

A Normative Approach to Organisational Performance Management (OPM) in municipalities

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ABSTRACT

The research on organisational performance management (OPM) in municipalities in South Africa was undertaken for the purpose of developing a perspective on the importance of its function and to argue for its inclusion in the management system of a municipality. The article emphasises the interrelationships between four themes, namely the objectives, capacity, resources and the type(s) of performance measuring instrument(s) a municipality should employ. Several aspects of municipal performance necessary for the efficient, effective and economic functioning of a municipal entity, its growth and development are explored. Among these are public participation, strategy, leadership, productivity, monitoring and evaluation of successes and failures, and importantly too, the culture of performance management and measurement. The focus of the article is on a theoretical understanding of OPM, its place and purpose, the compelling relevant local government legislation and the commitment of top managers to driving OPM institutionalisation and implementation. The evaluation of the research findings presented enough material from which to develop a normative approach to OPM for each of the four themes. Finally, the article lists suggested norms for the setting out of a normative framework and accompanying strategies for the implementation and institutionalisation of OPM at municipalities in South Africa.

INTRODUCTION

Since municipalities are compelled to report on a wide range of programmes such as local economic development, community safety, infrastructural development, integrated development programmes (IDPs), service delivery and budget implementation plans (SDBIPs), expanded public works programmes (EPWPs), the five-year local government strategic agenda, millennium development goals (MDGs), the effective management and measurement of performance outcomes are crucial. National, provincial and local government legislation and policies refer to a “performance management system” (PMS) without distinguishing specific organisational performance measures from individual performance appraisal; OPM demands an independent focus as an important component of the PMS.

The quality of leadership, level of political pressure on the administration, oversight, financial soberness, level of public participation, quality of delivery of products and services, accountability and transparency – these are all performance management elements which require regular measurement and assessment.

Municipal growth is constrained by bureaucracy, hierarchy, personal and political battles, and lack of development management initiatives, which in turns leads to the avoidance of (empirical) performance-related reporting. This article presents an assessment of OPM at The Drakenstein and Stellenbosch municipalities in the Western Cape. Motivated by the current situation, where the measurement and management of organisational performance is not identifiable, the article seeks to address the institutionalisation of the OPM function at these municipalities. Management loses its effectiveness when outputs and outcomes on programmes and projects are not (empirically) measured.

The article will assess OPM under four themes; (i) the specific objectives for OPM; (ii) capacity; (iii) resources required; and (iv) instrument(s) required for managing and measuring organisational performance. This article offers strategies for the successful implementation and practice of OPM. Doing this requires the alignment of the legislative, organisational and operational frameworks, so as to achieve effective, efficient and economical organisational performance.

DEFINITION AND AIMS OF OPM

Scholars hold varied but related views on OPM. Curtis (1999:263) defines OPM as “an approach to management which harness the endeavours of individual managers and workers to an organisation’s strategic goals”. Cordero, Rolstadus, Moseng and Bredrup (in O’Donnell and Duffy 2002:1201) place an emphasis

on a municipality's learning of "complex inter-relationships" between measuring productivity, managing quality and promoting innovation. Pollitt, Girre, Lonsdale, Mul, Summa and Waerness (2002:4) state that the insistence on the "three E's" (economy, efficiency and effectiveness) lies at the core of the OPM function. Boyne (in Van der Waldt 2007:111-112) concurs with them and adds that "democratic outcomes" and "responsiveness" are critical performance components for successful OPM. Pollitt *et al.* (2002:12) are of the view that (i) the performance audit of the administration in terms of its principles, practices and management, (ii) an audit of the efficiency of resources utilised, and (iii) an audit of an organisation's strategic objectives in relation to outcomes, are critical to OPM functioning.

Franceschini, Galetto and Maisano (2007:109-110) and Sole (2009:9) explain that "external accountability, internal reporting, strategic planning, operations planning and human resource management" are vital in establishing valid performance outcomes. Yasin and Gomes (2010:214) write that the OPM process involves identifying (i) how well the organisation is doing in achieving its goals, (ii) performance enhancement criteria, (iii) innovations, (iv) solutions to challenges, and (v) benchmarking criteria. Thompson (2001:819) argues that the OPM process begins with analyses of strategic imperatives and ends with stakeholder satisfaction.

A "total performance solution" for any organisation is suggested by Hofrichter and McGovern (in Grobler, Wörnich, Carrell, Elbert and Hatfield 2006:481) as having the following vital elements: (i) strong, focused leadership driving performance from the top down, (ii) high performance, (iii) winning behaviour, (iv) measurable goals, and (v) performance rewards and fear of punishment for inadequate performance. For these elements, synergy between the legislative and administrative domains of the organisation, a realistic vision, accountable practices, stringent standards and quality assurance, are necessary imperatives.

