

**PERFORMANCE MANAGEMENT SYSTEM AND IMPROVED
PRODUCTIVITY: A CASE OF THE DEPARTMENT OF LOCAL
GOVERNMENT AND HOUSING IN THE LIMPOPO PROVINCE**

by

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- The Almighty God for always being the pillar of strength and inspiration. To Him be the glory, the honour and the adoration.

DECLARATION

STUDENT NUMBER 4077- 673-5

I declare that PERFORMANCE MANAGEMENT SYSTEM AND IMPROVED PRODUCTIVITY: A CASE OF THE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING IN THE LIMPOPO PROVINCE is my own work and that all the sources that I have used and quoted have been indicated and acknowledged by means of complete references.

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SIGNATURE

(MR PH MUNZHEDZI)

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DATE

ABSTRACT

The Performance Management System (PMS) has been introduced in the South African public service with the intentions of monitoring, reviewing, assessing performance, developing underperformers, and recognising and rewarding good performance. This study was undertaken as an attempt to investigate whether the PMS of the Department of Local Government and Housing (DLGH) in the Limpopo Province contributes to the improvement in departmental productivity. The literature review undertaken in this study shows that there is a general poor understanding of PMS in the public service and in the DLGH in particular. It (the literature review) further establishes that there are several challenges that hinder the effective implementation of a PMS in the public service. Other findings of the study include that there is a challenge of biased ratings (subjective assessment), and a setting of unrealistic performance targets which are unrealisable by employees. The foregoing justifies the reasons why productivity levels are not always realised and targets not achieved by the DLGH.

The main finding of the study is that, although it plays a significant role in the improvement of productivity, the PMS has not contributed to the improvement of productivity of the DLGH in the Limpopo Province. The main recommendation on the basis of this finding is that there should be a regular and thorough training of officials within the DLGH about the PMS and how it influences productivity. Other additional recommendations include, *inter alia*, that the Departmental Moderating Committee should demand verifiable evidence to justify a higher rating during quarterly assessments, and that punitive/disciplinary measures be taken against those who do not comply with the provision of the PMS policy, particularly failure to submit performance instruments.

KEYWORDS

- Department of Local Government and Housing (DLGH) in the Limpopo Province
- Memorandum of Understanding (MOU) on performance
- Pay progression
- Performance agreement
- Performance bonus
- Performance instruments
- Performance Management System
- Performance targets
- Productivity
- Training

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CHAPTER 1

GENERAL INTRODUCTION

1.1 INTRODUCTION

The effective management of individual performance is critical to the execution of institutional strategy and the achievement of strategic objectives. Institutions tend to put more focus on the formulation of strategies than on the strategy implementation which requires good performance by all employees (from junior employees to management) in the institution. Human effort in the execution of formulated strategies and the need to direct such effort towards the strategic objectives of that particular institution should be paramount. This study will focus on the performance management system as a strategy used to enhance performance in the public service. The focus will be on whether the introduction of a Performance Management System (PMS) contributes to the improvement of productivity in the public service with particular focus on the Department of Local Government and Housing (DLGH)¹ in the Limpopo Province. A background to the study is briefly undertaken in order to provide a basis for the problem statement and research objectives. Productivity will also be discussed with an emphasis on the public service and its link to performance management. Thereafter, key concepts are clarified, and the method of data collection will be described and interpreted. The framework of the proposed dissertation is outlined in the form of a summary of the chapters.

1.2 BACKGROUND TO THE STUDY

It is appropriate to begin the study by providing the relevant context, and also relating how one came to decide on the topic, its relevance and significance (Auriacombe, 2001: 30). A PMS has been one of the most positive and crucial developments in the area of

¹ *The DLGH has, since 24.06.2011 (Public Service Act (Proclamation 39 of 2011) become the Department of Co-operative Governance, Human Settlements and Traditional Affairs.*

management since the 1980s (Armstrong, 1995: 430). Recent years have seen renewed interest in assessing public sector performance, productivity and service delivery in South Africa. In search of improved quality and productivity in the public service, the South African government introduced several initiatives such as the Public Service Regulations, 2001, the White Paper on Human Resource Management, 1997 and the White Paper on Transforming Public Service Delivery, 1997 (hereafter referred to as the *Batho Pele* White Paper).

After the introduction of the Framework on Public Service Management, 1999 (hereafter referred to as the Public Service Management Framework), the Public Management and Development System Policy was adopted, and it intended to inculcate the culture of performance and improved productivity in the public service. The reasons for introducing the PMS in the public sector included monitoring, reviewing and assessing performance, training and developing underperformers, promoting and encouraging a sense of responsibility in staff, and also being able to identify and manage underperformance (Amos, Ristow, Ristow & Pearse, 2008: 286). This was done with the particular aim of improving service delivery.

The study was undertaken at the DLGH in the Limpopo Province which has its head office in Polokwane. The DLGH is comprised of three sub-departments, Local Governance, Integrated Human Settlement (hereafter referred to as Housing) and Shared Services. Within these sub-departments, there are thirteen branches and thirty Strategic Business Units (SBUs). The study will focus on two departmental branches, namely, Strategic Human Resource Management which falls under Shared Services as well as Housing Project Management which falls under Housing. Both Sub-departments are headed by Senior General Managers (Deputy Director-Generals), branches are headed by General Managers (Chief Directors), SBUs by Senior Managers (Directors) and divisions by Managers (Deputy Directors).

Since the introduction of the PMS in the public service in 2001, some departmental branches, SBUs and divisions have succeeded in achieving their set performance targets

whereas others have failed. As one of its aims, the PMS must ensure that departmental branches, SBUs and divisions achieve their set targets. This becomes challenging if targets are not being achieved on a regular basis. Not achieving the set targets leads to lack of productivity and service delivery. The understanding of a PMS varies according to individual departmental employees, which is also the reason the rate of performance differs among departmental employees (officials). Officials in the DLGH in the Limpopo Province seem to place the focus on the performance incentives (performance bonuses and salary/pay progression) at the end of the financial year without focusing on whether there is improved productivity in their respective branches or not.

The PMS has been studied before by other researchers, but from a different perspective. Maila (2006) studied Performance Management and service delivery in the Department of Water Affairs and Forestry in the partial fulfillment of his *Magister Technologiae* at the University of South Africa which focused on whether performance management is a pre-condition for service delivery. The research question Maila's study raised was how effective and efficient service delivery is in the Department of Water Affairs and Forestry as a result of performance management having been introduced as an initiative to enhance service delivery. His study intended to explore the correlation between the Performance Management and Development System and public service delivery in the Department of Water Affairs and Forestry. Phillips (2002), in a dissertation completed in fulfillment for a Masters of Business Administration programme, also did a study on performance management, but its focus was on the private sector. The research problem to Phillip's study was whether a Performance Management and Development System has a positive effect on customer service delivery, with particular focus on the call centre services of the Bonitas Medical Fund. It must, however, be noted that unlike in the private sector, public service is guided by the public administration ethos of section 195 of the *Constitution of the Republic of South Africa* of 1996 (hereafter referred to as the 1996 *Constitution*). Unlike the study by this researcher, the research conducted by Phillips was done in a private organisation where there is no formal PMS.

The two authors mentioned above did not link the PMS to improvement or non-improvement of productivity in Limpopo's Local Government and Housing Department. It is for this reason that this study undertakes to investigate the effectiveness of the PMS as a strategy to improve productivity in the DLGH in Limpopo Province. The focus of the study will also be on training and development concerning the implementation of the PMS in the Department. Further, the study investigates whether the PMS is about compensation and rewards, or performance improvement and productivity or both. Understanding of the PMS among DLGH officials will also be investigated.

1.3 PROBLEM STATEMENT

The introduction of a PMS in the South African public service was preceded by a system called personnel evaluation, pre-2001 commonly known as the system of 2nd and 3rd notches. According to the Public Service Commission (1991: 2) personnel evaluation was intended to be a continuous process of purposeful observation of the worker in respect of whom the evaluation must be made in order to form an objective assessment of the official's capabilities, potential, aptitude, preferences, limitations and weaknesses with a view to further development and utilisation. During implementation, the system of personnel evaluation experienced problems because of the mistrust by subordinates of managerial staff. Officials were under the impression that the personnel evaluations/merit assessments were exclusively designed to determine their suitability for promotion to higher posts. Most managers indicated that the system was highly bureaucratic and required much time to write reports, attend meetings and fill forms to undertake personnel evaluation. The labour movement cited that the system only favoured entry grades such as Administration Clerks (Public Service Commission, 1991: 21). The above problems contributed to employees developing resistance to the performance evaluation system. The public service in South Africa developed the PMS to replace the system of personnel evaluation. The introduction of the PMS in the public service provides numerous benefits to both employers and employees (Moore, 1985: 132). The reason the PMS has been introduced in the public service has already been highlighted in section 1.2 above. The legislative framework which underpins the development of the PMS in the

public service is discussed in detail in Chapter three. A detailed introduction of the PMS in the South African public service has been discussed in section 1.2.

Despite the PMS policy being applied throughout the DLGH in the Limpopo Province, results in the departmental branches often differ. The question becomes whether the PMS contributes to improved productivity with particular reference to the DLGH. If underperformers are trained and developed on the competencies or skills that they lack so that they perform better, it should be established why some officials continue to underperform. To successfully address these concerns, the main research problem to be investigated in this study is: **Whether performance management system of the Department of Local Government and Housing in the Limpopo Province contributes to improved productivity?**

1.4 RESEARCH QUESTIONS

There are several research questions that need to be answered by this study. Some of the most important questions that are asked are the following:

- What does the PMS entail in its conceptual meaning and application in the public service?
- Does the PMS in the DLGH contribute to improved productivity?
- What are the challenges facing the PMS in the DLGH in Limpopo Province?

To guide the attempt to respond to these questions, several research objectives are developed below.

1.5 RESEARCH OBJECTIVES

In order to successfully respond to the research problem, study objectives are set. According to Auriacombe (2001: 49) the research objectives have to explain how the

researcher plans to solve a research problem. The objectives of the research must be precise and clearly defined. In view of the foregoing, the following are the objectives of this study:

- To understand the PMS in the public service.
- To explore whether the PMS in the DLGH contributes to the improvement of productivity as intended.
- To analyse challenges facing the PMS in the DLGH in the Limpopo Province.

1.6 CONCEPTUALISATION

According to Mouton (2001: 175) conceptualisation has to do with the analysis of the meaning of words or concepts through clarification and elaboration of the different dimensions of meanings. Below are conceptual analyses of some of the concepts:

- **Policy** is a body of rules and regulations which are usually found in acts, ordinances and by-laws. The aim of policy is to provide guidelines to managers on how to manage performance (Amos *et al.* 2008: 289).
- **Performance management** is a holistic approach and process towards the effective management of individuals and groups to ensure that their shared goals and institutional objectives are achieved (Nel, Welner, Haasbroek, Poisat, Sono, & Schults 2008: 493). Amos *et al.*(2008: 285) refer to performance management as an approach to managing people which comprises a set of practices used by managers to plan, direct and improve performance of employees in a particular institution in order to achieve overall strategic objectives. Section 2.3 provides a detailed discussion of performance management.
- **Performance Management System** is a system which ensures maximum performance in the institution in order to reach desired results (improved productivity) (Simeka Management Consulting, 2004: 11).

- **Productivity** is the state of achieving institutional goals and objectives by transforming inputs (human, financial and material resources) into outputs (services or service delivery tangibles) at the lowest cost (Robbins & Judge, 2011: 58). It relates to the conversion of inputs into outputs efficiently and effectively for the benefit of the society, economy and environment. The definition of productivity contains key elements which include continuous improvement of performance, measurability of improvement, efficiency and effectiveness (Productivity SA, 2007: 8). These key elements of productivity provide a broader picture of the actual meaning of the concept. Examples of outputs may include quality Reconstruction and Development Programme (RDP) houses being built, houses being electrified or high quality passes by matric students being achieved. It becomes high or improved productivity if the desired results are continuously achieved without additional resources (Reed & Swain, 1997: 321). As alluded to above, productivity comes about as a result of continuous improvement of performance.
- **Effectiveness** is the ability to achieve set goals and objectives. It also has to do with the actual impact of service and the quality of service rendered. Effectiveness also explains the commitment that is premised on a work ethos and the will to achieve, as well as a sense of self-efficacy, motivation and initiative (Productivity SA, 2007: 27).
- **Efficiency** is the ability to accomplish a task with minimum expenditure of time and effort (Reed & Swain, 1997: 321).
- **Methodology** is the philosophy of the research process, including assumptions, values, standards and criteria used by a researcher for interpreting data and reaching conclusions (Bailey, 1987: 33).
- **Memorandum of Understanding (MOU) on performance** refers to the contract of performance between an official/employee on a salary level of 1 to 12 (operational/junior workers to members of Middle Management Services) and his or her supervisor. It is referred to as the Performance Agreement in most public service departments, but in Local Government

and Housing the Performance Agreement is for those from salary level 13 to 16 who are members of Senior Management Service (SMS) (Directors/Senior Managers to Directors General/Head of Provincial Departments).

1.7 METHOD OF DATA COLLECTION, ANALYSIS AND INTERPRETATION

Mouton and Marais (1992: ix) state that specific methods and techniques which are deemed appropriate ought to be identified and applied so that a researcher is able to reach valid research findings. In this study, a semi-structured questionnaire was administered, necessary departmental documents were perused and analysed, and personal observations were conducted. A questionnaire is a set of structured questions drafted and asked to relevant respondents for their reaction to such questions. A questionnaire was done by way of drafting relevant questions and then giving it to members of staff (sampled respondents) who belong to the two branches which form the focus of study as per the background above. The respondents include operational/junior workers, deputy managers, managers and members of SMSs (employees from Directors/Senior Managers to Directors General/Heads of Provincial Departments). Since the researcher is a staff member at the DLGH, this exercise was done by way of emailing questions to relevant staff members. The performance where most focus was given was that of all employees belonging to Strategic Human Resource Management and Housing Project Management.

