ability	x			x	x	x	
	Language proficiency and writing skills	x		x				
	Strategic and systems thinking	x				x	x	x
	Motivational ability	x			Z		Z	Z
	Project Management skills		x	Z		Z		
	Change Management skills		x		Z			Z
	Development of KPI's			x		Z		
	Adapting organisational systems and environment		Z		x		x	x
	Designing performance contracts				x		Z	
	Utilising software packages		Z			x	Z	
	Goal-setting ability	Z			Z	Z	x	x
	Working under pressure				Z	Z	Z	x
Resisting political interference	Z				x	x	x	

The validity of the above developed normative framework can be tested by comparing it with the JUPMET PM training programme presented to local government managers in the Western Cape during 2001 and 2002. As this training programme was also based on a training needs assessment done by the DPLG, an analysis of the modules in which training was given should correspond with the outcomes of the normative framework.

### 5.3.10 JUPMET PMS training

PM training programmes designed by JUPMET in association with the Department of Provincial and Local Government were delivered to local government officials to enable them to apply PMS. During October and November 2001 municipalities had to nominate

officials to attend 3-day workshop followed by a 2-day workshop in April 2002. A brief overview on the instructive manuals and training given is provided to illustrate linkages with the developed normative framework.

Two introductory booklets were prepared and distributed by the DPLG to explain the basic principles and motivations for implementing a PMS in local authorities. The first, *Introduction to Performance Management for Local Government in South Africa*, provides an introduction to the framework for managing performance in local government, as contained in the Municipal Systems Act, 2000. The broad objectives of the guide are to:

- Introduce municipalities, communities and the general public to the national PM framework for local government in South Africa
- Provide a background, context and overview of the framework, while elaborating on the theoretical concepts underpinning it
- Explain how the framework works at different levels
- Introduce the concepts involved in the field of PM, e.g. identifying key performance indicators, setting measurable performance targets, monitoring and reviewing performance and performance reporting

[DPLG (2), 2001:4]

The second booklet, *Performance management: A guide for Municipalities* provides as a set of simple, user-friendly non-prescriptive guidelines to assist municipalities in developing and implementing their PMS. The aim is to enable municipalities to develop and implement a PMS within their own resource constraints, suited to their unique circumstances and in line with the priorities, objectives, indicators and targets contained in their integrated development plan [DPLG (1), 2001:6].

More in depth PM training was provided during the two Jupmet workshops. Eleven modules, addressing the following PMS issues, were covered:

- The purpose, benefits, pitfalls and challenges of the PMS
- The PMS policy environment
- Roles and responsibilities regarding the PMS

- Setting and using performance indicators
- Managing the change process in adopting a PM approach
- The development of the PMS framework
- Developing a performance measurement framework
- Developing a performance measurement model
- The publication and adoption of the system
- Linking organisational and individual performance
- Linking the PMS to the IDP and budget

[DPSA & JUPMET, 2001 and DPSA & JUPMET, 2002].

The JUPMET training programme reveals a strong general correspondence with the developed normative framework, especially since the same broad PMS elements are covered. However, the JUPMET training programme omitted some of the finer concrete skills that practically enable managers to implement the PMS. This conclusion corresponds with the main criticism against the training programme, namely that too much information was relayed in a short time, leaving little time for practical application that enhances the transferability of the learning.

However, the JUPMET training programme does confirm that the developed normative framework identifies the same knowledge, skills and abilities that the Department of Provincial and Local Government regarded as relevant. The next section will use the developed normative framework to tentatively discuss possible developmental areas with regard to the knowledge, skills and abilities of managers in Cape Town and Drakenstein Municipality.

#### **5.4 TENTATIVE ANALYSIS OF POSSIBLE COMPETENCE DEFICIENCIES IN CITY OF CAPE TOWN AND DRAKENSTEIN MUNICIPALITY**

Before training commences, it is important to know not only what knowledge, skills and abilities managers should have, but also what they already have in order to focus on the real problem areas. This section will describe the PMS implementation processes of Cape Town and Drakenstein Municipality to provide for a tentative comparison between the knowledge, skills and abilities that managers demonstrate in implementing the PMS

and the developed normative framework. The first case, City of Cape Town, was involved in the PM pilot study conducted 2001/2002 and has made much progress in the implementation of its PMS. The second case study, Drakenstein Municipality (Paarl) has yet to implement a PMS, although planning of the system has already started. The two cases were selected to illustrate the extreme ends where municipalities may lie relating to the implementation of the PMS. Once again the information for this section is derived from interviews conducted with the PMS Managers of the municipalities, namely André Roos and Kobus van Schoor from the Performance Management Project Team (City of Cape Town, conducted on 25 October 2002) and Stiaan Carstens (Drakenstein Municipality, interviewed on 30 October 2002).

#### **5.4.1 Case study: City of Cape Town**

The Performance Management Project Team drives the development and implementation of the PMS of City of Cape Town. The PMS is based on the Balanced Scorecard methodology and has been deployed in the top management and administration of the Unicity (i.e. the city manager), the ten heads of portfolio, the top level of all community services and the management levels of the sub councils. Accenture Consulting assisted the Performance Management Project Team in the initial development of the scorecards for the above-mentioned portfolios and functions. In order to simplify comparison between ideal and actual competencies, the actual implementation of the PMS will be discussed by means of the identified seven elements of an integrated PMS.

Performance planning entails using the IDP of the municipality to develop a scorecard for the City Manager. This scorecard articulates all the objectives (across the balance scorecard perspectives) that are considered necessary to realise the goals and priorities of the IDP.

The PM Framework or balanced scorecard developed by the PM Team and departmental managers jointly simplifies the practical implementation of the PMS.

Key Performance Indicators are derived from the objectives, goals and priorities contained in the balanced scorecard of the City Manager. KPI's are developed for each objective and thus form the central measure of performance against a particular objective. In the development of KPI's linkages and interdependencies are identified and incorporated in the writing of the KPI to ensure that it supports the overarching objectives. The final balance and strategic alignment of KPI's are ensured through a PMS strategy map. For each KPI an "Indicator detail sheet" is developed during a workshop attended by the PM Team and the managers of the relevant department. This written document describes the KPI, the relevant objectives supported by the KPI, linkages and deficiencies with other objectives or KPI's, the person responsible for the KPI, necessary data, measurement and report processes and viable strategies in the event of underperformance.