Grobler *et al.* (in Craythorne 2003:124) and Van der Waldt (2007:111) state that the OPM function takes on the responsibility for the performance of the entire organisation, in line with its vision, mission and objectives. Pillay and Subban (2007:58-66) hold that performance management will "alert municipalities" to wasteful expenditure, under-performance and capacity limitations, and that "ultimately, a holistic perspective" on organisational performance is crucial for the acceleration of service delivery.

INFLUENCES ON AND BY OPM

OPM was influenced by certain academic and practical trends, which again influenced functional aspects of organisations.

OPM and New Public Management (NPM)

Manning (2001:297) holds that internationally the NPM influenced “a way of thinking” about public management. Pollitt (2003:27-30) concurs and list the characteristics of the NPM as “talk-decision-implementation-results” process. Minogue (1998:18-27) holds that the rationale of the NPM was to trim large bureaucratic organisations so as to achieve efficiencies “through performance auditing and measurement”.

OPM and organisational culture

OPM may encourage a performance-driven organisational culture. Fryer, Anthony and Ogden (2009:480) define the role of OPM as being responsible for “improvements in behaviour, motivation and processes” and they list five “universal criteria” for OPM advancement: (i) leadership commitment, (ii) strategy aligned to performance objectives, (iii) stakeholder involvement, (iv) continuous monitoring, assessment and feedback, and (v) building a culture of performance in the delivery of quality outputs and outcomes. Ketelaar (2007:2) holds that by engaging stakeholders in the design and accomplishment of measures (indicators) and targets, the performance culture of the organisation is incrementally enhanced.

OPM and performance measurement

Melkers and Willoughby (2005:180-189) found that performance measurement enhanced programme performance. Performance measures compel managers to be responsible for the effective use of resources, public participation and comprehensive planning (Holzer and Kloby 2005:517-519; Ketelaar 2007:1-2). The issue of quantifying results on programmes and projects relates directly to the effective use of resources and should be insisted upon by officials and politicians (Pillay and Subban 2007:55; Shah 2009:9-10).

Behn (2003:598) holds that successful performance management requires standards, “a gauge and a context” by which to compare current and past performance, suggesting that critical organisational performance elements such as evaluation, budgeting and learning constitute employable “performance measures”. This argument supports the quality assurance of work done.

OPM and public participation

Municipal success rests on its accountability to its citizens. Accountability and public participation as part of an organisational culture are therefore empirically

related. Russell-Einhorn (in Shah 2007:202-218) states that "monitored data" should be made available to the public so that they may make informed inputs into "complaints and redress institutions" concerning poor delivery of services.

Weeks (in Holzer and Kloby 2005:523) found that public participation and public opinion "create opportunities for deliberation" and decision making for citizens collaborating with municipal managers; "citizen-driven demand" is therefore integral to the assessment of programmes.

The full incorporation of the community in the planning and the review of performance remains a challenge. Dai and Teng (2008:2-3) provide insights into the success achieved in OPM by the People's Municipal Government of Hangzhou (PMGH), China. The Performance Evaluation System of Hangzhou (PESH), an annual evaluation of the municipality's services to the public, actively engages the community. High performance is dually rewarded, "materially and mentally". Customer satisfaction and transparency feature high on the list of criteria for this system.

OPM and leadership

Kee (in Morse, Buss and Kinghorn 2007:157) holds that "sound leadership" and management merge as a governance strategy designed to create a sense of ownership, accountability and responsibility to outcomes. Mayors often lose sight of opportunities and fail to gain legitimacy for their role (as catalytic agents for change) in the administration or to the public (Stone in Morse *et al.* 2007:265-266). Ševi'c (2005:582-596) states that mayors in Serbia (at the time of introducing the NPM) used their leadership positions to dismiss and victimise their political opponents, thereby rendering the performance management system useless. Leadership is therefore "a process of influencing" top managers to be change agents (Johnson and Scholes 2002: 534-549).

Gains, Greasley, John and Stoker (2009:78) refer to "facilitative leadership" and argue that local authorities should be cognisant of four success factors, viz. (i) leadership in the development of local economies, (ii) institutional design that should facilitate productivity, (iii) accountable leaders, and (iv) a unified municipal body.

OPM and monitoring and evaluation (M&E)

According to Patton (2001:12-15), programme evaluation (based on monitored information): (i) is instrumental in increasing accountability and bringing about standards of excellence in programme implementation, (ii) facilitates experiential learning, and (iii) stimulates a culture of best practices.

Shah (2009:1) states that performance-based budgeting, benchmarking, activity-based costing and accrual accounting are M&E tools. Russell-Einhorn (in Shah 2007:218) contends that M&E of public programmes and budgets are a means of ensuring accountability to the public by “strengthening oversight and combating corruption”.