Some of the most relevant material on performance management is thoroughly consulted. Among others, the following were consulted:

- Academic and scholarly books on performance management systems.
- Unpublished theses and dissertations.
- Performance management system policy (departmental).
- Public Service Regulations.
- Relevant legislations.
- Departmental reports and files.

- Examples of Performance Agreements/Memorandum of Understanding (contract of performance).

A study on relevant literature and a semi-structured questionnaire are supplemented by documentary analysis and personal observations on different divisions of the two branches in the DLGH. Custodians of PMS programmes in the Department, and senior management responsible for the PMS in the Department are part of the chosen respondents. Auriacombe (2001: 51) states that more than one strategy or source may be used in collecting data for a particular research question. Although some of the studies done in the field of Public Administration may cover performance management, they do not link it to improvement of productivity in the DLGH in Limpopo Province.

1.8 REFERENCE TECHNIQUES

The researcher will use the Harvard referencing technique in the study. A list of sources will be provided in alphabetical order, using surname of author, initials, year, title of publication or article, place of publication and publisher, depending on the source.

1.9 SEQUENTIAL ARRANGEMENT OF CHAPTERS IN THE DISSERTATION

The contents of each of the chapters in the dissertation are summarised in short paragraphs as a brief presentation of what the reader can expect to find in the dissertation (Auriacombe, 2001: 30). After the documents, policies, reports and all relevant material had been collected and consulted, the facts and observations obtained were integrated to be one coordinated contribution to the field of Public Administration. Chapters will be divided as follows.

Chapter one of the dissertation provides an introduction to the study. It includes background on the PMS as a strategy of enhancing performance in the public service for improved productivity, a problem statement of the research, research questions and objectives. Productivity in the public service and its relationship with performance

management is discussed. The chapter further includes conceptualisations, research methods used to collect data which included a literature review, a semi-structured questionnaire, documentary analysis and personal observations.

Chapter two mainly deals with the literature review based on distinguished opinions and views from various sources, different researchers and authors whose work is significant and relevant to the study. The literature review is often a separate chapter in a research report in which the researcher synthesises the literature on the topic and engages critically with it. Any literature relevant to the description of a PMS and improved productivity in the public sector with focus on the DLGH is scrutinised.

Chapter three addresses the legislative and regulatory framework that underpins the PMS in the public service which also includes the local government sphere. The chapter covers concepts that are deemed necessary in order to have a good understanding of the PMS. Such concepts include steps in the development of a successful PMS, role players in the implementation of the PMS, and the PMS policy of the DLGH. The main objective of the chapter is to assist in addressing the understanding of the PMS in the public service.

Chapter four discusses the research design and methodology as used to collect data and how such data is analysed. The most appropriate research methods and the research strategy within which data is collected and analysed are discussed. The other aim of the chapter is to establish a golden thread for the data analysis chapter (Chapter five).

Chapter five presents data analysis of the study. In the process of analysing data, the chapter explores whether the PMS in the DLGH contributes to the improvement of productivity. The chapter identifies and analyses challenges facing the PMS in the DLGH in the Limpopo Province. The analysis is based on the data collected through various methods that are established in Chapter four.

Chapter six outlines the conclusion and recommendations of the research study. This section begins with a summary of the main findings. The agreement or disagreement with the findings of previous researchers is discussed. The concluding chapter contains recommendations as to how shortcomings (if any) can be rectified, gives pointers to areas where action of some kind should be undertaken, and provides an indication of areas for further research in the particular field.

CHAPTER 2

LITERATURE REVIEW – PERFORMANCE MANAGEMENT SYSTEM

2.1 INTRODUCTION

Chapter one of this study provides an introduction and background as well as methodological choices. In this chapter, a literature review regarding performance management is undertaken to provide an understanding of what areas of the field have been pursued. Before the literature on a PMS is discussed, the literature review as a concept is explained in order to provide clarity to inform the approach undertaken in this study. Definitions of performance management by several scholars are detailed below to inform a broad understanding of the concept.

2.2 UNDERSTANDING A LITERATURE REVIEW AS A CONCEPT

A literature review can be defined as a critical evaluation of previous scholarly writings that are relevant to the research topic (Bless, Higson-Smith & Kagee 2006: 24). According to Mouton (2001: 86) it is of paramount importance that every research project begin with the review of the existing literature in its particular field of study. A good literature review makes the researcher aware of what has already been written to avoid duplication of study and unnecessary repetition. Such a review helps the researcher to consolidate the theoretical foundation of the study. It is also through a literature review that a researcher discovers whether the study has significance or whether it will lead to new knowledge (Hofstee, 2006:91). Smit (1995: 9) also agrees that a study of literature forms a fundamental and integral part of the planning and undertaking of a research project.

Brynard and Hanekom (2006: 32) point to the fact that literature is reviewed by looking at the publications which could include scholarly and academic books and articles from experts in the field directly relating to the topic of the research. Any other publication

relating to the topic at hand may be included in the review of the literature (Henning, Van Rensberg & Smit 2004: 99). The work of a researcher can only be taken seriously if the literature review has been broadly conducted in a particular field of study. Comprehensive study of the existing literature also assists the researcher in generating original ideas which have never been published before (Hofstee, 2006: 93). Mouton (2001: 91) argues that it is advisable to structure the findings of a literature review in at least seven possible ways which include chronology, by schools of thought, theory or definition, by theme or construct, by hypothesis, by case study, or even by method. It is appropriate to start reading study material with an open mind and also to try to understand it from an author's perspective. Once that has been done, a good judgment can be formulated.

According to Babbie (1998: 112), one of the most crucial elements of a good literature review is that it assesses whether there has been a consistent finding on the proposed research or whether past studies disagree with each other. A literature review also assists in finding out whether there are flaws in the body of existing knowledge that one may remedy. It enables the researcher to formulate a hypothesis for the study.

A literature review is necessary in that it deepens the researcher's theoretical framework. It (a literature review) also familiarises and assists the researcher to identify gaps in knowledge and weaknesses in previous studies in order to develop necessary suggestions for improvements. Conducting a literature review assists the researcher to discover connections, contradictions and even relations between research results by making comparisons between different investigations. It is helpful to study the advantages and disadvantages of the research methods used by others in order to adopt or improve on them in one's own research (Bless *et al.* 2006: 24). However, there is also a danger in conducting a literature review in that one may become influenced by the results of previous research or that one may accept findings without proper criticism. The influence may prevent the research from discovering new possibilities. Although a literature review is essential in acquiring background knowledge before commencing with a study, it is not the only means. Unpublished personal experiences, discussions with people involved in a

similar issue, direct observation or participation may all give a researcher the necessary background about a particular subject of study (Bless *et al.* 2006: 27). In the ensuing section, a literature review on a PMS is described in the context of the preceding discussions regarding understanding a literature review.

2.3 PERFORMANCE MANAGEMENT IN THE PUBLIC SERVICE

According to Armstrong (1995: 429) performance management is a means of getting better results from an institution, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. Cardy and Dobbins (1994: 2), on the other hand, define performance management as a formal and systematic process by means of which the job-relevant strength and weakness of employees are identified, measured, recorded and developed. Although performance management may sound as if it has the same meaning as a performance management system, they are different. A PMS is an authoritative framework for managing employee performance that includes a policy framework as well as a framework relating to all aspects and elements in the performance cycle, including performance planning and agreement, performance monitoring, review and control, performance appraisal and moderating, and managing the outcome of appraisals (Simeka Management Consulting, 2004: 12). To be precise, a PMS gives guidelines on how everything to do with performance management is to be done, from goal setting and deciding how to measure accomplishments to providing regular assessments.

A PMS is also a process that begins by translating overall institutional objectives into clear individual objectives that will be set as targets for individual employees on a quarterly or annual basis (Amos *et al.* 2008: 286). The performance target of individual employees also sets the agenda for supervisors and individual employees regarding the monitoring and reviewing of performance. It is in those set performance targets and requirements that the satisfactory or non-satisfactory performance of employees will be determined. After such determinations, good performance may be rewarded and poor performance may be improved through appropriate improvement measures, which are

discussed in section 3.5.5 (Chapter three). Good performance refers to a performance where an employee achieves the set performance targets and bad performance refers to a performance where an employee fails to achieve the set performance targets. This researcher believes that performance management is the means applied to harness available resources to improve performance, productivity and service delivery.

Several studies about a PMS have been undertaken, obviously focusing on its different dimensions. However, the necessary element of the PMS entails performance improvement and productivity to ensure effective and efficient public service delivery. According to Van der Waldt (2004: 75), it is usually difficult to measure performance improvement and productivity in the public service because the outputs are also intangible. For example, the general welfare of the community, effectiveness and efficiency and the general satisfaction of the society by services provided are not easily measured. Nevertheless, human and other resources must be harnessed to their maximum potential. It is also provided for in the *Constitution of the Republic of South Africa* of 1996 that there must be effective performance of administrative functions. The 1996 *Constitution* is also one of the founding legal prescripts from which a PMS emanates in that its Section 195 provides for the efficient, economic and effective use of resources (human, financial and material) in the public service.

Mogotsi (2002) undertook a study for his qualification in a Master of Public Administration degree with the topic 'The role of performance management amongst administrative staff at the University of the North'. The research problem under investigation was to understand whether the University of the North as an institution of higher learning does display a professional and credible public service delivery both nationally and internationally. The purpose of the study was to address the issue of performance management among administrative staff at the University of the North, and to address low moral, dissatisfaction, demotivation and the declining culture of work performance and accountability. In this study, Mogotsi (2002) also highlighted the essence of performance management as being linked to institutional targets and objectives. This author argues that individual targets and objectives must be linked to

those of the institution. The need for a common language is paramount in order to attain the required level of effectiveness and efficiency. Mogotsi (2002) concluded that management should introduce clear policies and procedures that will guide the administration sector of the institution in what is expected of it in order to enhance the level of productivity, quality and customer service delivery. While Mogotsi's study enriches the body of knowledge with a view of the PMS within the context of a parastatal as conducted within a university environment, it does not sufficiently answer the challenge of the PMS in the public service contributing to improved productivity as undertaken in this study.

Another empirical study by Ravhura (2006) for a Master of Public Administration degree to evaluate performance management at the Department of Education in the Limpopo province was done. The study assessed the PMS on its methods of application and implementation as well as the processes involved. The findings of the study recorded that training and awareness about the PMS were lacking, and that insufficient funds were being allocated for the purpose of the PMS in the Department of Education within the Limpopo Province. Based on these findings, Ravhura (2006: 82) further recommends that the Department of Education in the Limpopo Province should provide training to its staff who are responsible for the PMS implementation. Other relevant recommendations include the need for the departmental staff to become aware of the PMS as well as the allocation of a sufficient budget for the PMS process.

However, it must be cautioned that the issue of the budget recommended by Ravhura may not be possible since it has been derived from the Department of Public Service and Administration's framework which provides that the budget for performance bonuses be limited to 1.5% of the wage/remuneration bill. Pay/salary progression (notch) is limited to 2% of the wage bill of the department. The department may only exceed the budget with the approval of the Executive Authority (Ministers in national departments or Members of Executive Councils in provincial departments). In this regard, it has been noted that Ravhura's (2006) study does not sufficiently address the questions asked in

Chapter one as to whether the PMS of the Department of Local Government and Housing in the Limpopo Province contributes to improved productivity

Masoga (2007) considered the implementation and management of human resource management development programmes to promote the performance of public servants in the Department of Roads and Transport in the Limpopo Province. Since the focus was on the need for training and development of the public servants, the study found that the newly appointed public service employees do not receive sufficient orientation or training. While the study further found that *ad hoc* or haphazard training is sometimes provided to the new employees, results are not always evaluated to determine whether the objectives of such training are achieved. Based on these findings, Masoga (2007) concluded that there is a need for a systematic orientation and training of newly appointed employees if the overall performance is to be improved. Performance evaluations should be conducted to determine the training outcome and also link such to the institutional results. Erasmus *et al.* (2005: 269) argue that when it is found that the performance level of an employee is weak or lacks certain competencies, the PMS provides that training and development interventions be made. Maila (2006: 26) concurs that the key focus of the PMS is that it is development-oriented hence the provision for training to address the skills shortage in terms of their personal development plans and competency profiles.

Training and development activities are those planned programmes of institutional improvement undertaken to bring about a relatively permanent change in the employee's knowledge, skills, attitudes and social behaviour (Cascio & Aguinis, 2005: 381). Training and development of employees in the institution help the employees to reach their full potential in the performance of their responsibilities. It is interventions such as these that help the institution to reach its goals and objectives. Training and development can be done in several ways such as individual training, external training, generic training or team-based training. In other words, training and development should be part of the PMS in any institution implementing a PMS.

Maloa (2001: 33) also maintains in his study that observing work performance and providing feedback about it should be a routine part of a performance management process. The author argues that feedback or performance reviews are based on observed and verifiable work-related behaviours, actions, statements and results. An observed performance by a supervisor is likely to result to an objective rating on a subordinate than an unobserved one. Feedback also helps both subordinates and supervisors to plan for the future in terms of performance.

Furthermore, a study conducted by Mabelane (2007) entitled 'The practice of performance management in the Limpopo Provincial Legislature' in partial fulfillment of the Master of Public Administration degree has relevance in the understanding of a PMS. The research problem under investigation was 'whether existing administrative arrangements allow the provincial legislature to conduct its functions efficiently and effectively in line with the PMS'. The purpose of the research was to explore and investigate the challenges that confront the implementation of performance management in the Limpopo Legislature, and also provide possible mechanisms to overcome the challenges. Throughout the discovery of the practice of performance management in the Limpopo legislature, Mabelane (2007: 57) found that there is bias and favouritism towards officials with political connections, friendships and other forms of relationships. The study found that the PMS policy of the Limpopo Legislature does not address actual performance challenges of employees but is used as a tool to provide employees with annual notch increments. The investigation also found that the performance of all employees is found to be satisfactory without any knowledge as to whether employees have reached their quarterly or annual targets.

In light of these findings, Mabelane (2007: 64) recommends that the following should be taken into consideration in order to enhance the PMS within the Limpopo Provincial Legislature:

- Managers should be vigilant in implementing the PMS policy.