Responsibility for performance is assigned through the organisation by cascading the City Manager's Scorecard to each Portfolio Head. Scorecards are developed for each portfolio head articulating those objectives (across the balanced scorecard perspectives) that are considered necessary to realise and support the goals and priorities of the City Manager. As in the case of the City Manager, KPI's are developed for each of the portfolios head's objectives. This process is repeated for each hierarchical level to which the scorecard is cascaded, thus ensuring that alignment takes place. On the top two management levels performance on the KPI's have been linked to the individual performance contract of the relevant manager.

Monitor and measurement have been simplified by several software systems. Critical services, such as health, use real time measurement systems like SAP (for the Balance Scorecard) that measures KPI's constantly and identifies underperformance instantly. In departments where KPI's progress is more moderate, software systems like Excel is used to capture data on a monthly basis.

Review and report is formalised in the "Plan, Do and Review" process that ensures that measurement, monitoring, review and reporting occur on a monthly basis in terms of specific KPI frequencies and targets. This process has become an integral part of the general management meeting. During the meeting managers report on those KPI's that were scheduled to be measured during that month. Discrepancies in the reviewed KPI's

are identified and “Next Steps” are developed to address performance improvement issues. Responsibility for the implementation of the strategies is assigned to specific individuals and further feedback on the implementation of the strategies is obtained at subsequent meetings. At least once per year the audit committee gives general performance feedback to the national government.

Performance improvement is done incrementally by raising performance targets annually. It may however happen that the political agenda of council members restricts the available resources to managers and thereby rendering higher performance targets unrealistic.

As a result of implementing the PMS, managers in City of Cape Town have developed a great deal of relevant knowledge, skills and abilities, but some deficiencies still exist. These will be analysed after a discussion of the PMS of Drakenstein Municipality.

#### **5.4.2 Case study: Drakenstein Municipality**

The development and implementation of the PMS of Drakenstein Municipality are currently in the initiation phase. The process falls on the shoulders of the IDP Manager, Stiaan Carstens. The development of the PMS and establishment of a PM culture in the organisation are based on the *Draft: Performance Management System for the Drakenstein Municipality* (2002) report compiled by Stiaan Carstens. Once again the actual implementation of the PMS will be discussed by means of the seven elements of an integrated PMS to simplify the comparisons in the subsequent section.

Performance planning flows from the IDP objectives. The strategic objectives of the IDP are executed by a series of business plans. These business plans provide the necessary input for the requirements of the PMS. It is important that all strategic managers understand the close linkage between the IDP, the business plans and the PMS, otherwise essential information necessary for the effective functioning of the PMS may be omitted.

The PM Framework is contained in the *Draft: Performance Management System for the Drakenstein Municipality* (2002). The PM process is described in three phases. Phase one, performance planning, is divided into two parts, namely setting performance indicators and setting performance targets. Phase two, performance facilitation, comprise the monitoring, reporting, evaluation and auditing of performance. Phase three, performance assessment and review, focuses on determining and assessing performance results in order to measure the success as informed by the targets, as well as the overall plan. [Drakenstein Municipality, 2002: section A3 and B]. For each subsection the framework outlines activities and products to be delivered by various organisational levels, timing for initiation and execution of every part, person(s) responsible for actions as well as the final authority for decisions and the provisions that have to be met prior to the implementation of every part.

Key Performance Indicators are used to qualify the main aspect that needs to be achieved and measured. The KPI should specify the object to be achieved, the means by which it will be measured and specifications regarding the quantity, standards and projected phasing of delivery of the object [Drakenstein Municipality, 2002:8-10]. In setting KPI's it is also useful to consider any prerequisites and provisos that may assist in determining both feasible indicators and achievable targets. On operational level, weights should be attached to individual KPI's in order to compare the relative importance of each KPI against others. This ensures that performance assessment is balanced in terms of the relative importance of different indicators. This means that good performance on less important KPI's cannot conceal poor performance on important KPI's. Furthermore it assists managers in keeping their focus on the real issues.

Responsibility for KPI's are delegated through the Performance Management Framework to specific individuals. However, in certain cases problems are experienced in getting managers to accept the responsibility. Many managers view PM as a threat – a system that seeks reasons for the “punishment” of managers when objectives are not attained. The *Draft: Performance Management System for the Drakenstein Municipality* [2002:5] states, however, that the PMS should place emphasis on enabling and assisting employees in achieving their performance objectives and targets. Prerequisites and provisos have been incorporated into each KPI to encourage managers to accept



responsibility for KPI's. The prerequisites and provisos represent actions and preconditions that have to be met to enable managers in reaching targets.

Monitor and measurement will entail formal measurement of performance on a quarterly basis, complemented by a system of informal monitoring developed by the responsible manager(s) [Drakenstein Municipality, 2002:12].

Review and report will assess over-all performance during the annual implementation of the IDP and assist in reviewing such plans for the next term. Performance assessment comprise measuring performance results against set performance targets, as well as reviewing the PMS itself [Drakenstein Municipality, 2002:13].

Performance improvement takes place incrementally by setting more demanding targets every year. However, concern has been raised that mistrust in the system may cause managers to set attainable, rather than inspiring objectives to ensure goal attainment and to avoid failure and punishment. This situation may be avoided by allowing managers to incorporate provisos and prerequisites in the KPI stating the circumstances under which higher performance targets may be achievable.

Although Drakenstein Municipality has just started implementing their PMS there is already indications that relevant PMS knowledge, skills and abilities are developing. In the next section the described PMS processes will be analysed to formulate tentative conclusions regarding the knowledge, skills and abilities of managers in the two case studies. The aim of the section is to identify possible areas of development in the PMS knowledge, skills and abilities of local government managers as could be inferred from the conducted research.

#### **5.4.3 Tentative findings on areas for development**

This section will discuss tentative areas of development in the PMS knowledge, skills and abilities of the PM Manager(s) and strategic managers involved in the implementation of the municipal PMS. These findings are based on a comparison

between the developed normative framework and the PMS implementation processes of Cape Town and Drakenstein Municipality. A simplified, generalised summary of the tentative knowledge, skill and ability levels of managers in Cape Town and Drakenstein Municipality are provided in Addendum A. It should be emphasised that these findings are by no means a true or complete reflection of the knowledge and competence of the studied managers. The sole purpose of these findings is to provide for certain general recommendations for future PMS training programmes directed at local government managers. However, before training commences, this study should be supplemented by a scientific assessment of the knowledge, skills and abilities of local government managers to determine specific training needs.