According to Schurink (2004:12-26), Patton’s Utility-Focused Evaluation (UFE) approach is based on the premise that evaluations of programmes are judged by their utility and benefits; Guba and Lincoln’s ‘Fourth-Generation Evaluation’ (FGE) approach to programme evaluation employs two key elements: (i) “responsive focusing”, and (ii) “constructivist methodology”. The “responsive” element deals with claims, concerns and issues brought to guide the evaluation, while the “constructivist” element contains the investigative material, i.e. to check for relevance, direction and worth of the programme, policy or project. These evaluation approaches aim to establish (i) the merits of a programme and its value, (ii) achievement of strategic objectives, (iii) standards for success, (iv) cost effectiveness, (v) organisational responsiveness to stakeholders, and (vi) potential barriers to expected performance (Guerra-Lopez 2008:26; Pollitt 2003:122).

OPM and constraining factors

Red tape is regarded as a major constraining factor to OPM. Red tape is defined as the “official rules that prevent things from getting done quickly and easily” (Longman 1995:1186). Red tape discourages innovation, blocks ambition, hides problems and drives down performance (Coulson 2009:276). In municipalities red tape refers to the restrictive laws, regulations, policies and procedures that inhibit or prevent quick decision making or action. Addington and Graves (in Morse *et al.* 2007:162) suggest that red tape and regulatory requirements should not be used as an excuse for lack of performance in the organisation. Political manoeuvring by politicians may exploit red tape, violating the practice of ethical governance. Mintzberg (1996:77) holds that “corrupt transactions” are associated with “a hierarchy of administrative levels” and political appointments of top officials.

Challenges which remain unaddressed may result in performance failure. Viedge (in Van Dijk 2007:52) contends that the following factors lead to the failure of OPM: (i) employee goals unaligned to strategic goals, (ii) employee incompetence, and (iii) “unchecked financial rewards” (bonuses) paid irrespective of the quality of performance rendered to the organisation. Similarly, where a “culture of commitment to service excellence” is absent, gaps in the measurement of service quality prevail. Rantanen, Kulmala, Lönnqvist and Kujansivu (2007:415-433) add two specific problems faced by the Finnish

public sector and linked to performance failure: (i) conflicting stakeholder needs, and (ii) lack of commitment to programmes by leaders.

OPM and success factors

Organisational performance success is achieved, Van Dijk (2007:53) argues, when top managers commit to measuring their performance. Performance measures should be “tailored” to the unique performance requirements of the organisation, such as the vision, strategy, structures, goals and objectives, and this should be an “ongoing” process. According to Hatry and Fisk (in Holzer and Kloby 2005:520), performance-measuring tools invariably “encompass” strategies (success factors) which serve to overcome challenges and add value to processes. The most important of these strategies are: “(i) establishing goals and measuring results, (ii) justification and quantification of resources, (iii) organisational development and (iv) motivating employees” (Holzer and Kloby 2005:520).

OPM and models

The research on appropriate models of OPM for South African municipalities is important as most municipalities have not yet implemented or employed a comprehensive OPM mechanism. Curtis (1999:260) cautions that “elaborate systems” of OPM and excessive control of the performance-management process are costly and that the choice of performance model should contribute to “mutual organisational learning and problem solving”. The performance model should be (theoretically) understood by all employees, “using simple, low-cost information gathering and dissemination techniques that are within the capabilities of existing leaders and officials” (Curtis 1999:260). Franceschini *et al.* (2007:110) argue that all models should involve communities in formulating, understanding and managing performance instruments. There are different models, such as the “logic model”, “systems model”, “public service quality model”, the “ISO 9000 performance standards”, the New Zealand “service performance measurement” and the “Balanced Scorecard”. Pollitt *et al.* (2002:25) and Mintzberg (1996:76-77) hold that municipalities may employ a “hybrid model” to suit their circumstances.

SOUTH AFRICAN LEGISLATION ON OPM

The following legislative aspects (legislation, regulation and policy) on local government are highlighted in support for a performance-management system

(PMS). The legislative framework refers simply to a PMS, while this article argues that OPM is an integral component of PMS.

The Constitution of the Republic of South Africa of 1996

Chapter 7 of the *Constitution of the Republic of South Africa* of 1996 establishes key principles for the municipal legislative framework. The Constitution gives municipalities the power to administer their own affairs, placing an obligation on municipalities to ensure public participation, ethical governance, accountability and transparency (Baatjies 2009:11).

Section 152 sets out the “objects of local government”, which imbed five measurable key performance areas (KPAs) for successful municipal performance: (i) its democratic and accountable values and culture, (ii) its services to communities, (iii) socio-economic development, (iv) safety and environmental health, and (v) community involvement in the affairs of the municipality. These key performance areas serve to guide municipalities in structuring their strategic and performance objectives.

The White Paper on Transforming Public Service Delivery (1997)

The *White Paper on Transformation of Public Service Delivery* (1997) extends the principles of developmental local government, as stated in Section 152 of the 1996 Constitution. It advocates that municipalities are the “focal point of public service delivery”. Eight key principles for the transformation of service delivery and public participation are stated: (i) efficient monitoring, (ii) rating of employees at the point of service to customers, (iii) adoption of key output indicators, (iv) cost efficiency, (v) cost effectiveness, (vi) adoption of standards of service outputs, (vii) annual performance reports and (viii) public involvement in holding departments accountable (Van der Waldt 2007:40). No reference is made to the scientific evaluation of programmes and projects in municipalities.