- A performance evaluation committee should be established to evaluate the work of the manager to avoid subjectivity.
- The legislature should develop measures to train and retain its highly performing employees.
- The employees' benefits such as allowances for high performers must be attractive.
- The legislature should develop a policy that ensures that salaries of employees who perform well are increased even if they are in the same position.
- The management of the Limpopo Provincial Legislature be retrained and capacitated on leadership and management styles.

While Mabelane's study focuses on the legislative arm of a provincial government, this study focuses on the administrative arm of a provincial government. It is also necessary to indicate that most of the recommendations by Mabelane's study are already covered by the PMS policy framework developed by DPSA in 2007 and also by the Limpopo Department of Local Government and Housing's PMS policy of 2008.

Herholdt (2007) conducted a study on the evaluation of a performance management system within a division of a larger institution in the public sector, focusing on the Department of Health and Human Services of Tasmania in Australia. The research questions undertook to find out whether the PMS manifests complete operational effectiveness. In this international research, the study found that a PMS is a complex and integrated process, and if critical prerequisites are not satisfied during the initial stages of its implementation, the institution is unlikely to enjoy the competitive advantage of the system. In this regard, Herholdt (2007) recommends that in order for a PMS to be successful, an audit of the impact of PMS implementation has to be conducted continuously, although there is no specific indication regarding the frequency of continuous audits.

The study by Herholdt (2007) provides several significant lessons to public sector institutions. Public service institutions are increasingly recognising that planning and enabling individual performance have a critical effect on institutional performance. It is therefore of paramount importance for institutions to remove outdated systems of performance appraisals and adopt the new PMS which is able to help in linking institutional strategic objectives with individual performance targets. According to Ravhura (2006: 3) the performance appraisals system was often seen by managers as an irritating administrative chore, and as an unfair and arbitrary system of policing by supervisors. Another weakness was that the system did not encourage discussion between managers and subordinates which has often led to protracted disputes. The system of appraisal was not linked to results or areas of responsibility but based on an assessment of generic behaviour and events (Department of Public Service and Administration, 1999: 50). However, careful consideration of the study by Herholdt (2007) should be made since this study was undertaken in a different environment under the conditions of the Australian public sector and not in South Africa (and in particular Limpopo Province) as undertaken by this study.

Performance management has been studied by different scholars with the aim of contributing to the body of knowledge. Some of the studies were conducted before 2001 when the system of personnel evaluations otherwise known as 2nd and 3rd notches as discussed in Chapter one (section 1.3) was still applicable in the public service. According to Ravhura (2006: 3) the previous system of personnel evaluations had the weakness that it required more time from managers for writing reports, filling in forms and holding assessment meetings. During the time of personnel appraisals officials were unclear about the purpose of their jobs beyond execution of tasks on duty sheets. The rank promotion was implemented selectively (Department of Public Service and Administration, 1999: 50). The PMS was introduced in the public service in 2001.

However, research studies have been conducted since before 2001 and beyond. The literature review that has been conducted in this study provides an enriching body of knowledge on aspects of the PMS within Public Administration as a major field of study.

However, it is also clear from the literature that there is still a wider scope for the scientific investigations of the PMS to be undertaken. These areas include anecdotal investigations such as whether the PMS contributes to improvement of productivity in the public service within the DLGH in the Limpopo Province. The study is necessary in that public service institutions aim for the betterment of services provided to the South African society. The reason the PMS was introduced in the public service includes the improvement of performance and the reaching of the set targets. It is pivotal to evaluate whether the PMS indeed contributes to the improvement of productivity. The evaluation should also cover areas of PMS weaknesses. This will be the area of focus in this study. The study considers the challenges that confront the DLGH in its application of the PMS.

2.4 CONCLUSION

Existing literature about performance management in the public service has been reviewed. Areas of studies that were pursued by different scholars were explored in detail. A literature review as a concept has been described in order to get a holistic understanding before the actual discussion, using the perspective of different scholars. After the literature has been reviewed, there is still a need to pursue the study of whether the PMS of the DLGH contributes to improved productivity. The regulatory framework which underpins the PMS in the public service will be covered in the next chapter.

CHAPTER 3

REGULATORY FRAMEWORK UNDERPINNING PERFORMANCE MANAGEMENT SYSTEM

3.1 INTRODUCTION

The literature review in the previous chapter (Chapter two) has led to the belief that a performance management system (PMS) is underpinned by several legislative and regulatory frameworks. There are various acts and statutory guidelines which guide the development and implementation of performance management in the public service. The legislative framework informing the processes of performance management is discussed in detail below. It will also be of paramount importance to give attention to different role players who are involved. Several steps to be followed in the development of a successful PMS in the public service which include development of a policy framework, signing of a performance agreement, measuring performance, and managing the outcome of the performance measurement are discussed. In order to have a clear understanding of the PMS in the Department of Local Government and Housing (DLGH) in the Limpopo Province, the departmental PMS policy is analysed.

3.2 LEGISLATIVE AND REGULATORY FRAMEWORK

Scholars such as Erasmus, Swanepoel, Schenk, Van der Westhuizen and Wessels (2005: 270) note that there are several legislative guidelines and white papers that underpin the PMS in the public service in South Africa. Among other such regulatory framework which underpins the PMS are the *Constitution of the Republic of South Africa of 1996* (hereafter referred to as the *1996 Constitution*), *Public Service Act, 1994* (Proclamation 103 1994), the *Skills Development Act, 1998* (Act 97 of 1998), the *Labour Relations Act, 1995* (Act 66 of 1995), the *Public Finance Management Act, 1999* (Act 1 of 1999), the *Public Service Regulations of 2001*, the *White Paper on Human Resource Management in the Public Service of 1997*, *White Paper on Public Service Education and Training of*

1998, White Paper on Transforming Public Service Delivery of 1997 and the *Public Service Coordinating Bargaining Council Resolution 13* of 1998. To further understand how these legislative guidelines support the implementation of the PMS in the public service, sections 3.2.1 to 3.2.10 provide detailed discussion.

3.2.1 Constitution of the Republic of South Africa of 1996

Section 2 of the 1996 *Constitution* states that it is the supreme law of the Republic; any law or conduct inconsistent with it is regarded as invalid, and the obligation imposed by it must at all times be fulfilled. The requirements set for the public service in terms of section 195 of the 1996 *Constitution*, among others, is that good human resource management and career development practices to maximise human potential must be cultivated. It is also stated that efficient, economic and effective use of resources must be promoted. Section 195(1) serves as a reference point guiding the conduct of public officials including performance in all spheres of government. The section highlights, among others, the principle of good human resource management and career development practices in order to cultivate and maximise human potential. The maximising of human potential in the performance of responsibilities also has to do with the efficient, economic and effective use of resources as provided for by section 195 (1) (b) of the 1996 *Constitution*. Accountability which is also paramount in the management of performance has been stipulated as one of the principles of public administration by section 195 (1) (f). Van der Waldt and Du Toit (1999: 384) also believe that the 1996 *Constitution* makes provision for the effective performance of administrative functions in this regard. It may also be argued that the 1996 *Constitution* is one of the founding legal prescripts from which the PMS emanated. All legislations and policy provisions should at all times be informed by the 1996 *Constitution* as the supreme law of the land.

3.2.2 Public Service Act, 1994 (Proclamation 103 of 1994)

Section 3 (5) (c) of the *Public Service Act*, 1994 (Proclamation 103 of 1994) clearly indicates that performance appraisal should be provided for in the public service. This

Proclamation further stipulates that the head of a particular public service institution shall be responsible for effective management and administration which obviously includes the managing of employees' performance. The performance in the public service institutions as stipulated by the *Public Service Act, 1994* (Proclamation 103 of 1994) shall be managed in a consultative, supportive, and non-discriminatory manner in order to enhance institutional effectiveness, efficiency and accountability. According to Van der Waldt (2004: 4) public service institutions should minimise the administrative burden while maintaining transparency and administrative justice. The proclamation outlines the responsibility of different parties in the process of performance management including the executing authority (Ministers in national departments or Members of Executive Councils in provincial departments), senior management and the supervisors.

3.2.3 Skills Development Act, 1998 (Act 97 of 1998)

The key focus of a PMS is that it is development-oriented hence the provision for training in the skills that employees lack in terms of their personal development plan and competency profile (Maila, 2006: 26). According to section 2 (1) of the *Skills Development Act, 1998* (Act 97 of 1998) emphasis should be placed on employee development in order for there to be good and effective performance of employees in the institution. A skills audit is necessary to determine the gaps between the job requirement and competencies of a particular employee as a requirement of a PMS.

This Act makes provision for the development of a Workplace Skills Plan by the employer. According to Coetzee (2002: 95) Workplace Skills Plans refer to the strategic human resource training and development aimed at developing skills capacity which then helps the institution to achieve its own goals and objectives. Of particular importance is that section 30 of the *Skills Development Act, 1998* (Act 97 of 1998) prescribes that all public services institutions are mandated to budget at least 1% of their payroll for training and development of officials. The training and development of public services employees is done with the aim of enhancing their skills, performance and productivity. Section two also stipulates that productivity enhancement and competitiveness in the workplace is a

requirement for the PMS. Improvement of delivery of social services has been stated as one of the purposes of the Act which can be realised through the development of the skills of the South African workforce as provided for in section 2 (1) (iv) of the *Skills Development Act, 1998 (Act 97 of 1998)*. A full implementation of the Act in an institution assists in the improvement of performance of employees and productivity in the institution.

3.2.4 *Labour Relations Act, 1995 (Act 66 of 1995)*

A performance management process must be legally sound to avoid unnecessary litigation (Nel, Van Dyk, Haasbroek, Schultz, Sono & Werner 2004: 488). Schedule eight of the *Labour Relation Act, 1995 (Act 66 of 1995)* makes a provision that deals with the incapacities of employees and poor performance. Maila (2006: 26) is critical of the *Labour Relations Act, 1995 (Act 66 of 1995)* in that it makes it impossible to dismiss an employee solely because such an employee has not reached the set performance targets. The Act also makes provision for how to manage poor performance by employees without opting for dismissal as a first option. Before any dismissal can be effected, lengthy and corrective measures which include the investigation to establish the reasons for poor performance in the process have to be applied. It is provided in section 14 (4) of the *Labour Relations Act, 1995 (Act 66 of 1995)* that an employee has the right to be heard and to be assisted by a union representative or a fellow employee during an enquiry or disciplinary hearing of any kind that may include under performance. In other words, dismissing an employee because of under performance should be the last option after all improvement plans such as coaching, counseling and training have been exhausted. Van der Waldt (2004: 94) further states that the PMS should be developmental in nature, which allows for effective remedies for consistent inadequate performance. Outstanding performance should, however, be rewarded (Byars & Rue, 2006: 245).

3.2.5 Public Finance Management Act, 1999 (Act 1 of 1999)

The *Public Finance Management Act, 1999* (Act 1 of 1999) takes careful considerations of PMS policy framework provisions particularly on expenditure of the remuneration budget. The *Public Finance Management Act* regulates financial management in the public entities, national and provincial departments and also ensures that assets, revenue, and expenditures are managed effectively and efficiently. In terms of section 38 (1) (b) of the *Public Finance Management Act, 1999* (Act 1 of 1999), the accounting officer is responsible for the effective, efficient and economic use of public resources. Accordingly, this Act stipulates that performance measurements should receive special attention in the public service. Accounting officers through their chief financial officers have the primary responsibility of implementing performance measures. Comparisons between financial targets and results need to be done on a regular basis (Archibald, 1994: 131).

3.2.6 Public Service Regulations of 2001

Part VIII of Chapter 1 of the *Public Service Regulations* of 2001 provides that the Executing Authority should determine in consultation with their department a system that links individual performance to institutional goals. Part III of Chapter 4 in the *Public Service Regulations* also states that the performance of all members of Senior Management Services (SMS) should be managed through performance agreements. It is further stipulated in the regulations that a supervisor must monitor, supervise and assess the subordinate's performance on a regular basis using the prescribed format of performance assessment.

The *Public Service Regulations* of 2001 further stipulate that an Executive Authority (Ministers in national departments or Members of Executive Councils in provincial departments) shall determine the system of performance management and development for employees in the department other than employees who are members of the SMS. The Executive Authority in every department must establish an appropriate performance

assessment instrument for different occupational categories or levels in order to assist the management to decide on probation, rewards, promotion and skills development of employees. Unsatisfactory performance must also be managed well in terms of the *Public Service Regulations* of 2001 by means of developing plans to improve employee's performance. The necessity of performance management in the public service as provided for by part VIII of Chapter one of the *Public Service Regulations* of 2001 has also been advanced by Masango (2000: 66) as a process to improve productivity both quantitatively and qualitatively. Improvement of productivity comes about when performance management programmes are directed towards ensuring that more and better services are delivered at the lowest possible cost. In other words, better services should be provided using the scarce resources available.

Public service institutions should ensure that they enhance results-oriented institutional efficiency as well as accountability in the use of resources. All performance management programmes should be directed at ensuring that more and better services are delivered at the lowest possible cost (Van der Waldt, 2004: 93). It is important that performance of employees in the public service is always high in order to balance the ever-increasing public needs and demands with the available resources.

3.2.7 White Paper on Human Resource Management in the Public Service of 1997

Before the introduction of the *White Paper on Human Resource Management in the Public Service* of 1997, the South African public service was perceived to be discriminating in nature in terms of personnel management practices (Erasmus *et al.* 2005: 177). The conditions under which previously disadvantaged groups including blacks and women were appointed, promoted and worked were less favourable than those of white males. The main reason the *White Paper on Human Resource Management in the Public Service* of 1997 was introduced was to produce a diverse, competent and well-managed workforce which is capable of and committed to delivering quality services to the people of South Africa (Department of Public Service and Administration, 1997: 2). Unlike before the democratic dispensation instituted in 1994, the new public service has

values and principles which are derived from section 195 of the 1996 *Constitution* which includes fairness, equity, accessibility, transparency, accountability, participation and professionalism. The White Paper stipulates that if an employee is not satisfied with the final assessment, such an employee may be given a chance to appeal the decision. Ensuring fairness and objectivity can be done through intervention by the immediate supervisor or the manager.