The remainder of the chapter will discuss and rationalise the training needs summarised in Addendum A. Starting with knowledge of the PMS legislation, PM theory and municipal IDP, the PMS Managers of both Cape Town and Drakenstein Municipality have demonstrated sufficient competence in the various interviews and analysed documents to successfully manage the implementation of the PMS process. The strategic managers of City of Cape Town have for the last year been included in the deployment of the PMS, and it can therefore be expected that they have gained some legislative and theoretical knowledge of PMS. In contrast, the PMS of Drakenstein Municipality are at present still concentrated in the hands of the PM Manager and the Municipal Manager. While the PMS Manager of Drakenstein Municipality have researched different PM theories, it is unlikely that the strategic managers have already found the need to study the PMS legislation or theories. On the other hand the strategic managers are all familiar with the IDP of the municipality since they were part of the IDP developmental process.

Research into best practices has in both municipalities been limited to the PMS Manager(s) of the organisations. It could well be foreseen that strategic managers will become more proactive in seeking creative solutions as they become more involved in the PMS process.

Managers in both municipalities are sufficiently familiar with the general structure of the organisation. In contrast, organisational theory is a specialised field and individual managerial competence in this respect should be determined during a thorough training

needs assessment. Although organisational theory is necessary to ensure the integration of the PMS with the organisational structure, it is not required that all the managers are experts in this regard. Instead integration could be ensured through a selected team of organisational experts.

With regard to the operations of the various departments all managers have a broad idea of the functions of each department, although the managers of Cape Town may experience a greater challenge as result of the size of the organisation. However, in depth familiarity of the operations, as well as individual and team goals and tasks are limited to the strategic manager of each department. This will not hamper the effective implementation of the PMS, provided firstly that the strategic managers have the required PM and secondly if open communication takes place between the various departments to ensure the promotion of mutual goals. However, municipalities, such as Drakenstein that are still building a PMS capacity, require close interaction between the PMS Manager and the strategic managers to guide the implementation of the PMS. In these cases effective implementation may be hampered if the PMS Manager does not comprehend the actual operations of each department.

Developing and managing KPI's and determining the required performance within each department and organisational level require a detailed knowledge of individual and team goals and tasks that only the strategic manager of the relevant department currently has. Therefore, although the PMS Managers in both studies have the necessary knowledge for the development of KPI's and setting of performance targets, the implementation of the PMS with regard to these two aspects is seriously hampered by the lack of PM competence amongst the strategic managers.

The PMS Managers in both case studies have already undertaken performance planning. Furthermore the strategic managers in both cases have a practical knowledge of the planning process gained during other planning sessions that will assist them during performance planning. With regard to the management systems of the organisation that may impact on the implementation of the PMS, the various managers deal with these systems regularly as part of the normal functioning of the municipality. Therefore, they already have an intimate knowledge of these systems, and should only be made aware of the impact of these systems on the implementation of the PMS. Once

again, the managers in Cape Town may experience a greater challenge in this regard as the large size of the organisation produces many subsystems.

Acquiring, managing and the presentation of data and information have been much simplified in Cape Town by means of the formal indicator detail sheet and the implementation of software packages. To a large degree the processes are still driven and coordinated by the PMS Managers, but their role should decrease as the strategic managers become more familiar with the relevant processes.

Knowledge of the learning organisation philosophy should also be tested during a training needs assessment. Although the learning organisation philosophy is necessary to ensure the constant improvement and fine-tuning of the PMS, the organisation will be able to implement and manage the PMS without this knowledge. The municipality thus have a more lenient time frame for instilling this philosophy.

As with the management systems, both the strategic managers and the PMS Managers of both municipalities are confronted by the political agenda of policy-makers when carrying out their normal function. Once again managers need to use their knowledge of the relevant political agendas to determine how these may impact on the implementation of the PMS.

An analysis of the various knowledge elements reveals that while the managers in the two case studies perform well in some areas, some serious additional capacity building is necessary in other areas. However, most of the knowledge elements are unique to the implementation of the PMS. In contrast, many of the identified skills and abilities also apply to the everyday functions of the local government managers and may therefore be present in the organisation already. The following discussion of the needed PMS skills and abilities will highlight probable developmental areas as revealed in the two case studies.

Focussing on the first ten skills and abilities, both the PMS Managers and the strategic managers of the two municipalities have developed some, although not necessarily sufficient, capacity in these skills in the execution of other managerial functions. It should

be stressed that the assigned ratings reflect the general capability of the studied managers as perceived by the researcher.

Starting with communication and interpersonal skills, the PMS Managers of Cape Town and strategic managers of both case studies have at least an adequate capacity to drive the PMS. The PMS Manager of Drakenstein showed an above average communication ability in both the interview and the studied documentation. As communication and interpersonal skills are two of the key elements for successful PMS implementation, the ability of managers at all levels should be tested during the training needs assessment.

The PMS Managers from both municipalities have strong organisation and coordination skills. The managers of Cape Town need these skills to implement the PMS, while the manager of Drakenstein need it for the implementation of the IDP. Since both municipalities function fairly successfully, it should be assumed that adequate organisation and coordination capacity exist under the strategic managers of both organisations.

This study did not provide sufficient data to assess the leadership and motivational abilities of managers in the two case studies. It could, however, be expected that, as with interpersonal and organisation skills, the strategic managers have developed their leadership ability in the execution of their other managerial duties. It may be useful to confirm this assumption with a formal assessment of their respective abilities.

With regard to facilitation and negotiation skills, the PMS Managers of both organisations have adequate ability as illustrated by the implementation of the PMS and the IDP respectively. However, in the Drakenstein Municipality especially, the strategic managers have not yet been exposed to circumstances where facilitation and negotiation skills are essential and these skills may, therefore, be underdeveloped.