The White Paper on Local Government (1998)

Section 3.2 of the *White Paper on Local Government* (1998) compels performance management (PMS) at municipalities to ensure that “plans are implemented” and that “resources are used efficiently”. Community involvement is emphasised in key performance indicator (KPIs) development and the achievement of “development objectives” (Van der Waldt 2007:41). The White Paper prescribes a Service Delivery Budget Improvement Plan (SDBIP), but does not advocate that the SDBIP should be a replacement for a comprehensive business or financial plan for the delivery of services and products. The White

Paper places the emphasis on strategic planning, participatory planning, open (transparent) governance and ward committees as “partners in resource mobilization” (Van der Waldt 2007:41).

The Local Government: Municipal Structures Act, 1998 (No. 117 of 1998)

The *Local Government: Municipal Structures Act, 1998* (No. 117 of 1988) has significance for OPM as it clarifies the structures, functions, objectives and responsibilities of the municipal council, the internal audit committee, internal performance committee and ward committees. The Act does not make provision for a dedicated OPM function.

The Public Finance Management Act, 1999 (No. 1 of 1999) and the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003)

The principles of honesty, integrity, transparency, accountability and quantification of resources and outputs constitute the ‘spirit’ of the legislation in the *Public Finance Management Act, 1999* (No. 1 of 1999) and the *Local Government: Municipal Finance Management Act, 2003* (No. 56 of 2003). Both Acts lend implicit support to the OPM function in specifying performance objectives.

The Local Government: Municipal Systems Act, 2000 (No. 32 of 2000)

Chapter 6 of the *Local Government: Municipal Systems Act, 2000* (No. 32 of 2000) prescribes that a performance management system (PMS) be implemented in municipalities. The Integrated Development Plan (IDP) and public participation are fully elaborated in the Act. The Act allows for links between municipal (strategic) objectives and the ten strategic priorities stated in the Medium-Term Strategic Framework (MTSF). The Act makes provision for intergovernmental relations (IGR) to aid its performance tasks. Section 38 of the Act compels municipalities to establish a performance management function, “commensurate with its resources”, and in terms of the requirements for a PMS. Developing a “culture of performance” is prescribed in the Act. Since IGR matters embrace all municipal programmes to lesser or greater degree, municipalities become “IGR impact zones”, i.e. a convergence place for national programmes, making the need for performance reporting critical as stakeholder groups are increased (Baatjies 2009:11).

The Local Government: Municipal Performance Regulations

The relevance of the local government "Municipal Performance Regulations" (2006) to OPM is that the ramifications of the measured performance of top managers of critical importance. This would entail a report from the internal performance audit committee, the community, actual performance outcomes and the results from programmes and projects evaluated.

The local government "Budget and Reporting Regulations" (2009), referred to as the "*budget regulations*", serves to "tighten up" on matters of wasteful, irregular and other unauthorised expenditure. The regulations relate to the efficient use of resources.

The local government "Planning and Performance Regulations" (2001) clarifies strategic and planning objectives, indicator development for inputs, outputs and outcomes in the execution of the IDP and SDBIP. It should be acknowledged that a municipality does not "strive to meet its KPIs but rather use its KPIs as measuring tools" (Steytler and De Visser 2007:7-24).

THE ROLE OF STRATEGY IN THE INSTITUTIONALISATION OF OPM

Given the capacity and resources, a municipality would aim to maximise its outputs and outcomes. The strategic intention would be to exceed achievements planned for the year, with the efforts of the entire workforce. There is a need for top management commitment to drive the strategic direction and strategic objectives of the organisation, since the "outcomes orientation (quantifiable social benefits) requires a strategic focus" (Boyne *et al.* 2006:52; Macpherson and Mwita in Van der Waldt 2007:111-126).

Municipalities must ensure alignment between the objectives of the sub-systems of PMS, viz. OPM, individual performance appraisal, human resources, strategic planning, M&E, public participation and the development of a culture of OPM. The alignment of key performance indicators in this regard is critical to effectively administer the organisation (Rogers and Wright 1998:311-315; Van der Waldt 2007:171). Mankins and Steele (2005:68) highlight the "strategy-to-performance gap" and caution that the linkages between strategy and performance planning (and auditing) should be strengthened in order to have an effective OPM function.

The broad plans to execute the municipalities' vision and mission, goals and objectives on an annual basis are referred to as strategic plans. Creativity, innovation and collaboration with stakeholders are the essential ingredients in successful strategy formulation.