The White Paper on Human Resource Management in the Public Service of 1997 makes provision for certain principles regarding the PMS in the public service. Training and development as one of the principles of a PMS are provided for by this White Paper and assist an institution to identify the strengths and weaknesses of employees as well as other possible interventions that are necessary. The interventions refer to various training and development options that might be deemed necessary.

The primary orientation of performance management as provided for by this White Paper is to develop and recognise outstanding performance in the institution. Recognition could be done through paying performance bonuses, a pay/notch progression or any other non-financial rewards that the institution might deem fit. Whenever results are not satisfactory, mutual steps need to be agreed on to effect improvement. Such steps of intervention may include, among others, career counseling, coaching, mentoring, retraining or redeployment (Banfield & Kay, 2008: 288).

Van der Walt and Du Toit (1999: 386) concur with the principles in the White Paper and highlight other notions such as accommodating diverse cultures and values in order to have effective performance management. According to this White Paper, there must be a workplan that covers a specific period explaining the employee's responsibilities which are designed according to the strategic objectives to be achieved. And this workplan must be followed by performance reviews of all employees on a regular basis.

Transforming the outmoded and inappropriate human resource practices is a catalyst in creating capacitated and skilled public service human resources (Department of Public

Service and Administration, 1997: 6). The White Paper also provides a guideline that facilitates the development of human management practices to support an effective and efficient public service geared towards economic and social transformation. It is therefore crucial to note that transformation of the public services has to include the transformation of human resource practices in order to be effective. The performance management of human resources is paramount if an effective transformation of the public service is to be achieved.

3.2.8 White Paper on Public Service Training and Education of 1998

The main principle of the White Paper on Public Service Training and Education of 1998 is to establish a clear vision and policy framework which could serve as a guide to the introduction of new policies, procedures and legislations aimed at transforming public services training and education. Training and education in the public service should be transformed into a dynamic, needs-based and pro-active instrument and should be capable of playing an integral part in the process of building a new public service for a new and democratic society in South Africa (Department of Public Service and Administration, 1998: 13). The anticipated outcome of this White Paper is that training and education should encapsulate the following:

- Linking transformation and Human Resource Development in the public service.
- Effectively organising and coordinating ways which should promote quality, accountability and cost-effectiveness.
- Be based on broad participation and involvement by relevant stakeholders.
- Be capable of promoting the empowerment of previously disadvantaged groups.
- Be demand-led, needs- and competency-based training and education.

- Be able to add value to individual and institutional capacity.

The above anticipated outcome could significantly help in transforming the public service. While the White Paper on Public Service Training and Education of 1998 concentrates on the provision of formal training and education in the public service, it recognised less formal methods such as coaching, mentoring and job rotation. The introduction of this White Paper aims to address a fragmented and uncoordinated approach in which training and education across the public services are conducted. The inappropriate nature of training and education that is being provided also had to address some issues including the lack of a strategic, needs- and competency-based approach to public service training and education. Employees should not be required to perform responsibilities that exceed their current skill or knowledge level if they have not received training (Ivancevich, Konopaske & Matteson 2011: 209). More efficient structures, procedures, and criteria of training have to be established with the DPSA's Public Service Sector Education and Training Authority (PSETA) taking the lead role in this respect. Personal development plans should be linked to employee's performance monitoring, promotion and career progression (Department of Public Service and Administration, 1998: 16). Linking personal development plans and key performance areas has been stressed by the DPSA's performance management system framework. Training and education play a vital role in the implementation of a PMS in any public service institution. A PMS that is not linked to training and education is not likely to succeed in the inculcation of maximum performance. Lack of training in an institution can result in underutilised abilities (Byars & Rue 2006: 222).

3.2.9 White Paper on Transforming Public Service Delivery (*Batho Pele*) of 1997

Over the years the government of South Africa has been synonymous with red tape, inefficiency, lack of customer service and bad attitude (Van der Waldt, 2004: 87). But the public service in South Africa is being radically changed through a policy called *Batho Pele* meaning people first. The policy has set out eight principles which aim to change or transform the behaviour of public servants and politicians in their interactions with the

citizen to hold these officials and political office bearers accountable. In accordance with the *Batho Pele* principles, all public service institutions must at all times put service to the people first and also improve the way they have been rendering services. The principles as set out by the White Paper on Transforming Public Service Delivery (*Batho Pele*) of 1997 are consultation, service standards, access, courtesy, information, openness and transparency, redress, and value for money (Department of Public Service and Administration, 1997: 15). Steps to implementing service delivery programmes as indicated by Van der Waldt (2004: 89) include the following:

- Identifying the customer;
- Establishing customer needs and priorities;
- Establishing the level of service delivery currently provided;
- Identifying the improvement gap between expectation and level of service that is provided;
- Setting service standards;
- Gearing up for delivery;
- Telling customers about their (government) standards; and
- Monitoring delivery against results and publishing the results.

Van der Waldt (2004: 89) argue that when public service institutions adhere to the above steps in rendering services to the public, there may be improvements in the delivery of services. Quality services rendered might also go up through the adherence of the above steps together with the principle of *Batho Pele* in the implementation of service delivery programmes.

To ensure that service delivery is constantly improved, the White Paper on Transforming Public Service Delivery (*Batho Pele*) of 1997 advises that national and provincial departments should make service delivery a priority. Improving the delivery of public services means redressing the imbalances of the past and includes those who were previously disadvantaged such as Africans, the disabled and women (Department of

Public Service and Administration, 1997: 11). There was a need for a complete change on how public services have been rendered before the introduction of this White Paper.

The introduction of service delivery improvement programmes cannot be achieved in isolation from other management functions within the public service (Banfield & Kay, 2008: 288). As it is argued in this study, performance management is a means to improve service delivery and productivity. Whether this is achieved, is subject to the collected data and interpretation as discussed in Chapter five. The vehicle of improving service delivery includes a performance management system. When performance is being managed properly it contributes to the improvement of service delivery and productivity. Through performance management not only will service delivery be improved but attitudes, procedures and behaviour also change.

3.2.10 Public Service Coordinating Bargaining Council Resolution 13 of 1998

Public Service Coordinating Bargaining Council Resolution, 1998 (Resolution 13 of 1998) had a particular provision in it that set a framework for a performance agreement by individual SMS members. This resolution stated that a performance agreement must include key duties and responsibilities, targets for a particular period, timeframes for reviews, dispute resolution mechanisms, and mechanisms for managing or awarding salary increases (Erasmus *et al.* 2005: 272).

Being informed by, among others, the above legislative and regulatory framework, all public service institutions must develop their own policy framework to deal with performance management. The development and determination of the said PMS by the Executive Authority (Ministers in national departments or Members of Executive Councils in provincial departments) is a provision of the *Public Service Regulations* of 2001 as discussed above in paragraph 3.2.6. Several White Papers discussed above, the *Public Service Act* and the *Public Service Regulations* mandate the Executive Authority and the heads of public service institutions to develop, implement, monitor and evaluate a PMS in a consultative, supportive and non-discriminatory manner.

The above regulatory frameworks underpinning a PMS were discussed in the context of the national and provincial spheres of government. The regulatory frameworks underpinning the PMS at municipalities are to be discussed in detail below. This distinct focus is necessary as municipalities are not part of the public service and are therefore not governed by the *Public Service Act*.

3.3 REGULATORY FRAMEWORK FOR SOUTH AFRICAN MUNICIPALITIES

According to section 152 of the 1996 *Constitution*, municipalities must be performance oriented. However, it has continuously been argued that most municipalities lack an effective and efficient PMS as a means of enhancing performance (Van der Waldt, 2004: 318). The efficiency of the municipality is usually measured primarily on the success of the project implementation, be it capital or operational. According to Van der Waldt (2004: 318) municipalities usually do not have clear institutional specific performance and development objectives. There is a general lack of sufficient skills resources in South African municipalities and the entire public service regarding the provision of services and meeting of set objectives. The most needed skills and resources required include technological, financial and human resource commitment and experience. The understanding of a PMS was limited to performance appraisals which focused on performance rewards rather than the efficiency and effectiveness of the employee's performance.

In an attempt to address issues of performance challenges and other issues relating to productivity improvement, the Department of Provincial and Local Government (now Department of Cooperative Governance and Traditional Affairs) published a document called Performance Management Guide for Municipalities in 2001 (Van der Waldt, 2004: 318). The details of the Performance Management Guide for Municipalities are discussed in section 3.4 below.

It is in the public interest to ensure that public service institutions including municipalities perform their assigned roles efficiently and effectively (Van der Waldt,

2004: 323). There are various legislative and regulatory frameworks that supported the introduction of a PMS in the local sphere of government. The affairs of the municipalities ought to be administered in an economic, effective, efficient and accountable manner. Among other regulatory frameworks that underpin a PMS in the municipalities are the *Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)*, *Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)*, *Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)*, *Local Government: Municipal Planning and Performance Management Regulations* of 2001, White Paper on Local Government of 1998 and White Paper on Public Service Delivery (*Batho Pele*) of 1997. These regulatory frameworks will be discussed in detail below.

3.3.1 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Section 38 of the *Municipal Systems Act, 2000 (Act 32 of 2000)* requires all municipalities to develop their own PMS which could assist in setting performance targets, monitor and review performance-based indicators linked to their Integrated Development Plan (IDP). Through the PMS the municipality is then able to publish its performance report to all relevant stakeholders which includes councillors, the public, and other spheres of government. It is imperative for the municipality as provided for by section 45 of the *Municipal Systems Act, 2000 (Act 32 of 2000)* to conduct a performance audit in order to find out their strengths and weaknesses. Such publicised performance reports must be subjected to auditing by the Auditor-General. The Act further states that there is a need for community involvement in the setting of performance targets and reviewing of municipal performance which should be cascaded down to individual employees.

According to section 38 (a) (iii) of the *Municipal Systems Act, 2000 (Act 32 of 2000)*, it is necessary for municipalities to conform to their IDP framework and develop a PMS with realistic and measurable targets. It is critical for the management of the municipalities to give full support to the implementation of the PMS (Van der Walddt, 2004: 320). When the *Municipal Systems Act* was promulgated in 2000 it spelled out a

guideline on how issues of performance within municipalities in South Africa should be addressed. The Act provides a guideline on the development of an institutional policy framework on a PMS and all issues that contribute to the success of a PMS. Generally, the Act was promulgated to establish a framework for planning, organising, coordinating and controlling the effective use of resources. A PMS should not only be implemented at an institutional level but also at an individual level whereby all employees of the municipality sign performance agreements with their respective supervisors. The individual performance agreements should include clearly defined performance targets to be achieved on a quarterly basis, but such targets and indicators should be aligned to the municipal objectives and IDPs.

However, municipalities should ensure that when setting their performance targets, they take their financial and institutional capacity into consideration. Monitoring of such performance should be on a regular basis, in particular, every quarter in line with the quarterly performance targets.

3.3.2 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

The *Municipal Finance Management Act, 2003 (Act 56 of 2003)* was promulgated in 2003 with the specific aim of securing sound and sustainable management of municipal financial affairs and other institutions in the local sphere of government. The Act also ensures that officials entrusted with the management of municipal finances and supply chains undertake their responsibilities in a responsible, transparent, ethical and professional manner (Van der Waldt, 2004: 323). Section 62 (1) of the *Municipal Finance Management Act, 2003 (Act 56 of 2003)* provides that the accounting officer (Municipal Manager or a delegate of the Municipal Manager) must ensure that the finances and resources of the municipality are managed effectively, efficiently and economically. Craythorne (2003: 123) posits that in the performance of their responsibilities, municipalities must ensure that there is efficiency and effectiveness.

The Act further provides that a municipality through its accounting officer should prevent unauthorised, irregular, fruitless and wasteful expenditure. It is sections such as section 72 (1) of the *Municipal Finance Management Act, 2003* (Act 56 of 2003) which inform the development of a PMS in the municipalities in that it provides for the assessment of performance, service delivery and an annual report (Joubert, 2008: 20). It is also section 83 of the same Act that stipulates that competency monitoring of municipal officials, particularly those that work with finances, is paramount. Training for the skills and competencies that are lacking has been provided for with the specific aim of improving performance and productivity. Training and development are some of the main principles of a PMS at the municipalities and the entire public service. A PMS should be developmental in nature and not punitive. Municipalities need to ensure that they provide resources and opportunities for training to take place.

3.3.3 Local Government: *Municipal Structures Act, 1998* (Act 117 of 1998)

Section 44 and section 56 of the *Municipal Structures Act, 1998* (Act 117 of 1998) confer certain powers on Municipal Executive Committees and Executive Mayors to identify needs of the municipality, and to review and evaluate those needs in their order of priority (Joubert 2008: 18). It is further stipulated that they need to recommend to the municipal council strategies and programmes to address such identified priorities through IDPs. Municipal Executive Committees and Executive Mayors are further given powers by section 44 (3) and 56 (3) of the Act to develop criteria to implement municipal strategies and programmes. Evaluation and review of the implementation of the programmes also need to be carried out. It is through such evaluation and review of programmes that efficiency and effectiveness can be attained. In essence, programmes of the municipality may be effectively implemented if the Municipal Executive Committee and Executive Mayor have developed, implemented, monitored and evaluated the PMS effectively.

3.3.4 Local Government: Municipal Planning and Performance Management Regulations of 2001

According to section 7 (2) of the *Municipal Planning and Performance Management Regulations* of 2001, municipalities must ensure that in the process of developing their own PMS, the system (PMS) must do the following:

- Comply with all the requirements set out in the *Municipal Systems Act*, 2000 (Act 32 of 2000).
- Demonstrate how it is to operate and be managed from planning stage up to stages of performance review and reporting.
- Clarify the roles and responsibilities of each role player, including the local community in the functioning of the system.
- Clarify the processes of implementing the system within the framework of IDP processes;
- Determine the frequency of reporting and the lines of accountability for performance.
- Relate to the municipality's employee performance management processes.
- Provide for the procedure by which the system is linked to the municipality's IDP processes.