The analytical ability and language and writing skill of the PMS Managers in both municipalities are developed adequately as displayed the studied PMS documents. These documents also reveal the strategic thinking ability of the PMS Managers with regard to the management of municipal performance. In City of Cape Town the ability to think strategically in terms of performance requires needs to be developed under the

strategic managers of the municipality. A needs analysis is required to determine the exact proficiency of the strategic managers in both case studies so that a developmental plan could be compiled.

With regard to project management and change management skills, the respective PMS Managers have gained an adequate to excellent ability during the implementation of the PMS and IDP. It could furthermore be expected that the ability of the PMS Manager of Drakenstein will further increase as the municipality starts to implement the PMS. However, the abilities of the strategic managers cannot be assessed with the acquired information. Their abilities should, therefore, be tested in a formal training needs assessment.

The development of balanced KPI's is a complicated, highly specialised skill that – according to this study – was mastered only by the PMS Managers from City of Cape Town. The PMS Manager of Drakenstein does have a theoretical knowledge of the development of KPI's, but has of yet have little experience in setting KPI's. The greatest complication, however, is that KPI's demand some detailed knowledge of the internal functions and goals of each department that PMS Managers often lack. Once again it is found that the implementation of PMS in both case studies is seriously hampered by the lack of PM competencies under the strategic managers.

Adapting organisational systems and the environment to support the PMS of the municipality requires an in-depth understanding of the PMS theory and practical experience of PMS implementation. During this research, the combination of knowledge and experience was found only amongst the PMS Managers of City of Cape Town. Despite this deficiency, Drakenstein Municipality should be able to start the implementation of the PMS and in time acquire the experience needed to adapt other organisational systems to the demands of the PMS.

Performance contracts, while an important part of the PMS, are the responsibility of the human resource department of the municipality and not the PMS Managers or strategic managers. The performance contracts are, however, informed by the PMS and impact on all high-level managers in the organisation. Therefore, while insight into the design of

performance contracts may prove useful to the managers affected by such contracts, a lack of such designing skills will not impede the implementation of the PMS.

The PMS Managers of City of Cape Town are once again the only managers with sufficient skill and ability to utilise specialised PMS software packages. Some competence has already started developing under the strategic managers of the municipality as they become more familiar with the use of the PMS software. The PMS Manager of Drakenstein Municipality has already started the search for an appropriate software package that fits the need of the municipality. However, the ability to apply software will only develop after the PMS and the software has been implemented and acquired. Training for software utilisation for the managers of Drakenstein Municipality will depend on the degree of specialisation of the selected PMS software and the actual computer skills of the managers.

Lastly, setting realistic goals, working under pressure and resisting political interference are all abilities that managers should have developed in the execution of other functions. The PMS Managers have already set goals in terms of the PMS and experience pressures resulting from the PMS. The strategic managers of both municipalities will in time adapt their current ability to the unique requirements of PMS implementation. The ability to resist political interference depends strongly on the individual characteristics of a person. The relative abilities of the managers analysed in the two case studies cannot be assessed with the acquired information. A general rating is given until the results of further research are available.

The analysis indicates that managers in both case studies fare well in certain knowledge and ability aspects while requiring (urgent) development in others to ensure the successful implementation of the PMS. One final point of clarification needs to be made. Although the two municipalities were compared with each other in order to identify the probable range of PMS capability that exists in local governments, it needs to be recognised that Drakenstein Municipality has far fewer financial and human resources with whom to implement the PMS. A poor comparison with a large organisation, such as City of Cape Town could, therefore, not be seen as a true reflection of the capacity and success of Drakenstein Municipality.

The findings of the analysis will be further considered in the next chapter, leading to recommendations for interventions (e.g. PM training programmes) whereby identified deficiencies could be addressed.

## **5.5 CONCLUDING REMARKS**

Training is an effective means to ensure that the managers of local governments have the necessary competence to implement a PMS. However, to exploit the effectiveness and cost-effectiveness of training it is important that interventions are designed to address the most critical deficiencies that managers experience. This chapter tentatively explored the deficiencies of managers charged with the implementation of the PMS in City of Cape Town and Drakenstein Municipality. A normative framework capturing 15 knowledge elements and 17 skills and abilities that local government managers need to implement the PMS was designed. The validity of the elements captured in the developed normative framework was proven by comparing it to the modules of the JUPMET performance management training programme, which was based on a similar training needs assessment. Thereafter the PMS implementation processes of City of Cape Town and Drakenstein Municipality was analysed to tentatively draw conclusions on the actual knowledge, skills and abilities of managers involved in the PMS process. Lastly a simplified gap analysis, using the normative framework and the described PMS processes, was done in order to identify possible knowledge, skill and ability deficiencies that may hinder managers in successfully implementing the PMS.

The next chapter will make recommendations whereby the identified deficiencies may be addressed.



## Chapter 6

### **RECOMMENDATIONS AND CONCLUSION**

#### **6.1 INTRODUCTION**

Chapter 5 explored the knowledge, skills and abilities that local government managers need in order to successfully implement and manage the PMS. These findings were contained in a normative framework, providing a point of departure for conducting formal training needs assessments under local government managers responsible for PMS implementation. The chapter concluded with a tentative gap analysis, using the implementation processes of City of Cape Town and Drakenstein Municipality to identify possible deficiencies relating to the knowledge, skills and abilities of the PMS Managers and strategic managers of the two local governments. Although the obtained results cannot be seen as a true reflection of the abilities and deficiencies of the assessed managers, the results will be used to make broad recommendations for future PMS training programmes aimed at local government managers.

As the final chapter in this thesis, this chapter commences with an overview and summary of the main points of departure, theoretical background and understandings providing the basis for the developed normative framework and the conducted research. Thereafter the findings of the tentative training needs assessment of managers in City of Cape Town and Drakenstein Municipality are discussed in terms of recommendations for future PM training programmes for local government as well as brief recommendations on national policy matters regarding PM. The chapter concludes with recommendations for future research in this field.