Johnson and Scholes (2002:578) contend that without strategic planning (and strategic thinking) “an organisation and those within it could find themselves in a state of confusion with no clarity of direction, no way of knowing whether they were being successful and quite probably with a disenchanted group of shareholders and a demotivated workforce”. Strategy formulation should seek to instil synergy and reduce goal ambiguity in municipalities.

PROBLEMS CONSTRAINING THE IMPLEMENTATION OF OPM IN SOUTH AFRICA

All municipalities face challenges that impact directly or indirectly on OPM. The Ad Hoc Parliamentary Committee on Coordinated Oversight for Service Delivery (Parliamentary Monitoring Group 2010:2,51-56) listed the major problems facing municipalities as (i) meddling in the political-administrative interface, (ii) corruption in procurement, and (iii) the “non-existence” of internal audit and performance committees. “Party politics” and “blatant lack of communication and accountability”, tended to overshadow delivery to the people.

Kgafela (2010:1) argues that since a broad range of challenges face the 283 municipalities in South Africa, cognisance must be taken of their unique internal and external environments. “Standardised solutions” or “uniform standards, as proposed at the Cooperative Government and Traditional Affairs (COGTA) Indaba in 2008” will not benefit municipalities. Mbele (2010:1) agrees that “the one size fits all approach is neither realistic nor desirable” and suggests that municipalities adopt guidelines for an “effective performance management system”.

A summary of the current problems facing municipalities, as sketched by the Minister at the launch of “Operation Clean Audit-2014” (Shicheka 2009), are as follows:

- at top management level, unsigned performance contracts, absence of risk monitoring, poorly managed and non-existent internal and external audit committees;
- at the political level, technical and conceptual skills deficits, no clear separation of powers, poor “political oversight” at the Parliamentary Standing Committee on Public Accounts (SCOPA) and a lack of transparency;
- at the level of administration, corruption, mismanagement, political party interference and political loyalty by officials, skills deficits and absence of performance reviews from top managers and the municipal manager;
- at the level of finance, poor internal controls, non-compliance with supply chain management regulations, too many disclaimers, poorly constructed

financial statements, inability by officials to properly analyse financial statements; and

- at the level of community involvement, poor public participation methods, weak civil society formations (such as ward committees), violent service delivery protests, lack of involvement in municipal affairs. To verify and add to these problems a research was done on OPM within two municipalities.

EVALUATION OF FINDINGS ARISING OUT OF THE RESEARCH ON OPM AT THE DRAKENSTEIN AND STELLENBOSCH MUNICIPALITIES IN 2011

The population was constituted by the Drakenstein and Stellenbosch municipalities for verification purposes. The respondents in the research (Fakier 2011) were top managers (the municipal manager, executive directors and directors) and middle managers in both municipalities. A mixed methodology in order to maintain high validity and reliability was employed. Primary data was collected through the issue of a questionnaire constituted of four themes. Analysis showed high validity and reliability measures as well as strong correlation measures between questionnaire items.

Theme 1: Objectives required for OPM

Respondents were not confident that the current objectives for OPM in the two municipalities were sufficiently specific and appropriate to institutionalise, implement and manage. While top managers were exposed to new knowledge relating to OPM, lower-rung managers were not. Methodology for the implementation, management and measurement of OPM has not been placed on the agenda. OPM objectives were not “cascaded” to all managers below top management. Managers work in “silos”, with little knowledge sharing between directorates. Managers do not have the same interpretation of the strategic objectives, nor do the strategic objectives detail the implementation of OPM. Evidence-driven performance, M&E of programmes and projects, mitigation of red-tape, political encumbrances on the administration and community participation were not found among the objectives for performance management. No evidence was found relating to the development of a ‘culture of performance’. Objectives were not designed to align strategy, strategic human resources, OPM and operations (IDP and SDBIP). In employing “PMS” terminology, these two municipalities did not make the distinction between OPM and individual performance appraisal. Clear and measurable objectives were not found for the implementation of transparent relations with

stakeholders. Objectives were not stated in favour of choosing a performance-measuring instrument such as the logic model (for tracking and measuring targets, outputs and outcomes) incorporating the “full delivery chain”. The IDP and the SDBIP were assumed by officials to be the performance measuring and managing instrument for the municipality. OPM objectives did not call for strategy enhancement, internal organisational growth and development, stakeholder analysis and value chain management. It is essential, according to Pollitt *et al.* (2002:4), that economy, efficiency and effectiveness influence the formulation of OPM objectives.

Theme 2: Capacity required for the OPM

A detailed study, or report, on the capacity (skill, competencies and experience) to implement OPM was not available. The “human” elements of motivation, visioning, values and ethics should drive the administration and the processing of performance information (Morse *et al.* 2007: 92-355).

Respondents asserted that managers (i) lacked the skill to manage and measure organisational (evidence-driven and outcomes-based) performance; (ii) failed to communicate effectively with lower-level managers; and (iii) did not share or discuss information on performance matters, thereby discouraging interest in organisational performance. In addition, growing customer needs for transparency of performance results were not being addressed.