It is critical for any municipality to ensure that its PMS policy framework addresses all the above factors if it is to be effective and efficient in its local circumstances. One of the principles of a PMS which has been provided for by *Municipal Planning and Performance Management Regulations* of 2001 is that the performance indicator must be measurable, relevant, objective and precise. Community involvement in the setting of performance indicators is important, and such indicators must inform those of the entire municipal employees and every municipal entity and service provider which entered into Service Level Agreement with the municipality. Section 11 of this Regulation makes provision for the regular review or assessment of performance which should also include measurement of cost, resources and time used. Local community should also play an

active role in the review processes within municipalities as part of public participation. Section 12 (2) of the Regulations further prescribes that performance targets must be practical, realistic, commensurate with available resources and the municipality's capacity, be consistent with municipal development priorities and the objectives of the IDP. Many principles which have been addressed by the PMS policy framework of many municipalities were informed by the *Local Government: Municipal Planning and Performance Management Regulations* of 2001.

3.3.5 White Paper on Local Government of 1998

Paragraph 4 of section A of the White Paper on Local Government of 1998 has stated that the democratic local government system must address its weaknesses and build the capacity of its municipalities to address the challenges they face. In order to address such weaknesses, performance management at the municipalities is deemed to be critical to ensure that plans are being implemented, and that resources are used efficiently.

The White Paper on Local Government of 1998 proposes the introduction of a PMS in the local sphere of government (municipalities) as a means of ensuring that municipalities are development-orientated (Joubert, 2008: 16). Paragraph 3.2 of section B also provides that involvement of local communities in the development of municipal performance indicators increases accountability and so public trust in the municipality is enhanced. Performance monitoring needs to be carefully designed so as to accurately reflect the efficiency, quality and value for money in the municipal services. Community involvement in governance matters including planning, implementation, performance monitoring and performance review are in essence what the White Paper on Local Government of 1998 advocates for. For a PMS to be effectively implemented at the municipalities, other spheres of government need to play their supporting role.

The White Paper on Transforming Public Service Delivery of 1997 (also known as the *Batho Pele* White Paper) is complimentary to the White Paper on Local Government of 1998 in that it provides that the development of service-oriented municipalities requires

that there be an active participation by the wider local community. It is through feedback by the local community or recipient of provided services where municipalities are able to receive inputs and constructive criticism so as to enhance their service delivery. Through community involvement, other stakeholders, including business people, may also assist municipalities in the provision of other necessary services. For example, a local business person may assist in providing a service which would have been the responsibility of the municipality, such as building a health centre. The involvement of communities may, to a greater extent, play a significant role in transforming public service delivery and the improvement of PMS implementation.

The municipal PMS is underpinned by different regulatory frameworks from those of the national and provincial spheres of government as discussed above. Based on the above regulatory framework, the former Department of Provincial and Local Government (now Department of Cooperative Governance and Traditional Affairs) developed Performance Management Guide for Municipalities in 2001. The guidelines are discussed in detail below as they warrant a distinct focus.

3.4 PERFORMANCE MANAGEMENT GUIDE FOR MUNICIPALITIES OF 2001

A PMS is a requirement for municipalities in South Africa and it was developed based on regulatory framework discussed in paragraph 3.3.1 to 3.3.6 above. The Performance Management Guide for Municipalities of 2001 seeks to assist municipalities in developing and implementing a PMS in terms of the legislative requirement discussed above. This Guide further aims to establish a common language to ensure a level of consistency and uniformity in the application of concepts. The Guide, however, is not meant to prescribe what municipalities must do, but to provide guidelines on how to develop, implement, monitor and conduct evaluations on the PMS (Department of Provincial and Local Government, 2001: 5). The guide is meant to assist municipalities to draw linkages to the overall institutional PMS and IDP because the two are integrated (Joubert, 2008: 39). The process of a PMS for municipalities must be inclusive, participatory and transparent.

One of the crucial factors stated by the Performance Management Guide for Municipalities is that a municipal PMS should have clear objectives for its IDP and have identified appropriate indicators with targets because without targets it is like playing soccer without goalposts (Department of Provincial and Local Government, 2001: 24). Performance targets are those planned levels of performance, and are usually expressed in terms of quantity or time. For example, a municipality may identify 20 households in which to install electricity as a target for a week. Performance monitoring is a necessary aspect in the process that runs parallel to the implementation of the agreed IDP. The municipal PMS should be designed in a manner that enables the municipality to detect early indications of under performance and provide corrective measures where under performance has been identified.

A municipality is expected to develop a framework for understanding performance measurements which are essentially the process of analysing evidence of performance provided in order to assess performance. The Guide provides that municipalities should contain a description in their policy framework of what they look for during assessments, and what they use to measure such performance. Some assessment models assess whether policy and strategy are correct, resources are spent appropriately, processes yield results, and what the impact of the results on the society are. It is also critical that the policy specifies how performance assessments are to be conducted and by whom. Some of the areas that need to be covered by the municipal policy framework are system design, development of the system, measuring of performance, managing of outcomes, training and support.

The Performance Management Guide for Municipalities of 2001 plays a significant role in supporting municipalities in developing their own PMS. This Guide is useful for most municipalities which do not have sufficient skills and capacities.

3.5 STEPS IN THE DEVELOPMENT OF A SUCCESSFUL PERFORMANCE MANAGEMENT SYSTEM

There are necessary steps to be followed in developing a successful PMS which are applicable in the public service institutions including municipalities and they will be discussed in detail below.

- What gets measured gets done;
- If you don't measure results, you can't tell success from failure;
- If you can't see success, you can't reward it;
- If you can't reward success, you are probably rewarding failure;
- If you can't see success, you can't learn from it;
- If you can't recognise failure, you can't correct it; and
- If you can demonstrate results, you can win public support (Osborne & Gaebler 1992).

To create an effective PMS in a public institution there is a need for a well designed process that fits the specific needs, environment and culture of that institution (Erasmus *et al.* 2005: 275). Van der Waldt (2004: 286) concurs that while a PMS has proven to be an effective process of improving institutional efficiency, its value can be assured through comprehensive and well thought-out design and implementation processes. A PMS is integrated in nature in that there are several stakeholders/role players (see section 3.6) who play a significant role in its implementation (Bratton & Gold, 2007: 280).

The PMS was introduced to public service institutions in the beginning of July 1999 to familiarise them with the system with the aim of starting to implement it in the beginning of January 2001. However, this implementation was postponed to the beginning of April 2001 (Department of Public Service and Administration, 2001: i). It was later acknowledged by the DPSA that each public service institution is unique and that a uniform PMS policy framework for the entire public service is not desirable. National and provincial departments together with other public service institutions were mandated

to develop and design their own performance policies using their own circumstances with the DPSA's policy framework on PMS as a guide. During the period of PMS introduction, the DPSA and Public Administration Leadership and Management Academy (then South African Management Development Institute) played a pivotal role in training and supporting public service departments.

Besides the two processes involved in the performance appraisals which are observation and judgment, there are systematic steps that need to be followed in developing a successful PMS. Such basic steps need to be borne in mind when developing a successful PMS, and they include the following: designing a policy framework, developing a successful PMS, signing of performance agreements, measuring of performance, and managing the outcome of performance evaluations. The five steps are discussed in detail below.

3.5.1 Designing a policy framework

For an effective PMS to be introduced, a policy framework that is guided by sound legislative framework has to be designed, also addressing problem areas regarding performance management (Erasmus *et al.* 2005: 276). The policy framework should include categories of employees to be involved. It is necessary that the process of designing the policy framework be inclusive by involving parties such as trade unions, staff in general, and human resource specialists. Ivancevich *et al.* (2011: 182) also agree that active participation by relevant role players as mentioned above makes a significant difference and improves problem analysis. The policy framework should give directions as to who is to drive the process from developing the system to implementation and evaluation stages. In other words, anything to do with the PMS in a particular institution should be catered for in the policy framework. It is also advisable to regard such a policy framework as a living document so as to make adjustments and build capacity as time, circumstances and learning progress (Van der Waldt, 2004: 91). A policy framework that is inclusive of all matters regarding a PMS is desirable in that if for some reason a problem arises, a policy framework is available to help the management to deal with it

appropriately. Employees should at least be familiar with the majority of aspects covered by the policy framework.

3.5.2 Developing the system

During this phase of developing the system, solutions to issues such as the format of appraisal, what is to be assessed, who is to appraise whom, the intervals of appraisal, and also how the results will be linked to productivity improvement, development, rewarding good performance and managing poor performance (Erasmus *et al.* 2005: 275) should be stipulated. Satisfactory performance is when an official is able to reach the set performance target as stipulated in the contract of performance or performance agreement whereas poor/under performance means not reaching those performance targets without reason. Performance standards must be developed and mutually agreed on by concerned parties so that satisfactory or poor performance can be determined. A uniform appraisal technique across the institution is necessary. A policy framework needs to be as clear as possible for all parties to be able to understand it without difficulty. The framework also has to include a model to be used by the institution to link individual performance to institutional strategic plans and objectives (Banfield & Kay, 2008: 310). The performance instrument of an employee should be able to talk to the strategic plan of the branch and that of the entire department.

3.5.3 Signing of performance agreement

According to part VIII of the *Public Service Regulations* of 2001, the performances of all persons appointed in the public service shall be managed in accordance with a performance agreement. It is necessary to note that the process does not end with the signing of the performance agreement, but such performance must be reviewed on a regular basis (Erasmus *et al.* 2005: 280). An effective performance agreement should be able to be linked with the institutional and strategic plan. A strategic plan is the end product of the process of management's determination of strategic direction and priorities as well as institutional objectives and how they are to be achieved. An institutional plan

gives life to the strategic plan by translating the strategic objectives identified in the strategic plan into key results areas and responsibilities with measurable standards for a particular department, branch and division (Department of Public Service and Administration, 2007: 6). The Department of Public Service and Administration (2003: 16) further stipulates that a performance agreement should include the purpose of the job, key results areas, performance standards, a personal development plan, date of performance reviews, mechanisms for dispute resolutions, and considerations for performance-related rewards. Performance assessments are not likely to succeed if criteria and uniform methods of assessment are not clearly outlined in the performance agreement. The key results area refers to the main responsibilities that include the regular performance targets of a particular employee.

3.5.4 Measuring performance

Once a contract of performance in the form of a performance agreement has been concluded, regular assessment of such a performance needs to be conducted whereby performance targets are compared with actual achievement on a continuous basis (Erasmus *et al.* 2005: 285). According to part VIII of the *Public Service Regulations* of 2001, performance assessment should be conducted using a designated performance assessment instrument for different occupational categories or levels. Performance assessments assist the subordinates because they receive regular feedback on employee performance (Ivancevich *et al.* 2011: 183). Performance assessments are normally done on a quarterly basis and also at the end of the financial year (annually).

Each key results area as stated in the performance agreement must be rated by the supervisor within the range of 1 to 5, where 5 is for outstanding performance, 4 for above expectation (commendable performance), 3 for fully effective (satisfactory performance), 2 for not fully effective (marginal performance), 1 for unacceptable (poor) performance (Banfield & Kay, 2008: 284). The competencies or personal development plan should also be rated as such *versus* their applicability in the Key Results Areas. The supervisor should also give feedback in writing on all Key Results Areas so that subordinates can

make improvements based on those comments. The Key Results Areas form 80% of the overall scores while the competencies or personal development plans form 20%. Each Key Results Area should be weighed in percentages and the total of such weight should be 100%. The assessment calculator (instrument used to calculate ratings) would help in adding up the final score between the Key Results Areas and competencies or personal development plans. The overall score will then determine where the employee falls between one and five.

3.5.5 Managing the outcomes of performance appraisals

According to part VIII of the *Public Service Regulations* of 2001, the supervisor shall inform subordinates in writing of the outcome of the assessment that was conducted. Basically, the results of assessment could either be satisfactory or unsatisfactory, and if such outcomes of the assessment are declared to be satisfactory, there are three ways of giving recognition to good performance, namely paying notch progression or performance bonuses, and non-financial rewards (Erasmus *et al.* 2005: 289). Pay/salary progression refers to upward progression from a lower salary level to a higher salary level. Performance bonus refers to a once-off payment that is paid to the employee in recognition of a good performance, provided that a particular employee gets a minimum score of four (4) which is for performance above expectation (commendable performance). Non-financial rewards may include recognising an employee by giving more autonomy, own office, parking lot or even publishing an employee's name on the internal newsletter. Rewarding good performance also assists the institution to attract qualified people, retain current skilled personnel, and motivate the existing workforce to improve their performance and productivity (Ivancevich *et al.* 2011: 189).

The key to a developmentally oriented PMS is that its overall approach to underperformance is to promote improvement through feedback, learning and support rather than judgements, sanctions or punishment (Van der Waldt, 2004: 303). Part VIII of the *Public Service Regulations* of 2001 is clear on the management of underperformance, in that it provides for systematic remedial or developmental support to be applied to

relevant employees in order to improve their performance standards. According to De Cenzo and Robbins (2007: 261) there are two corrective measures of which the first is to improve performance and the second to terminate the services of a particular employee as a last resort. Terminating the services of an employee should only be effected if all other efforts at improving and developing the employee's performance have yielded no positive results. Managing unsatisfactory performance may be done in several ways such as training, re-training, counselling, coaching, mentoring and enabling a positive working environment (Banfield & Kay 2008: 288). Such corrective actions should not only be implemented as per results of the annual evaluation, but on a regular basis. Proper executive measures can only be applied if the right diagnosis of what the problem is has been made. Communicating the performance assessment on a regular basis is paramount.

In all the steps discussed above which are necessary to follow in the development of a successful PMS in the public service, there are several role players which are part of the whole process. The role players are to be discussed in detail below.