#### **6.2 OVERVIEW OF THEORETICAL BACKGROUND AND UNDERSTANDINGS**

Performance management emerges as the latest theory in a long line of management research regarding organisational performance. Encompassing the good characteristics of previous management theories, it holds much promise for transforming the way organisations think about and ensure performance in a modern environment. *PM may be*

*narrowly viewed as a set of tools and techniques which can be used by managers and politicians to manage the performance within their own organisations, or it can be viewed more widely as a pattern of thinking that results from a wide-ranging set of changing political, economic, social and ethical pressures that have impacted on local authorities in ways that are more extensive than simply the deployment of specific techniques [Rogers, 1999:2]. Relating to local government in South Africa, the Department of Provincial and Local Government defines performance management as a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact [DPLG (2), 2001: 3].*

Research found that definitions of PM widely differ from the real systems used by public and private organisations to manage performance. Organisations adopting a PM approach need to develop a PMS that describes and represents how the organisation's cycle and processes of performance planning, monitoring, measurement, review and reporting will be organised, implemented and managed. In local government, a well-developed PMS plays a crucial role in ensuring the proper implementation of PM by directing all thinking, activity and resources towards the achievement of the outcomes and strategic objectives of the municipality [DPSA & JUPMET, 2002:110]. To ensure integration, such a system should consist of seven elements, namely performance planning, a formal performance management framework, key performance indicators and performance targets, the sharing and delegation of responsibility for performance, performance monitor and measurement, performance review and report and performance improvement.

The South African Government has come to recognise the advantages of implementing PMS in the local government sphere as a means of realising municipal integrated development plans (IDPs). Local government legislation and other official documentation, such as the *White Paper on Local Government*, 1998, the *Local Government: Municipal Structures Act*, 1998, act 117 of 1998, the *Local Government: Municipal Systems Act*, 2000, act 32 of 2000 and the *Local Government: Municipal Planning and Performance Management Regulations*, 2001, depict PM as a means to enable local government managers to actively plan, manage and measure the

performance of the relevant organisation and employees. The legislation pays considerable attention to the development and use of PMS in local government. Furthermore, there is a strong correlation between the PMS requirements contained in the Municipal Systems Act and the PM Regulations and the seven elements of a well-integrated PMS. The legislative framework, therefore, provides sufficient instructions to local government managers to successfully develop and implement functional PMS.

The various pieces of PM legislation formulated by the South African Government have a further aim than merely initiating PM. These also pursue the broader objectives of good governance, for example the efficient use of resources, instilling accountability and enhancing responsiveness to development needs. These broader objectives serve to enhance the importance of developing municipal PMS and it is, therefore, disconcerting that so little success has been achieved in terms of the realisation of PM in local government during the past five years. The PMS implementation process may be either hindered by inadequate instructions given to local government managers, or by organisational and environmental conditions that impede the implementation of the PMS. Since the instructions of the Municipal Systems Act and the PM Regulations correspond strongly with the seven elements of an integrated PMS, it is concluded that inadequate instructions are most probably not the cause of delays in PMS implementation. Inadequate implementation could thus be attributed to environmental and organisational elements that impact on local government PMS, such as the degree of top management support for the process, tailoring the PMS to the unique requirements of the organisation, alignment between the PMS and other management processes and the capacity of management in terms of knowledge, skills and abilities to implement and manage the PMS.

Since PM is a relatively new concept demanding a paradigm shift in the manner of local government management, special emphasis is laid on the requirement for competent managers. PM training is one of the fastest and possibly most effective ways to establish the principles of PM amongst local authorities. The outcome of training is competent people who dispose of the necessary skills and knowledge to implement and manage the PMS. However, to ensure that PM training programmes address the most critical needs in a cost-effective manner, training should be preceded by a comprehensive training needs assessment. To practically assess the PM training needs of local

government managers, a normative framework based on the seven elements of an integrated PMS has been developed. The normative framework contains 15 knowledge elements and 17 skills and abilities that local government managers need in order to implement the PMS. The developed framework was validated by comparing this to the modules of the JUPMET PM training programme, which was based on a similar training needs assessment.

A tentative, preliminary training needs assessment was proposed for the PMS Managers and strategic managers involved in the PMS of City of Cape Town and Drakenstein Municipality respectively. The assessment entailed a simple gap analysis where the actual PM knowledge, skills and abilities of public managers – as deduced from described PM processes – were compared to the elements in the developed normative framework. From a general interpretation of the obtained results it appears that managers in both case studies fare well in certain knowledge and ability aspects, while requiring (urgent) development in others to ensure the successful implementation of the PMS. When comparing the results of the various managers involved in the assessment, the PMS Managers tend to fare better than the strategic managers in terms of the identified competencies. Furthermore, the managers of City of Cape Town fare better than their respective counterparts in Drakenstein Municipality. This seems to indicate that PMS competencies will develop with time and experience. Time pressures and the high expectations surrounding PM, training programmes addressing the specific needs of local government managers suggest that PMS implementation needs to be accelerated and enhanced. The next section will further analyse the outcomes of the simplified training needs assessment in order to make recommendations for future PM training programmes aiming to enable and improve PMS in local authorities.

### **6.3 RECOMMENDATIONS FOR FUTURE PM TRAINING PROGRAMMES**

The results of the conducted needs assessment illustrated that managers in both case studies fare well in certain knowledge and ability aspects, while requiring (urgent) development in others to ensure the successful implementation of the PMS. Some further analysis of the obtained outcomes, as contained in Addendum A, leads to the following three observations:

- A comparison between the degree of deficiency of the PMS Managers and the strategic managers in both case studies reveal that the PMS Managers generally have more PMS competence.
- A comparison between the degree of deficiency of the PMS Manager of Drakenstein Municipality and the PMS Managers of City of Cape Town reveal that the PMS Managers of City of Cape Town generally have more PMS competence.
- A comparison between the degree of deficiency of the strategic managers of Drakenstein Municipality and the strategic managers of City of Cape Town reveal that the strategic managers of City of Cape Town generally have more PMS competence.

The analysis indicates that managers with more experience and exposure to PM tended to fare better in the simplified needs assessment. This seems to indicate that PMS competency will develop in time as experience is gained. However, it should be borne in mind that municipalities are under time constraints as the PMS should be in place by June 2003. Furthermore, learning from experience may result in widely varying systems reflecting different assumptions on PM, which may not always be correct and may inadvertently hamper optimal functioning of the PMS. It was consequently found that there is a definite need for specialised PM training programmes to address the actual PMS needs of managers and accelerate the development of PMS competence.

Recommendations resulting from the thesis and the conducted research are divided into two categories. Firstly, recommendations will be made with regard to the development of further PM training programmes directed at local government level. Secondly, brief recommendations will be made for addressing PMS problems at national policy level.