Top managers perform within the parameters and scope of their independent (and loaded) portfolios and pay little attention to the capacity requirements of lower rung managers, missing the opportunity to raise levels of understanding and ability among lower-level employees on OPM. The enhancement of organisational capacity is integrally tied to the rigor with which managers structure and implement OPM goals. Nel and Beudeker (2009:80) hold that top managers are expected to be innovators, in order to turn adverse factors into benefits and advantages for the purpose of effective performance within the organisation.

In terms of the findings, top managers were not building capacity in the competencies required for OPM implementation. Capacity-related matters were found to be a neglected area, with low employee morale and a clear enthusiasm to know more about OPM and related career paths.

Theme 3: Resources required for OPM

Respondents held that a dedicated and operational OPM function was not in place, since human resources and material resources were not channelled in the direction of building performance-related infrastructure. Survey results show that

middle managers in particular were not fully involved with the quantification, sourcing and application of resources with regard to OPM. The investment of strategic resources on programmes and projects, such as the community, consultants, and national and local policies were neglected in planning. In most cases the work done by consultants is not specific to the needs of the municipality or the stakeholders. It was found that organisational performance measures were not budgeted for, such as ITC and M&E, public participation, strategic planning, analysis of strategic human resources, addressing known challenges, ward committee stipends and service excellence (quality assurance) development. Poor annual reports may be attributed to a lack of finance to measure organisational performance effectively.

Respondents held that resources were required to address the needs of internal communication between directorates and external communication with stakeholders. As a learning organisation, the municipality would be best served by ITC development in respect of OPM and access to information by stakeholders on OPM, (via the internet). ITC information should also carry IDP and SDBIP reports, South African Local Government Association (SALGA) Provincial Executive Committee reports and SALGA working group reports, Ministers and Ministers of the Provincial Executive Committee (MINMEC) reports and Local Government Turnaround Strategy (LGTAS) reports. ITC development is in the interest of advancing community participation and unlocking the image of the municipality as a closed entity. The argument is for resourcing the implementation of the “full delivery chain” (South Africa 2007 Policy Framework for Government-Wide Monitoring and Evaluation Framework) (GWM&EF), as auxiliary instruments to OPM in order to empirically evaluate programmes and projects. Respondents expressed the need for knowledge in this regard.

On the lack of communication with communities, respondents wanted to see more investment in resourcing (i) how communities would be involved; (ii) community meetings and regularity of feedback sessions; and (iii) how the outcomes of community involvement will be measured, evaluated and reported. Section 3.2.4 of the White Paper (1988) states that “ward committees are partners in resource mobilisation” and should “monitor the allocation of resources”.

Theme 4: Instrument(s) required for OPM

One out of the two municipalities surveyed had embarked on the implementation of an OPM instrument, although it is too early to assess progress in this regard. There was some consensus at both municipalities on the need to adopt an OPM instrument. A large percentage of the respondents were uncertain about

the future with respect to the institutionalisation of OPM. The situation may eventually bring about “internal stagnation and strategic inertia”; the remedy for this was to establish consensus on OPM purpose, design and implementation (Pillay and Subban 2007:62; Van Dijk 2007:51).

The availability of knowledge on OPM was not viewed as a problem. However, it was important to respondents that knowledge on performance management be cascaded to all employees. The SALGA “toolkit”, “full delivery chain”, GWM&EF and models were neither under consideration nor known to managers in general; similarly with evidence- and outcomes-driven performance measures, M&E, quality assurance and the assessment of public participation. Respondents acknowledged this disadvantage and showed little confidence that (i) organisational productivity, (ii) commitment to OPM, and (iii) performance achievements will be measured and communicated to stakeholders.

The utilisation of the “full delivery chain” (South Africa 2009 Improving Government Performance: Our Approach) will have the following advantages, (i) it is a visual tool, (ii) it is relatively easy to use at quarterly OPM meetings, (iii) all employees are able to engage the instrument, (iv) it has an easy to follow matrix lay-out, (v) it is supported by the SALGA, (vi) provides substantiated measures, (vii) value for money planning (cost efficiency and cost effectiveness) and hence it will be easy to identify ‘fruitless and wasteful expenditure’.

It remains the “human element factor” that leads to success or failure for the organisation. OPM and the measurement of services and products delivered, coupled with the mobilising of local resources, serve to mitigate these problems (Curtis 1999:270; Kgafela 2010:3; Zaire in De Waal and Counet 2009:377). Using the research data, an ideal framework for organisational performance management for municipalities, is formulated.

A NORMATIVE APPROACH FOR OPM

The normative approach, from which a normative framework stems, aims to assist politicians, municipal officials and stakeholders in structuring objectives and guidelines for OPM of projects, programmes and policies. The normative approach entails on-going debates and a generation of ideas between stakeholders, politicians and public officials about what the norms should be, i.e. for the construction of the normative framework for OPM.