3.6 ROLE PLAYERS IN THE PERFORMANCE MANAGENET SYSTEM

There are several role players in the process of managing performance in the public service. These role players include the Public Service Commission, the Department of Public Service and Administration (DPSA), the Public Administration Leadership and Management Academy (PALAMA) and trade unions. These are discussed below (section 3.6.1 to 3.6.4).

3.6.1 Public Service Commission

The Public Service Commission (PSC) was established in terms of section 196 of the 1996 *Constitution* as a chapter 10 institution that promotes values and principles set out in section 195, throughout the public service. Some functions of the Commission are to propose measures to ensure effective and efficient performance within the public service. The Commission also has a watchdog role to play in that it investigates, monitors and

evaluates human resource practices of the public services (Erasmus *et al.* 2005: 9). The performance agreements of Provincial Heads of Department and National Directors General are coordinated by the Office of the PSC. The implementation of human resource policies are monitored and evaluated at the PSC. Upon completion of its processes of investigations, inspections, monitoring and evaluations, the Commission publishes its findings as public reports. Some of the reports published include a report on the payment of performance incentives (bonuses/pay progression) to Heads of Departments without annual performance evaluations conducted in 2008, and a report on the analysis of Performance Agreements as an effective performance management tool conducted in 2009. A PSC has further responsibility to advise national and provincial organs of state regarding personnel practices relating to recruitment, appointment, transfer, discharge and career management. It is the responsibility of the PSC to ensure that policies such as the PMS are properly implemented in the public service and advise where necessary.

3.6.2 Department of Public Service and Administration

According to the White Paper on Human Resource Management in the Public Service of 1997 the DPSA focuses in terms of human resources solely on the public service. The key responsibilities for the DPSA include developing human resource policies, getting support for such policies from organised labour at national level, ensuring practicality of application for the policies, and ensuring that human resource policies are aligned with other transformation initiatives (Erasmus *et al.* 2005: 35). The DPSA also has to give support service to national departments and provincial administration regarding the implementation of human resource policies and development of capacity to implement the developed policies and programmes. Even the first PMS policy framework was initiated by the DPSA in 1999 to serve as a guide to national and provincial departments in developing their own departmental policies. All public service institutions have to align their policies with DPSA's framework. Individual performance targets have to be aligned to the departmental goals and objectives in order to enhance the overall performance of the department (Banfield & Kay, 2008: 310). However the policy of a

specific department must be in line with the DPSA's policy framework on a PMS and each department's policy must be relevant to its own needs and circumstances.

3.6.3 Public Administration Leadership and Management Academy

The Public Administration Leadership and Management Academy (PALAMA) was established in 2008 as a replacement for the South African Management Development Institute (SAMDI) with the mandate of facilitating training provision to public servants. PALAMA is constituted as a Schedule one department by the *Public Service Act, 1994* (Proclamation 103 of 1994) as amended by the *Public Service Act, 1999* (Act 5 of 1999). PALAMA is headed by a Director-General who reports to the Minister of Public Service and Administration. PALAMA, as the public sector training academy, has a central role to play in building the capacity of the public service to perform effectively and efficiently (PALAMA, 2010: 3). PALAMA trains and develops public service employees in order to enable them to improve their performances which will then contribute to the improvement of public service delivery.

However, there are major challenges facing PALAMA in the fulfillment of its mandate of contributing to the development of a high performing public service by capacitating public servants (PALAMA, 2010: 4). One of the challenges includes the uncoordinated way in which public service training is conducted. PALAMA aims to ensure that public servants have all the necessary skills including technical, leadership and financial. According to the *Public Service Amendment Act* (Act 30 of 2007), there shall be a training institution listed as a national department which shall provide training or cause such training to be provided. Lack of understanding of a PMS in the public service should be addressed by PALAMA through relevant training programmes.

3.6.4 Trade unions

The *Labour Relation Act, 1995* (Act 66 of 1995) defines a union as an association of employees whose primary purpose is to regulate the relations between employees and

employers including associations that represent employers. A union that wishes to continuously be in touch with issues affecting its members in any institution will ensure that it has a shop steward at every level possible (Bendix, 2001: 167). Unions have to ensure that the management of an institution recognises their shop stewards because they (shop stewards) play a pivotal role in the workplace in all matters that affect their membership. From the development of a PMS policy to the facilitation of the process, trade unions play a role in representing the interests of their members. The unfair treatment of employees with regard to payment of performance bonuses or subjective assessment of employees' performance often leads to trade unions being in endless confrontations with management. The shop steward has to ensure that the relationship between the union and its members is maintained and promoted (Bendix, 2001: 168). When employees have not received performance bonuses at the end of the financial year they often lodge complaints with a trade union against their employer. Trade unions also intervene when their members allege that they have been treated unfairly as far as the PMS is concerned.

The above role players which have been discussed were also involved in the DLGH's policy on the PMS. The PMS policy of the DLGH is discussed in detail below.

3.7 PERFORMANCE MANAGEMENT SYSTEM POLICY OF THE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

While section 3.2 describes the legislative framework underpinning a public service PMS, section 3.3 and 3.4 discuss regulatory frameworks and performance guides for municipalities in general. Section 3.5 discusses necessary steps that should be followed in developing a successful PMS in both the public service and municipalities. This discourse is further augmented by section 3.6 regarding stakeholders who influence PMS decisions within the public service. The reason for these discussions (section 3.2 to 3.6) is therefore to provide a platform for the context of the PMS framework within the DLGH as the focus of this study.

The PMS policy of the DLGH in the Limpopo Province was developed based on several legislative mandates including the 1996 *Constitution*, *Public Service Act*, 1994 (Proclamation 103 of 1994), the *Labour Relations Act*, 1995 (Act 66 of 1995), the *Skills Development Act*, 1998 (Act 97 of 1998), the *Public Service Regulations* of 2001, the *Public Finance Management Act*, 1999 (Act 1 of 1999), the White Paper on Public Service Training and Education of 1998, the *Public Service Coordinating Bargaining Council Resolution* 13 of 1998, the White Paper on Transforming Public Service Delivery (*Batho Pele*) of 1997, and the White Paper on Human Resource Management in the Public Service of 1997 (Limpopo Department of Local Government and Housing, 2009: 3) (also see section 3.2 above). The main objectives of the PMS in the DLGH as stated by the policy are the following:

- To provide a framework to manage performance in a consultative, transparent and non-discriminatory manner in order to enhance efficiency and effectiveness.
- To allow for the development of a common language and the use of standard terminology.
- To create a culture of best value approach to service delivery.
- To ensure a link between the departmental strategic plan, and institutional and individual performance.
- To develop PMS service standards for units and performance of individuals.
- To provide guidelines in the assessment and rewarding of individual performance.
- To provide guidelines for dealing with under-performance.
- To provide the skills that assist individuals in performing their functions.
- To provide guidelines on developing a career path and corrective placement.

- To provide dispute resolution mechanisms (Limpopo Department of Local Government and Housing, 2009: 3).

In order to appropriately address these objectives, section 3.5 of this study provides a detailed discussion of the necessary steps to be followed. The Human Resource Planning component of the DLGH coordinates and monitors the implementations of the PMS in the department. All employees between level one (lowest) and sixteen (highest) must enter into a performance agreement or memorandum of understanding on performance (MOU on performance) as it is referred to for employees between level one and twelve (1 and 12) in the DLGH at the beginning of the financial year. Employees on level one to twelve are regarded as non-Senior Management Services (SMS) members whereas level thirteen to sixteen are SMS members. The financial year in the public service runs from 01 April to 31 March of the following year. The performance agreement of members of SMS (level 13 to 16) in the public service has to be guided by the SMS handbook published by the DPSA in 2003. Failure to compile and sign performance agreements by SMS members and MOU on performance by level 1 to 12 employees constitutes misconduct and such employees shall be subjected to disciplinary measures (Limpopo Department of Local Government and Housing, 2009: 6). It is paramount that performance agreements/MOU on performance of employees are aligned to the strategic objectives of the Department, branch and division. Another way used by the Department to discipline employees who fail to compile performance agreements/MOU on performance/quarterly assessment reports is to disqualify them from participating in the incentives framework or granting of benefits which include performance bonus and notch progression. It means that an employee might have performed well by exceeding the set targets, but such an employee will not be rewarded because he or she failed to submit performance agreements/MOU on performance/quarterly assessment reports on time as stated by the policy.

Employees' performance should be assessed on a quarterly basis (every three months) with the participation of both the concerned employees and the supervisors. It is equally the responsibility of the concerned employee and of the supervisor to ensure that

performance is assessed quarterly and reports are signed by the subordinates and the supervisors. According to the Limpopo Department of Local Government and Housing (2008: 7), assessing employees should at least be done by an official who is one level above the assessed employee, and the employee acting for the higher position can assess the performance of an employee who is originally on the same level as the assessor. Employees who are on probation should also enter into a contract of performance/performance agreement/MOU on performance with the supervisors and their performance would then be assessed based on their set target on the contract of performance/performance agreement/MOU on performance.

Employees only qualify for performance bonuses and notch/pay progression on condition that they meet all the following requirements:

- That they have signed and submitted both their performance agreements/MOU on performance and quarterly assessment reports;
- That they have been on the same salary notch starting from 01 April to 31 March of a particular financial year; and
- The overall performance of such employees should have been satisfactory by having exceeded the set targets.

However, no public service department is allowed to exceed one point five percent (1.5%) of its wage bill (remuneration budget) in rewarding the best performers. Similarly, according to the Department of Public Service and Administration (2007: 26) all public service institutions must budget at least one percent (1%) of their remuneration budget for the purpose of pay/notch progression. An employee who has been seconded to another public service department or municipality must be assessed where he/she is seconded to and such assessment reports must be sent back to the original workstation for consideration regarding performance bonus and pay/notch progression.

The department shall setup what is called the moderating committee which should play an oversight role in the evaluation process through comparative analysis of each

division's performance and assessments reports of the employees in that division (Limpopo Department of Local Government and Housing, 2009: 9). The moderating committee must question the inconsistencies of the scores given to individual employees particularly if they do not tally with the performance of the section/branch. According to Simeka Management Consulting (2004: 99) the disputes between subordinates and supervisors should be referred to the Head of the Strategic Business Unit/General Manager of the branch and if matters are not resolved, a grievance can be lodged with the Head of Department and subsequently with the Member of the Executive Committee (MEC). If the employee is still not satisfied with the outcome, such employee should follow the labour court route once all internal measures have been exhausted.

The supervisor shall, in consultation with the Human Resource Development (HRD) unit, develop performance improvement plans in respect of underperformers or ensure that they receive on-the-job training for competencies that are lacking (Limpopo Department of Local Government and Housing, 2009: 10). The HRD component, at the beginning of every financial year, shall assess skills through a skills audit and ensure proper training in the lacking skills. Employees with personal problems which affect their performance should be referred to the Employee Assistance Programme Unit of the Department to receive specialised treatment. Employees on probation will have their probation extended by six months due to poor performance. The Performance Management Systems (PMS) policy of the DLGH has been based on the framework from the DPSA.

It is imperative for the PMS policy framework of a public service institution to be guided by the legislative framework as discussed in section 3.2. It is also necessary to note that there are different significant role players in the development, implementation and evaluation of a PMS in the public service (see section 3.6). The policy framework of the DLGH should also comply with the basics of an effective PMS in the public service. It is through the participation of these role players that the system is made effective in that the DPSA fulfills its supporting role, PALAMA facilitates training on the PMS implementation, and unions play an oversight role during implementation and evaluations. The PSC has a watchdog role to play in that it investigates, monitors and

evaluates human resource practices of the public service which include performance management.

3.8 CONCLUSION

As discussed above, the PMS in the public service should be legally sound and informed by relevant legislative and regulatory framework. Legislations which underpin the PMS processes and implementation have been discussed in detail. The processes involved from developing a policy framework to implementing the policy developed into a successful PMS were also discussed. It is also critical that all relevant role players which include the PSC, DPSA, PALAMA and unions participate where necessary for the system to be successful. The PMS policy framework of the DLGH is underpinned by the legislative framework which makes it legally sound and compliant with the 1996 *Constitution*. The next chapter explains the design and methodological activities undertaken to validate the collected data.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

While the previous chapter discussed the legislative framework underpinning a performance management system (PMS), this chapter considers research design and methodology. This discussion is an attempt to ensure the validity and credibility of findings. When undertaking scientific research, there are three questions to be asked, namely, the reason for conducting research (the why), the focus of the study and the unit of analysis of the research (the what), and the methods employed to undertake research (the how). The why and what of the research have been addressed in the preceding chapters (especially Chapter one), which was an attempt to investigate whether a PMS contributes to the improvement of productivity with specific reference to the Department of Local Government and Housing (DLGH) in the Limpopo Province. This chapter provides a detailed description of how the research for this study was conducted.

One of the most important aspects of research in Public Administration studies is to decide on an appropriate starting point for the research and on the conceptual framework or research strategy within which the evidence will be collected and analysed (Remenyi, Williams, Money & Swartz 1998: 120). This chapter starts by discussing research design and methodology, and also clarifies the meaning and difference between quantitative and qualitative research methodology. Thereafter it indicates that the study is qualitative in nature. The fundamental objective of this research design and methodology chapter is to establish the golden thread for the research findings and analysis (see Chapter five). The different methods used to collect data in this study together with the means/ways used to analyse data are discussed. The selections of samples and research areas together with the reasons for these are provided.

4.2 RESEARCH DESIGN AND METHODOLOGY

Research design in this study means the scientific approaches used in searching for facts and answers to questions to reach valid and reliable conclusions. Research can be regarded as a voyage of discovery (Remenyi, 1996: 22). This discovery seeks to find explanations for unexplained phenomena and to clarify doubtful facts. A well-defined research problem is a prerequisite for any study and thereafter a logical development of a research design follows. Mouton (2001: 55) defines research design as a plan or a blueprint of how one plans to conduct the research. Unlike research methodology, research design focuses on the logic of research. Every research project requires a carefully tailored research design that will help address the research problem. Babbie and Mouton (2003: 647) argue that a research design, on the one hand, is a structured framework of how one intends conducting the research process in order to solve a research problem.