### **6.3.1 PM Training Programme recommendations**

An integrated PM training programme should be developed to ensure the realisation of the benefits of performance management and the development of PMS competence throughout local government in South Africa. It is recommended that training should encompass three activities, namely:

- a) An introductory workshop to performance management,
- b) a familiarisation workshop conducted within each municipality, and
- c) an in-depth training programme to develop PMS competence in the seven elements of a PMS.

The introductory one-day workshop to performance management would be aimed specifically at municipalities or individuals unfamiliar with the theoretical background and basic principles of PM and the municipal PMS. Participants attending the workshop may originate from different municipalities and would involve both PMS Managers new to the position and strategic managers and officials who would be responsible for various constituent parts of the PMS. The workshop should provide a general overview and introduction to PM and PMS theory as described in Chapter 2, as well as the legal background to municipal PMS, as described in Chapter 3.

The familiarisation training programme would be conducted within each organisation and involve both the PMS Manager(s) and the strategic managers of the municipality. The purpose of the two to three day workshop would be to familiarise participants with the various departments in the organisation, as well as the specific activities, tasks and goals of each department. It also provides the opportunity for integrated organisational performance planning and the development of KPI's and performance targets that requires collaboration between different departments. The involvement of the PMS Manager in the departmental PMS development and implementation process allows for the exchange of expert knowledge with regard to the technical details of the development of the PMS (e.g. the development of KPI's), or vice versa specialised knowledge with regard to the technical details of the functions of each department. This will result in an integrated, well-developed PMS tailored to the unique requirements of the relevant municipality.

An in-depth training programme consisting of at least five days should be conducted where the general PM knowledge of local government managers could be expanded and the development of PMS competencies be initiated. The programme should provide for theoretical training in each of the seven elements of an integrated PMS, namely performance planning, the PM framework, KPI's and performance targets, delegating responsibility for performance, performance monitor and measurement, performance

review and report and performance improvement. This should be supplemented with a comprehensive analysis of the legislative framework for PM in South African local government to ensure that managers are familiar with the legal requirements of their PMS. Lastly, the bulk of the training session should be devoted to developing and extending, within the PMS context, the competence of managers with regard to:

- Communication and interpersonal skills
- Organisation and coordination
- Leadership
- Facilitation and negotiation
- Analytical ability
- Language proficiency and writing skills
- Strategic thinking
- Motivational ability
- Project Management
- Change Management
- Development of KPI's
- Adapting organisational systems and the environment
- Designing performance contracts
- Utilising software packages
- Goal setting
- Working under pressure
- Resisting political interference

It is quite probable that managers may already have some of these competencies as a result of other managerial functions. It is, therefore, imperative that training should be preceded by a scientific training needs assessment, based on the normative framework developed in this thesis, to determine the developmental needs of managers. This allows for the adaptation of the training programme to the most urgent needs of the managers within each local authority. Similarly, where municipalities experience implementation difficulties in only certain elements of the PMS, the applicable knowledge, skills and abilities for those elements (as set out per element in Chapter 5) could be identified. Adapting the training programme in accordance with the actual need

of the managers would enhance the effectiveness and economy of training. The initial cost of training may also be decreased by training only strategically placed managers in the specialist PMS knowledge and skills, such as the development of KPI's or organisational theory, allowing the organisation time to gradually expand these competencies to the rest of the organisation.

It is recommended that the in-depth training programme is followed by a post-training evaluation after six months. This period would provide participants the opportunity to practically apply the acquired skills in their workplace and to identify further development needs. The outcomes of the post-training evaluation would determine the focus of further training programmes aimed at developing PMS competence.

### **6.3.2 National policy recommendations**

The legislative documents mandating and describing the development and implementation of PMS in local government were analysed in Chapter 3. The analysis concluded that it served as a comprehensive guide that should enable local authorities to establish integrated PMS. Because the development and implementation phase is scheduled to be completed by June 2003, this necessitates the formulation of further policy guidelines to direct the next phase, namely enhancing the effectiveness of the municipal PMS through organisational learning.

At the moment of writing the Department of Provincial and Local Government (DPLG) is providing local governments with a series of PMS models on which they can base the development of their organisational PMS. Since municipalities are expected to adapt these models to their own circumstances, the need arises for clear, distinct criteria to which the final municipal PMS could be compared to ensure that it includes all elements necessary for an integrated system. Guidelines from DPLG in this regard would ensure a uniform application of PM on the local government level, despite the different specific versions of PMS adopted by each municipality.

To ensure the obtainment and development of competent personnel to implement and manage the PMS, integrated PM training programmes as described in section 6.3.1



should be developed and rolled out. DPLG and the public services SAQA should provide for the accreditation of PM training programmes to ensure the effectiveness of different courses and maintain a set standard throughout the local government sphere. Furthermore, DPLG and the various local governments need to budget for PM training, ensuring that funding would be available for the capacity-building process.

Lastly, evaluation criteria should be developed for the periodic measurement of training programmes to ensure that training remains effective and relevant to the needs of local government managers.

These recommendations conclude this study regarding the training needs of local government managers with regard to the implementation of PMS. The next section will make certain recommendations for future research in this field, leading into the final concluding remarks.

#### **6.4 RECOMMENDATIONS FOR FUTURE RESEARCH**

This thesis provided a broad overview on PM in South African local government as implemented through various legislative frameworks, with specific focus on the importance and training of competent managers to implement and manage the PMS. Further research on PM training is required, especially on the following:

- A more comprehensive and methodological training needs assessment should be developed and conducted on a broad scale to involve local, district and metropolitan municipalities in all nine provinces.
- The different PMS used by South African local governments should be analysed to establish the specific training needs of managers with regard to each system.
- The experiences of municipalities that have successfully developed and implemented PMS should be analysed to provide feedback and guidelines to other municipalities that are experiencing developmental or implementation difficulties.