Moore and Braga (2004:14) describe the normative approach as one of contestation, imbedded in the difficulties that organised bodies experience in reaching “satisfactory philosophical and political judgment about what it wants and expects” from their organisations. The normative approach aims to bring consensus on norms and standards, which would ultimately benefit all parties.

In relation to the research, critical success factors (CSFs) were extracted from the analysis of data and subsequent findings. These were used in the construction of a 'normative' framework for OPM, set out below. In presenting OPM 'as it should be', normative approaches and normative evaluations are iterative and producing the best results over a period of time.

Table 1 below depicts political, scientific and managerial elements directly related to a 'normative' approach to the governance of programmes and projects, assisting in the understanding, institutionalisation and implementation of OPM in municipalities. These values and principles are based on the Moore and Braga (2004:14) "social scorecard" model and tailored in terms of the findings from the research.

Table 1: Values and principles in support of a normative approach to OPM.

Political–philosophical values and principles	Scientific values and principles	Managerial values and principles
<ul style="list-style-type: none"> • Community involvement. • Shared responsibility in community building. • Ethic of anti-corruption. • Ethic of collaboration as opposed to 'silo' building. • Empowering stakeholders to engage in municipal affairs. • Relationship building with national and provincial government. • Municipal ethical role in being accountable. • Municipal developmental role. 	<ul style="list-style-type: none"> • Calculating the 'public value' of the municipality. • Programme and project M&E. • Strategy formulation. • SWOT analysis. • Quality Assurance. • Stakeholder Analysis. • Fair allocation and economic treatment of resources. • Measuring performance (OPM). 	<ul style="list-style-type: none"> • The municipality utilises value-chain analysis. • The municipality employs a normative framework. • Concept of customers as a strategic resource. • Assurance of quality customer service and customer satisfaction. • Stakeholder satisfaction. • Municipality exercises its obligation to stakeholders. • Stakeholders have an obligation to municipalities. • Municipal has major role in infrastructural development. • Delivery of stable, safe, developing community. • Development of open spaces for recreation, sport and LED. • Develop a culture for performance excellence in services delivery.

Source: Moore and Braga 2004:14. Customised for South Africa by authors.

These principles are accommodated in a normative framework for the implementation of OPM.

A NORMATIVE FRAMEWORK FOR THE INSTITUTIONALISATION AND IMPLEMENTATION OF OPM IN MUNICIPALITIES

The normative framework fulfils the purpose of being (i) a standard of review, (ii) a reference of *constitutional* text, and (iii) a means of guaranteeing excellence in the delivery of services to the public (Woolman and Botha 2008:150-152). The framework consists of four themes, with its suggested practical interventions for optimum organisational performance management in municipalities.

Theme 1. Construct objectives for an OPM function

Suggested norms for measurable, attainable, clear, developmental objectives:

(i) OPM objectives should be measurable, attainable, clear, developmental and understood by all employees, (ii) OPM objectives should be realistic, embracing the governance principles of transparency, accountability and responsiveness.

Suggested norms for performance planning, excellence in services delivery and alignment of municipal activities to strategic objectives:

(i) Align strategic objectives (Key Performance Areas and Key Performance Indicators), strategic human resources objectives and operational plans (IDPs and SDBIPs), (ii) introduce performance excellence (quality assurance) measures, management and feedback to stakeholders, (iii) planning for economy, efficiency and effectiveness of outputs.

Suggested norms for the implementation of the “full delivery chain” are:

(i) Implement the “full delivery chain” comprehensively, operationalised, for all key performance areas (KPAs), (ii) objective for compliance with local government legislation and national policy for community involvement in all matters relating to the administration and delivery of services and products, M&E and setting down the objectives for building a culture of performance excellence, (iii) the municipality should engage on all inter-governmental relations (IGR) matters.

Suggested norms for assisting managers to implement OPM:

(i) Employees are motivated to participate in OPM, (ii) employees across departments know and understand the OPM objectives, (iii) managers overtly support strategic objectives, (iv) managers mitigate resistance to performance appraisal of top managers, (v) managers implement continuous improvement

of performance through internal communication, team-work, knowledge and information sharing.

Theme 2. Create capacity planning for OPM

Suggested norms for managers' capacity to drive OPM:

(i) Staff the OPM function optimally, (ii) managers institute OPM effectively, efficiently and economically, (iii) managers promote employee participation in OPM building capacity to meet growing customer needs.

Suggested norms for compliance to legislation and policy with regard to building capacity of managers:

(i) Managers comply with capacity requirements as legislated and as per policy, (ii) managers in the OPM department/unit are qualified, able, competent and skilled, (iii) managers actively promote M&E and develop a culture of performance excellence.

Suggested norm compelling managers to drive outcomes- and evidence-based performance:

Managers of OPM initiate and drive outcomes- and evidence-based performance management, in congruence with national policies, namely, Improving Government Performance: Our Approach (2009) and the GWM&EF (2007).