Research methodology, on the other hand, has a different focus in that it is concerned with steps, procedures, techniques and specific tasks to be followed by the researcher to implement the research design. The quality of research is gauged by the validity and reliability of results. Validity refers to the degree to which a study measures what it purports to measure whereas reliability is an estimate of the accuracy and internal consistency of a measurement instrument. Validity and reliability often suffer when a researcher selects views and arguments that support personal views, provide insufficient supporting evidence and reasons for final conclusion and are prejudiced (Bless, Higson-Smith & Kagee, 2006: 156-157). The researcher attempted to achieve high validity and reliability by ensuring that the views and arguments advanced by the respondents are accurate in that the chosen respondents consisted of operational/junior workers, deputy managers, managers and members of Senior Management Services (SMS). Evidence obtained from the data collected (see section 4.3) was sufficient to make necessary conclusion of the study.

The rationale for a research design is to plan and structure a research project in such a way that the validity of the research findings is maximised through either minimising or where possible eliminating potential errors. Validity and reliability should compliment each other because it does not help to use a reliable instrument which has no validity. Similarly, an instrument with high validity is useless unless it can also be proved to be reliable. Validity and reliability are often obtained when research uses multiple data collection techniques. This study has utilised multiple methods of data collection (see 4.3). The fundamental objective of using multiple data collection methods is to augment the validity and reliability of the results.

Throughout the entire research process including the data collection phase, the researcher attempted to minimise errors and bias by ensuring that the research sample was representative and that the researcher did not influence the views of respondents. Two types of research method are detailed below, namely, quantitative and qualitative research methods. Mouton (1996: 38) argues that quantitative and qualitative research methods may even be combined in one research study, for instance, a researcher may use probability sampling techniques in conjunction with in-depth interviews or basic descriptive statistics in analysing qualitative data. Mouton (1996: 138) refers to the probability sampling technique as a procedure in which every member of the institution in question has an equal chance of being selected or of being a respondent.

It is also argued that using multiple research methods is not only possible and desirable, but the best way of improving the quality of research. Most researchers accept that quantitative and qualitative research methods are compatible and their application is determined by the kind of research problem at hand. A skillful researcher carefully chooses the most appropriate research method to solve a particular problem, which is what will be done in this study. The preferred method of research for the purpose of this study will also be indicated after the discussion of these research domains, namely, quantitative and qualitative.

4.2.1 Quantitative approach

Quantitative research involves the use of structured questions where the response options have been predetermined and a large number of respondents are involved. Simply put, quantitative research considers numbers, symbols, measurements and statistics in outlining key variables for the collection, analysis and interpretation of data. However, measurements applied must be objective, quantitative and statistically valid (Babooa, 2008: 136). A quantitative research approach can be divided into two categories, namely, (a) studying human beings and behaviours directly by means of *inter alia*, survey and interviews, and (b) indirectly by means of computer simulation studies, secondary data analysis and statistics (Mouton, 2001: 52-164). It could be safely argued that a quantitative research approach relies largely on the application of strict measurable techniques and applications.

4.2.2 Qualitative approach

Qualitative research approach involves an in-depth understanding of participants' behaviour and the reasons that govern participants' behaviour (Babooa, 2008: 137). Unlike a quantitative research approach, qualitative research relies on reasons behind certain behaviours and experiences of the participants. This research domain makes an attempt to investigate the why and how of performance management as is the case in this study as compared to what, where and when of the quantitative research domain (see section 4.1). If it were the case that this study featured elements of a quantitative research approach, a main focus would have been interested in the numbers and statistical data regarding the PMS in the DLGH. For example, the focus of quantitative research would have been on the compliance rate regarding submission of performance instruments. It could also have been on the level of understanding of the PMS since its inception in the public service. Qualitative researchers often depend on four methods of gathering data, namely, participation in the settings, direct observation, in-depth interviews and analysis of responses (Babooa, 2008: 137). Mason (2005: 1) posits that through qualitative research, a wide array of dimensions of the social world is explored, including everyday

life, and the understandings, experiences and thoughts of social participants. A qualitative research approach also explores the ways of social processes, institutions, discourses or relationships and the significance of meanings that they generate.

A qualitative research approach can also be divided into two categories namely:

- The study of human beings and their behaviour by means of field studies, case studies, interviews and direct observation; and
- The study of products of human behaviour (Mouton, 2001: 148-160).

The study of products of human behaviour includes implementation and outcome evaluation research as well as programme evaluation and policy analysis (Wessels, Pauw & Thani, 2009: 15). In the case of this study the focus is on the second category, products of human behaviour, which is inclusive of implementation and outcome evaluation research together with programme evaluation. Evaluation research refers to social research which investigates whether a particular project, programme or intervention has been effective or improved or has achieved its objectives (Bless *et al.* 2006: 182). This study is an attempt to evaluate whether the PMS in the DLGH contributes to the improvement of productivity.

The qualitative research approach has been applied in the process of conducting this study. This method could also be seen through the data collection method used. The methods used to collect data will be discussed below.

4.3 DATA COLLECTION METHODS

It is important to distinguish between two kinds of data, namely, primary data and secondary data. Secondary data refers to the data that is available in published literature while primary data refers to the data which is obtained from the original source (Hanekom, 1987: 28). The collection of primary data was deemed necessary because the researcher held the view that there was not sufficient or accessible primary data available

on the topic under investigation. Primary data in this study includes Annual Performance Plans (APP) and Departmental Annual Reports which are discussed in detail in the next chapter as well as performance management statistics, minutes of the moderating committee, memorandums together with monthly and annual reports for a period from April 2007 to March 2010. This approach is referred to as a textual/documentary analysis since the documents of the DLGH are scrutinised to understand how challenges relating to PMS activities are addressed. It is important that any data to be collected during the research process should be of assistance in answering the research question, namely, whether the PMS of the DLGH in the Limpopo Province contributes to improved productivity. The same methods of data collection could be applied for different types of research provided the research design and data analysis method have been carefully thought through (Bless *et al.* 2006: 182).

A study relies on the quality of the facts on which it is based (Bless *et al.* 2006: 97). It therefore means that an excellent research design and a representative sample are not sufficient to guarantee a reliable result if an analysis is based on the incorrect data. It is necessary to ensure that data collected is accurate, so that analysis and results are reliable. The methods of data collection used in this study include the distribution of a semi-structured questionnaire, documentary analysis and observations. The methods of data collection used are discussed in detail below.

4.3.1 Semi-structured questionnaire

A questionnaire is a set of written questions and/or statements to which the research subjects are to respond in order to obtain data which is relevant to the research topic (Jacobs, 1996: 341). A semi-structured questionnaire is a questionnaire consisting of both open-ended and closed questions, and provides a greater depth than is possible with a structured questionnaire (O'sullivan, Berner & Rassel 2008: 216). For the purpose of this study, a semi-structured questionnaire (see Annexure one) was distributed to employees of the DLGH which included operational workers, deputy managers, managers and members of SMSs. All the sampled respondents of the questionnaire were from the two

branches of the Department as indicated in Chapter one section 1.2, namely, Strategic Human Resource Management and Housing Project Management.

The semi-structured questionnaire was used to understand the views, perceptions and experiences of staff members on whether the PMS in the DLGH contributes to the improvement of productivity. The questions posed were intended to answer three research questions as generated in Chapter one. The semi-structured questionnaire also included (as part of its components) the identity of the researcher, the aims of the study, as well as the assurance of confidentiality of the answers and respondents as an ethical consideration in order to encourage participation. A letter of permission (see Annexure two) from the Head of Department to conduct a study in the Department is also attached as an ethical clearance and provides this study with the legitimacy it deserves.

The kind of questionnaire used in this study contains semi-structured (open-ended and closed) questions. The main reason these semi-structured questions were used is that it gives respondents freedom to express their opinions the way they understand the situation, and it is unlike in the structured questions (quantitative) where answers are restricted. The researcher did not want to restrict the views of the respondents in relation to the implementation of the PMS in the DLGH but mainly to guide discussions by raising relevant issues. Semi-structured questions are well suited to exploratory studies, case studies or studies based on qualitative analysis of data (Bless, Higson-Smith & Kagee 2006: 132). As already indicated (see section 4.1) this study follows a qualitative research approach and no restrictions, guidelines or suggestions for solutions are provided to the respondents in the semi-structured questions. In the case of structured questions (quantitative) a range of possible answers are provided to allow the respondents choices.

The basis for using a semi-structured questionnaire is that many respondents can be reached with little time and less cost (Bless, Higson-Smith & Kagee 2006: 120). Semi-structured questionnaires are an efficient way of collecting data because they typically contain fixed responses and can be administered to a large number of people

simultaneously (Cumming & Worley, 2001: 15). Some questions may require reflection or consultation before answering, for which a semi-structured questionnaire might be appropriate as used in this study. The reflection and consultation might not be possible if there is an interviewer waiting for a response, often resulting in hasty responses.

However, the response rate for semi-structured questionnaires in general tends to be low and the return rate is often not more than 40 percent (Bless, Higson-Smith & Kagee 2006: 120). At times, the poor response rate may be attributed to factors such as a poor mail service in rural areas, a lack of interest or a busy schedule by respondents, affiliation of the researcher, image of the researcher, distance between the researcher and the participants, and the lack of motivation of the participants (Mouton, 1996: 148-154). The researcher has the responsibility to plan and execute the study in a manner that would minimise any threat to the reliability of the results. Multiple use of data collection methods increases reliability of results. The researcher may also ensure anonymity of respondents, and establish best possible interpersonal relations with respondents, deceive respondents about the actual purpose of the research, and proper selection of field worker if any (Mouton, 1996: 156-160).

It was, however, realised that respondents seem to prefer a quantitative (structured) questionnaire where they answer either yes or no, agree or disagree, and where they provide estimations in percentages. This was realised after several respondents complained that the questionnaire distributed took a long time to complete. Other respondents even suggested that the researcher should have used structured questions for the reason that possible alternative answers are provided for choice (multiple choice answers). Despite these concerns raised by respondents, the response rate of this study is 87.5%. The results of the study could be dependable in this regard.

4.3.2 Documentary analysis

As a way of ensuring multiple collections of data to produce reliable results, documentary analysis was applied. For the purposes of this study, relevant documents in the DLGH

that were found necessary for this study and for the researcher to answer the research questions posed in Chapter one were perused. These documents included Annual Performance Plans (APP) and Departmental Annual Reports, as well as performance management statistics, minutes of the moderating committee, memorandums together with monthly and annual reports for a period between April 2007 and March 2010. These documents contain primary data on discussions and activities, as well as statistical data for the DLGH. This data is necessary as it indicates a reflective approach of the implementation of the PMS and its contribution towards productivity within the DLGH.

4.3.3 Observations

There are varieties of data sources available for social science research and they include physical sources, documentary sources, indirect and direct observation (Mouton 1996: 175). Observation is a fundamental and important method in qualitative inquiries (Marshall & Rossman 2006: 99). Observations referred to in this study include the observation of individual behaviour, social interactions and necessary observable characteristics of the DLGH community. Observation entails the systematic noting and recording of events, behaviour and objects in the social setting chosen for the study (Marshall & Rossman, 2006: 98). Even in studies using in-depth interviews, observations play a pivotal role as the researcher notes the interviewee's body language in addition to the words. The researcher undertaking this study is a Deputy Manager at the PMS division of the DLGH. This position of the researcher makes it easier to observe the behaviour and doings of officials because the researcher has been directly involved from the time the policy was developed or amended, implemented and evaluated. Observation of behaviour has been done by considering operational issues such as the understanding of the PMS, contribution of the departmental PMS to improvement of productivity, and the challenges confronting the PMS in the DLGH in the Limpopo Province. Mouton (1996: 143) also maintains that it is desirable to use observation techniques that elicit as little reactivity as possible in order to ensure the highest level of validity. It is equally desirable to employ observation techniques that make it possible to exercise as much control on the research as possible.

The above data collection methods were used in order to generate valid and reliable data that contain minimal errors. The methods of data collection were used also in relation to the chosen sample and research area that will be discussed below.

4.4 SELECTION OF SAMPLE METHOD AND RESEARCH AREAS

The sample used in this study were departmental staff members belonging to two branches as alluded to in section 1.2 of Chapter one. The branches are Strategic Human Resource Management and Housing Project Management. The two branches had a combined total of 142 officials as at 31 October 2010. The semi-structured questionnaire was distributed to 32 officials attached to these branches. The occupation of the officials given the semi-structured questionnaire ranges from operational workers, deputy managers and managers to members of SMS.

Table 4.1: Purposive sampling procedure

Institution	Total population	Target population	Proportional sample	Gender	Age
DLGH					
Branch one: Strategic HRM	86	20	18 (90%)	Female = 11 Male = 7	26 to 61
Branch two: Housing Project Management	56	12	10 (83.3%)	Female = 3 Male = 7	25 to 44
TOTAL	142	32	28 (87.5%)	Female = 14 Male = 14	N/A

Many authors often argue about the difficulty of determining the appropriate size of the sample (Cohen & Manion, 1995: 55). In general it is better to have as large a sample as possible in order to reach a reliable conclusion. It is also highlighted by Nwana (1988:

80) that ‘the larger the sample becomes, the more representative of the population it becomes and so the more reliable and valid the results based on it will become’. For a sample to be deemed appropriate, the researcher should select at least a minimum of 10% of the given research population (Babooa, 2008: 144).

Thirty-two officials out of 142 represented 22.5% and the sample chosen is above the 10% measure. Of the 32 semi-structured questionnaires distributed to 32 officials, 28 of them, which represented 87.5% of the chosen sample, were returned for analysis. Sometimes it is appropriate to select a research sample based on the researcher’s knowledge of the research population, its elements and the purpose of the study. The chosen respondents/participants were chosen purposively. Purposive sampling refers to a non-probability sampling method in which the units to be observed are selected on the basis of the researcher’s judgement about which respondents are most useful (Babbie, 2010: 193). A purposive sample is representative in nature. The researcher ensured that the sample is representative in that it is inclusive of officials with occupations ranging from operational workers, deputy managers and managers to members of SMS. Gender and age of respondents are taken into consideration in the semi-structured questionnaire. Most of the respondents returned their completed questionnaires in a maximum of four days because the researcher would often remind them through email since he is working for the same Department. Some of the questionnaires were distributed by hand while a few were distributed by email. Of the four questionnaires that were not returned, two were from SMS members who gave a busy schedule as a reason. All the data collected through various means from the chosen sample were analysed as discussed below.