## 6.5 CONCLUDING REMARKS

This thesis analysed the importance of PM in local government in South Africa. The conducted theoretical research and analysis of legislation concurs with the conclusion of DPLG that:

*Performance management is more than a system; it is an approach to what we do and how we do it. It is an approach that stresses:*

- *Transparency about aims and achievements through effective and participative planning and evaluation;*
- *Inclusion and participation of stakeholders in deciding aims and assessing achievements;*
- *Learning and improvement based on knowing what we are really achieving and openness and honesty about what went right and what went wrong;*
- *A commitment to directing all the resources of the organisation towards the achievement of the strategic priorities of the organisation;*
- *Everyone knowing how their work contributes to the development of the community served;*
- *Everyone feeling responsible for the success of the whole organisation and the impact it has on communities it serves, not just for getting their job done;*
- *Using decisions about what must be achieved to create the conditions to achieve it;*
- *A focus on improvement and not reasons why we can't be held responsible*

[DPLG & JUPMET, 2001:66]

To realise the benefits of PM, local governments need competent managers to implement and drive the process. This chapter examined the findings of the tentative training needs assessment of managers in City of Cape Town and Drakenstein Municipality. On the basis of the obtained outcomes, recommendations were made for future PM training programmes aimed at improving the competence of local government managers. Brief recommendations were also given regarding national policy matters on PM in local government and further research in this field.

## CHAPTER 7

### List of References

#### 7.1 PUBLISHED SOURCES

##### 7.1.1 Books

Agere, S. & Jorm, N (Eds). 2000. *Designing Performance Appraisals. Assessing needs and designing performance management systems in the Public Sector*. London, UK: Commonwealth Secretariat

Armstrong, M. & Baron, A. 1998. *Performance Management. The new realities*. London: Institute of Personnel and Development

Boydell, T. & Leary, M. 1996. *Identifying Training Needs*. London: Institute of Personnel and Development

Brizius, J.A. Christopher, G.C. Dyer, B.R. Foster, S.E. Miller, M.G., Popovich, MG & Resnik-West, S. 1998. *Creating High-Performance Government Organizations. A Practical Guide for Public Managers*. San Francisco: Jossey-Bass Publishers

Cheminais, J., Bayat, S., Van der Walt, G. and Fox, W. 1998. *The Fundamentals of Public Personnel Management*. Kenwyn, R.S.A.: Juta & Co Ltd.

Fisher, S.G. 1997. *The Manager's Pocket Guide to Performance Management*. Amherst, Massachusetts: HRD Press

Mayo-Smith, I. & Ruther, N.L. 1986. *Achieving Improved Performance in Public Organizations. A guide for managers*. West-Hartford, Connecticut: Kumarian Press

Rogers, S. 1999. *Performance Management in Local Government. 2nd edition*. London: Financial Times Management

Rossett, A. & Arwady, J.W. 1987. *Training needs assessment*. Englewood Cliffs, N.J.: Educational Technology Publications

Schwartz, A.E. 1999. *Performance management*. Hauppauge, N.Y.: Barron's Educational Series

Spangenberg, H. 1994. *Understanding and Implementing Performance Management*. Kenwyn, R.S.A.: Juta & Co Ltd.

Van Wart, M., Cayer, J. & Cook, S. 1993. *Handbook of training and development for the public sector :a comprehensive resource*. San Francisco, Calif.: Jossey-Bass

#### **7.1.2 Periodicals and Journals**

Amaratunga, D., Baldry, D., and Sarshar, M. 2001. "Process improvement through performance measurement: the balanced scorecard methodology" in Work study, Vol. 50, No. 3, pp. 179-189

Boland, T. & Fowler, A. 2000. "A systems perspective of performance management in public sector organisations" in The International Journal of Public Sector Management, Vol. 13, No. 5, pp. 417-446

Burger, J. 1999. "Demarcating public financial knowledge and skills requirements for increased public sector performance" in Journal of Public Administration, Vol. 34, No. 4, December

Burger, J. & Ducharme, G. 2000. "Performance measurement in local government. Reconciling financial performance with other performance indicators" in Administratio Publica, Vol. 10, No. 2, December

Cohen, J. 2001. "Environmental uncertainty and managerial attitude: effects on strategic planning, non-strategic decision-making and organisational performance" in South African Journal of Business Management, Vol. 32, Issue 3, pp. 17-31

Halachmi, A. 2002. "Performance measurement and government productivity" in Work Study, Vol. 50, No. 2, pp.63-73

Renton, M. 2000. "Increase productivity through effective performance management" in People Dynamics, Vol. 18, Issue 11, pp. 40-45

Spangenberg, H.H. & Theron, C.C. 2001. "Adapting the Systems Model of Performance Management to major changes in the external and internal organisational environments" in South African Journal of Business Management, Vol. 32, Issue 1, pp. 35-47

Venter, A. 1998. "Making performance management work: charting a course for success" in People Dynamics, Vol. 16, Issue 8, pp. 42-46

### **7.1.3 Dictionaries**

Statt, D.A. 1991. *The Concise Dictionary of Management*. London: Routledge

### **7.1.4 Legislation**

RSA. 1996. *The Constitution of the Republic of South Africa (Act 108 of 1996)*. Pretoria: Government Publication

RSA. 1997. *White Paper on Transforming Public Service Delivery (Batho Pele White Paper)*. Pretoria: Government Publication

RSA. 1998. *Local Government: Municipal Structures Act (Act 117 van 1998)*. Pretoria: Government Publication

RSA. 1998. *The White Paper on Local Government*. Pretoria: Government Publication

RSA. 2000. *Municipal Systems Act (Act 32 of 2000)*. Pretoria: Government Publication

RSA. 2001. *Local Government: Municipal Planning and Performance Management Regulations* (Gazette 22605, Regulation Gazette 7146). Pretoria: Government Publication

## 7.2. UNPUBLISHED SOURCES

### 7.2.1 Official Documents

DPLG (1) Department of Provincial and Local Government. 2001. *Performance Management. A guide for Municipalities*. Pretoria : Norad and the Department of International Development (DFID)

DPLG (2) Department of Provincial and Local Government. 2001. *Introduction to Performance Management for Local Government in South Africa*. Pretoria : Norad and the Department of International Development (DFID)

DPLG & JUPMET. 2001. *Organisational Performance Management For Local Government. Facilitator's Guide October/November 2001*. Unpublished © 2002 Simeka Management Consulting & JUPMET

DPLG & JUPMET. 2002. *Organisational Performance Management For Local Government. Participants/ Facilitators Handbook. February 2002*. Unpublished © 2002 Simeka Management Consulting & JUPMET