Suggested norms to build a culture of performance excellence

(i) Managers motivate, share knowledge in lieu of performance excellence, (ii) promote and encourage incentives for performance excellence, effective internal communication, community involvement and M&E.

Theme 3. Resources planning for OPM

Suggested norm for the establishment of an identifiable, fully operational and dedicated OPM function:

Financial, human and material resources are allocated and utilised in the implementation and institutionalisation of OPM.

Suggested norm for effecting ITC, access to information and efficient employ of municipal resources:

Financial, human and material resources are allocated and utilised in the implementation of an ITC system, favourable to internal OPM functioning and available to the public.

Suggested norm for the investment of time, effort and money on programme evaluation:

(i) Resource M&E function, (ii) programmes, projects, policies are evaluated empirically and periodically.

Suggested norm in the place of legislation and national policies governing community involvement:

Managers utilise local community organisations and the ward committee with regularity and provide feedback regularly, on all performance related matters.

Theme 4. Choice of instrument(s) for OPM

Suggested norms relating to the choice of a performance management and measuring instrument:

(i) The instrument measures programme and projects achievements, blockages, failure and adjustments periodically, (ii) the instrument is “tailored” or “adjusted” to the needs and conditions within or outside of the entity, (iii) the instrument employs a matrix lay-out, is visible, electronic, transportable and user friendly.

Suggested norms for measuring the full delivery chain, M&E and municipal productivity:

(i) The performance instrument measures KPAs, KPIs in terms of inputs, baselines, targets, tasks, activities, outputs and outcomes, (ii) the instrument integrates evaluation (M&E) results for all outputs and outcomes.

Suggested norm for measuring community involvement, customer satisfaction and transparency:

The instrument measures community involvement, customer satisfaction and transparency and level of accountability of municipal officials.

Broad or macro strategies are necessary to implement the above mentioned practical suggestions for organisational performance management.

SUGGESTED BROAD STRATEGIES FOR SUCCESSFUL OPM INSTITUTIONALISATION

The following are suggested strategies for the successful institutionalisation of an OPM function at municipalities, as they emerged from the research findings, evaluation and normative framework.

Theme 1. Regarding the objectives for OPM

The municipality should formally construct objectives (applied norms mentioned above) that seek to institute an OPM function, with a dedicated staff complement and top manager, to direct, manage and measure the performance of the organisation as an integrated entity. They need to align strategy, OPM, strategic human resources and operations for effective and efficient delivery of products and services. Standards for quality output and outcomes should be selected, managed and reported with regularity. The municipality should be kept informed of all national policies and engage policy issues at Ministers of Executive Committees meetings (MINMEC) and other IGR structures. Top managers should facilitate the reduction of red tape, over-legislation and over-regulation in order to achieve excellence and quality in output and outcomes.

Theme 2. Regarding the required capacity for OPM

The municipality should assume responsibility for the provision of adequate and high-quality capacity (skills, competencies and qualifications) to implement OPM. Training in this field with regard to personal growth plans (PGPs) should be a norm, as in performance-measuring instruments, M&E, evaluation of community participation and performance culture awareness.

The municipality is compelled to adopt measures to sustain and grow (develop) capacity (as stated in the norm) to meet the increasing demands (needs) from their communities. The municipality has the responsibility to partner with state departments and the private sector in the place of capacity building with respect to organisational performance management and measurement.

Theme 3. Regarding investment in resources for OPM

The municipality should acquire an ITC system that will (i) facilitate effective internal communication between departments, and (ii) facilitate the needs of stakeholders by making information available on the internet. Material resources (a functioning office) and human resources (adequate staff) should be acquired for establishing a dedicated OPM unit.

The municipality should regard the community as a unique resource in terms of their participation in strategic planning, legislation and OPM functioning. The community should be empowered (through effective public participation training) to engage the municipality on all issues concerning it.

Theme 4. Regarding the instrument(s) for OPM

The municipality should employ an OPM instrument(s) with which inputs, outputs and performance outcomes of programmes and projects may be measured, managed and recorded. The instrument(s) should be adapted to report on M&E of programmes, projects and policies, community participation and customer satisfaction. The performance measuring instrument(s) should be visible, operational and understood by all employees and community representatives.

The implementation of the practical and strategic suggestions for organisational performance management should enhance the performance of municipalities.

CONCLUSION

This article provided an assessment of OPM at two municipalities in the Western Cape. The matter of empirically managing, measuring and evaluating organisational performance, i.e. OPM, was analysed.

Quantitative and qualitative information obtained from the research was evaluated in order to arrive at a set of norms, depicted in the normative framework. The purpose of the research was to motivate for the implementation and institutionalisation of OPM at municipalities in an effective, efficient and cost-saving manner.

The article offered a suggested list of strategies under each of the themes of OPM in order to facilitate the operation of OPM. There is no doubt that, with the proper functioning of OPM, many of the municipalities' managerial challenges would be addressed in a more thorough and scientific way.

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