Drakenstein Municipality. 2002. *Draft: Performance Management System for the Drakenstein Municipality*. Unpublished

### **7.2.2 Research Papers**

Le Roux, D. 1995. *The evaluation of a performance management system within a South African organisation*. Unpublished research paper presented to the Graduate School of Business of the University of Stellenbosch

Naicker, N. 1995. *The Training and Development Scheme (TDS) as an affirmative action strategy: A case study approach: The City of Durban*. Unpublished research paper presented to the Department of Public Administration in the Faculty of Commerce and Administration at the University of Durban-Westville

Shierschmidt, N. 2002. Unpublished research paper presented to the School of Public Management and Planning of the University of Stellenbosch

### **7.2.3 Web Pages**

<http://www.gov.za/structure/local-gov.htm> South African Yearbook 2001/2002. Local Government Editor: D Burger. Pretoria: Government Communication and Information System, 2002

### **7.2.4 Interviews**

Carstens, Steven. 2002. IDP Manager of Drakenstein Municipality, Paarl. Personal interview on 30 October 2002

Roos, André. 2002. Member of the Performance Management Project Team, Cape Town Unicity, Cape Town. Personal interview conducted on 25 October 2002

Van Schoor, Kobus. 2002. Member of the Performance Management Project Team, Cape Town Unicity, Cape Town. Personal interview conducted on 25 October 2002

Van Wyk, Belinda. 2002. PMS consultant and trainer at Unistel Consultus, Bellville  
Personal interview conducted on 4 November 2002



## ADDENDUM A

### **GENERALISED SUMMARY OF KNOWLEDGE, SKILLS AND ABILITIES FINDINGS OF CASE STUDIES**

This addendum provides a generalised summary of the knowledge, skills and abilities deficiency findings of managers in the studied cases. The researcher assigned subjective ratings to the managers based on a comparison between the described PMS processes of Cape Town and Drakenstein Municipality (sections 5.4.1 and 5.4.2) and the developed normative framework (section 5.3). Where possible, these findings were electronically verified by the PMS Managers of the organisation. It must however be emphasised that these findings are not necessarily a true reflection of the knowledge and competence of the studied managers. The tables were developed to identify possible strengths and weaknesses in the competence of managers involved in the implementation of local government PMS. Possible areas of weakness identified through the tables will be used to make general recommendations for future PMS training programmes directed at local government managers. However, this study should be supplemented by a scientific assessment of the knowledge, skills and abilities of managers in the organisation to determine their specific training needs before formal training commences.

The ratings for Cape Town Unicity are portrayed in Table A1 and A3 while the results for Drakenstein Municipality are portrayed in Table A2 and A4. The tables list the knowledge, skill and ability components necessary for successful PMS implementation. The competencies of both the PMS Managers and strategic managers in general are evaluated in terms of the implementation and management of the PMS against the listed components. The symbol "a" indicates that the knowledge, skills and abilities of the manager(s) are at the level described in the normative framework. The symbol "b" indicates some proficiency in terms of the needed knowledge, skills and abilities, but further development is needed to attain optimum proficiency. Lastly "c" indicates insufficient knowledge or competence in the relevant component and requires urgent attention. In each case, the assigned symbol reflects the knowledge, skills and abilities level of at least 50% of the PMS Manager(s) or the strategic managers.

<b>Table A1: Knowledge proficiency in Cape Town Unicity</b>			
		Knowledge levels of PM manager	Generalised knowledge level of strategic management
<b>Knowledge components</b>	Legislation	a	b
	PM Theory	a	b
	IDP of the Municipality	a	b
	Best practices	b	c
	Organisational structure and organisational theory	b	b
	Operations of departments	b	a
	Individual and team goals and tasks	b	a
	Developing and managing KPIs	a	c
	Required performance on each organisational level	b	a
	Planning process	a	b
	Management systems	b	b
	Acquiring and presenting data	a	b
	Information management	a	b
	Learning organisation philosophy	b	c
	Political agenda of policy-makers	b	b

<b>Table A2: Knowledge proficiency in Drakenstein Municipality</b>			
		Knowledge levels of PM manager	Generalised knowledge level of strategic management
<b>Knowledge components</b>	Legislation	a	c
	PM Theory	b	c
	IDP of the Municipality	a	b
	Best practices	b	c
	Organisational structure and organisational theory	a	b
	Operations of departments	b	a
	Individuals and team goals and tasks	c	b
	Developing and managing KPIs	b	c
	Required performance on each organisational level	a	c
	Planning process	a	b
	Management systems	a	b
	Acquiring and presenting data	b	c
	Information management	c	c
	Learning organisation philosophy	c	c
	Political agenda of policy-makers	b	b

<b>Table A3: Skill and ability proficiency in Cape Town Unicity</b>			
		Skills and abilities of PM manager	Skills and abilities of strategic management
<b>Skills and abilities</b>	Communication and interpersonal skills	b	b
	Organisation and coordination skills	a	b
	Leadership skills	b	b
	Facilitation and negotiation	a	b
	Analytical ability	a	c
	Language proficiency and writing skills	a	c
	Strategic thinking	a	c
	Motivational ability	b	b
	Project Management skills	a	c
	Change Management skills	a	c
	Development of KPIs	a	c
	Adapt organisational systems and environment	a	c
	Designing performance contracts	c	c
	Utilising software packages	a	b
	Goal-setting ability	a	b
	Work under pressure	a	b
	Resisting political interference	b	b

<b>Table A4: Skill and ability proficiency in Drakenstein Municipality</b>			
		Skills and abilities of PM manager	Skills and abilities of strategic management
<b>Skills and abilities</b>	Communication and interpersonal skills	a	b
	Organisation and coordination skills	a	b
	Leadership skills	b	b
	Facilitation and negotiation	a	c
	Analytical ability	a	c
	Language proficiency and writing skills	a	b
	Strategic thinking	b	c
	Motivational ability	b	b
	Project Management skills	b	c
	Change Management skills	b	c
	Development of KPIs	b	c
	Adapt organisational systems and environment	b	c
	Designing performance contracts	c	c
	Utilising software packages	b	c
	Goal-setting ability	a	b
	Working under pressure	a	b
Resisting political interference	b	b	