4.5 DATA ANALYSIS

Data analysis usually involves two key steps, namely, (a) reducing the collected data to manageable proportions and (b) identifying patterns and themes in the data (Mouton, 1996: 161). Babooa (2008: 152) agrees that the first step in the analysis of data is a critical examination of the collected data. In this study, analysis includes data collected through a distributed semi-structured questionnaire, and documents including Annual

Performance Plans (APP) and Departmental Annual Reports as well as performance management statistics, minutes of the moderating committee, memorandums together with monthly and annual reports. A semi-structured questionnaire (Annexure one) was distributed to 32 officials of the DLGH. Observations were done through social interactions, informal chats, observations of moods, and discussions during meetings. The collected data is carefully analysed, and the findings of the analysis are presented in the next chapter.

4.6 CONCLUSION

The research design and methodology used in this study were discussed above. Quantitative and qualitative research approaches were also highlighted with an indication of the preferred method that was applied in the study. This chapter also provides a detailed description of the data collection method used in the study which includes a semi-structured questionnaire, documentary analysis and observations. The way data analysis was carried out is also discussed. The research sample, together with the research area, was also provided. The research findings together with the interpretations are provided in the next chapter.

CHAPTER 5

DATA ANALYSIS AND RESEARCH FINDINGS

5.1 INTRODUCTION

Chapter four discussed the research design and methodology which also included appropriate data collection methods. The primary focus of this chapter is to present the findings and also to analyse the research data obtained. The analysis is based on the research data collected through the various methods discussed in Chapter four including a questionnaire, documentary analysis and observations. Responses from several questions asked in the semi-structured questionnaire are discussed in detail. This chapter intends to also provide possible solutions to the problem statement as highlighted in Chapter one which seeks to understand whether the performance management system (PMS) of the Department of Local Government and Housing (DLGH) in the Limpopo Province contributes to improvement of productivity. The profile of the respondents is also briefly discussed.

5.2 FINDINGS FROM THE QUESTIONNAIRE AND ANALYSIS

The respondents were asked twenty-two questions of which the first four were based on the need to understand their personal particulars. As indicated in Chapter four, the focus has been on two branches of the DLGH, namely Strategic HRM and Housing Project Management. The semi-structured questionnaire (Annexure one) was distributed to 32 departmental officials under two branches and 28 of those responded. The occupation of the respondents ranges from operational/junior workers, deputy managers, and managers to members of Senior Management Services (SMS) such as Senior Managers and General Managers. The two branches consisted of a combined total of 142 employees as at 31 October 2010. Responses to questions asked in the questionnaire are analysed below.

5.2.1 Respondents' definition of performance management

Respondents were asked to define performance management as applied in the DLGH. One respondent commented that 'it is a system whereby institutional goals are outlined in the Strategic Plan and Annual Performance Plan and translated into individual targets to be met quarterly and annually. Where targets are exceeded employees get rewarded and where there is underperformance, measures are put in place for redress'. Another respondent referred to performance management as a system which evaluates performance of employees on a quarterly and annual basis, and in which incentives such as performance bonuses and salary/notch progression are provided for good performers. Some of the employees understand performance management as a method of managing performance (of employees) guided by the performance agreement/Memorandum of Understanding (MOU) on performance entered into between the employer represented by the supervisor and the employee.

However, one of the respondents who is a manager in the department, referred to performance management as a promotional tool that is used in the public service to elevate employees financially. This opinion is similar to another respondent's who referred to performance management as a system used by the government to upgrade its employees from the lower salary level to a higher salary level through salary/notch/pay progression. Analyses of the several definitions of performance management from departmental employees indicate that there are only a few employees who understand the actual meaning of performance management. Through the definitions on the questionnaire, it has also been realised that there are several departmental employees with less or no understanding of performance management at all. Many respondents were limiting performance management to performance bonuses and pay progressions in their definitions which are only some of the elements of the system. A comment by a manager who referred to performance management as a promotional tool also shows little understanding because if a manager does not understand the purpose of the PMS then the implementation is likely to be done without recognition of its core values. All (100%) of the respondents have been with the DLGH for a period of not less than three years.

Others come from other public service departments where the PMS policy framework is the same as that of the DLGH.

5.2.2 Employees' understanding of performance management system

The respondents were asked as to whether they would describe their level of understanding of the PMS as adequate and to provide any further explanations they may have. All employees who completed the questionnaire indicated that they would describe their understanding of the PMS as adequate. However, definitions of performance management provided by most respondents show serious lack of understanding, despite the claims of adequate understanding of the PMS. Six respondents (18.8%) alluded to the fact that they have adequate understanding of the PMS because they have acquired years of experience in the public service. Five (15.6%) other respondents also declared that they have adequate understanding because they know that they are expected to submit performance instruments which include a performance agreement/MOU and quarterly assessment reports. Others (53%) indicated that they have attended workshops on performance management either in the DLGH or in other public service departments.

The number of years in the public service, attending PMS workshops or knowing when to submit quarterly assessment reports may not necessarily mean that one has an adequate understanding of a PMS. The years of experience referred to by respondents differs from one respondent to another. The PMS in the public service was introduced in 2001; however, most public service departments started implementing it in 2003. Some respondents might have been in the public service from pre-1994 (as were four of the respondents) but a PMS was only introduced in 2001. Other respondents' knowledge is limited to submitting performance instruments (performance agreements/MOUs/quarterly assessment reports) which are submitted to the PMS division at the end of every quarter (three months). The quarterly assessment reports contain that which has been achieved against the set performance targets in the performance agreement/MOU. The adequate understanding of a PMS has to be about its purpose and objectives rather than knowing

when to submit performance instruments in order to receive performance bonuses at the end of the financial year.

5.2.3 Understanding of performance management system by supervisors

One of the questions for the respondents was intended to understand whether they believe their supervisors have a sufficient understanding of the PMS. Four respondents (14.2%) indicated that their supervisors do not possess a good understanding of the PMS, while the rest (85.8%) of the respondents said that their supervisors have a good understanding of the PMS. When employees are well rated (high ratings) and receive a performance bonus, they tend to rate their supervisors as understanding the PMS, while if employees are rated below the bonus qualification then supervisors are not regarded as understanding the PMS. For example, one respondent mentioned that the supervisor has little understanding of the PMS because ‘when I give myself a higher rating for performing well he tells me to lower my rating/score’. Another respondent said that ‘when it comes to ratings, my supervisor is fair because as long as you produce proof or motivation for a higher rating she does not have a problem’.

Section 5.2.2 above reveals that there is a general lack of understanding of a PMS by departmental employees of the DLGH. The literature review in the studies (see Ravhura 2006; Mabelane 2007) also supports the view that there is generally a lack of understanding of a PMS by both subordinates and supervisors in the public service. The fact that departmental employees have little understanding of a PMS translates that there are supervisors at the DLGH who do not have sufficient understanding of a PMS. In the opinion of the researcher, some supervisors are considered to possess enough knowledge about a PMS simply because they rate their subordinates high enough to qualify for an annual performance bonus.

5.2.4 General understanding of performance management system in the Department

A follow up question to the respondents was broadened on whether they (the respondents) think there is a general understanding of the PMS in the DLGH by employees at all level within the institution. Five respondents (17.9%) indicated that they think that there is a general understanding of the PMS in the Department. One respondent who is a member of the SMS responsible for the implementation of the PMS in the Department has indicated that they (the PMS division) have inducted and trained all new and old departmental employees on the PMS. However 82.1% of the respondents indicated that they are of the opinion that the general understanding of the PMS in the Department is poor. For example, one respondent made an observation which was shared by many other (57.1%) respondents that 'most employees enter into performance agreements/MOUs that they do not even understand and set targets that are impossible to achieve'. Some respondents confuse the submission of performance instruments with an understanding of the PMS. One such respondent alluded to the fact that most employees understand the PMS well since they submit performance instruments regularly on time. The submission of performance instruments may be because non-submission disqualifies an employee from receiving performance incentives such as a performance bonus and pay/salary progression irrespective of the scores.

The member of the SMS responsible for the implementation of the PMS in the DLGH has indicated that they train both old and new employees about the PMS, but it seems that the training they provide is not sufficient. Only 17.9% of the respondents indicate that the general understanding of the PMS in the DLGH is good whereas 82.1% believe that it is poorly implemented and understood. If training on the PMS does take place as alluded to, it is not sufficient because it does not result in the adequate understanding of the PMS in the DLGH.

5.2.5 Improving understanding of performance management system

The other question posed to the respondents required their opinion on what should be done to improve the employees' understanding of the PMS in the Department. The comments of all 28 (100%) respondents were generally similar. One comment of a respondent declared that the PMS division should provide training and workshops to enable the employees to have a broader knowledge of the PMS. Another respondent further posited that regular briefing sessions should be conducted until employees understand the aims and objectives of the PMS. Respondents who raised the issue of briefing sessions argued that priority should be given to new employees who have just joined the public service from school or from the private sector. All the measures suggested above to improve the understanding of the PMS in the DLGH may play a vital role in bringing about an understanding and awareness of the PMS in the DLGH. All respondents (100%) raised the issue of training and workshops for the departmental employees about the PMS in order to have a better understanding. Departmental employees should all have an understanding of the aims and objectives of the PMS in the public service. The researcher agrees with the views expressed by 100% of the respondents regarding training and workshops as an intervention method for the improvement of PMS understanding in the public service. The researcher further agrees that priority to such training and workshops should be given to new employees, particularly to those from school and the private sector.

5.2.6 Departmental performance from April 2007 to March 2010

Respondents were asked as to whether they would attribute either poor or good performance in the DLGH to its PMS. The period under review is from April 2007 to March 2010. All respondents (100%) highlighted that for this period (April 2007 to March 2010) the Department has performed well. The comment of one respondent was: 'the overall performance of the institution (DLGH) has been good in the past three years; we obtained unqualified audit reports'. Respondents also mentioned that the DLGH has received awards including the Govan Mbeki Housing award (national) and best

department in the Limpopo Province award in the period under review. Some branches including the Communications Services also received provincial awards during the period under review and this has been argued by respondents as evidence of outstanding performance. The DLGH has been spending all the allocated funds/budget in the period under review.

Although all the respondents have indicated that the Department has performed well in the period under review, there are several performance targets that were not achieved as discussed in section 5.3 below. An unqualified audit received from the Office of the Auditor General has more to do with expenditure regarding the allocated budget and less to do with performance results or output such as achieving the set performance targets (such as service delivery tangibles). Compared to other provincial departments (in the Limpopo Province) and human settlements departments in other provinces, the DLGH seems to have done well. However, if the departmental performance has to be scrutinised based on its own set performance targets, there are many performance targets which were not achieved. For example, in the 2007/08 financial year, the DLGH had a performance target to complete 6 000 houses; however, only 3 870 houses were completed (see Table 5.1 below). The Department also had to complete 3 500 rural housing units in the 2008/09 financial year, but only 976 were completed. These are a few examples of the Department not achieving its set performance targets but also receiving unqualified audit reports and awards for good performance at the same time.

5.2.7 Performance and productivity

Another question was posed as to the need to understand the contribution of the PMS to the improvement of individual performance and productivity. As discussed in section 1.6 of Chapter one, productivity refers to the state of achieving institutional goals by transforming inputs (human resources, monies, materials, etc.) into outputs (goods and services or service delivery tangibles) at the lowest cost (Robbins & Judge, 2011: 58). This (productivity) relates to the conversion of inputs into quality outputs (desired results). It becomes improved productivity if the desired results (with quality) were

achieved without any additional resources in terms of monies, human and material (Reed & Swain, 1997: 321).

A reaction from one respondent to the above question consented that: 'institutional performance targets are translated into individual performance targets which are measured and assessed on a quarterly and annual basis and feed into the overall performance of the institution'. Another respondent also concurred that 'it motivates for better performance if you know that you will be rewarded for good work done; one would want to reach one's goals and work harder thus increasing productivity'. After analysing comments of all respondents, the underlying factor seems to be that through the PMS, individual performance is improved which will also contribute to improved productivity overall. Most employees are encouraged to perform better because of the performance rewards (performance bonuses and salary/pay progression) that are received annually but these should not be the only reason for good performance. Although most employees seem to perform based on the fact that they will be rewarded, 100% of the respondents do understand that good/high performance does contribute significantly to improved productivity in the institution.

In the opinion of the researcher, there is a direct link between the PMS and productivity. The definition of productivity by Productivity SA (2007) discussed in Chapter one (see section 1.6) provides in part that the outcome of productivity is a continuous improvement of performance. If there is a continuous improvement of performance by employees of the DLGH, there will be improved productivity. For example, if the majority of Project Managers responsible for the building of Reconstruction and Development Programme (RDP) houses in the DLGH improve their performance and build quality RDP houses, the productivity would be improved. However, productivity also emphasises the issue of effectiveness, efficiency, quality and minimum expenditure.

5.2.8 Support services by Performance Management System division

Respondents were asked to share their opinion on whether the PMS division in the DLGH renders enough support services to the entire Department to ensure effective implementation of the system and improvement of performance. Twenty-five of the respondents (90%) agreed that the PMS division renders enough support services. One respondent also said that 'if you do not understand something regarding the PMS the PMS divisional staff is there for us'. Another respondent agreed that 'support services are given through performance plans, Strategic Business Units (SBU) visits, facilitation of quarterly assessment reports, and circulars and email are issued from time to time'. However, another respondent mentioned that the PMS division concentrates on compliance regarding submission and less on encouraging underperformers to improve their performance. The corrective measures relevant regarding underperformance in terms of the PMS policy are not implemented. Support services by the PMS division are being provided but not to a required level because if they were at a required level then there would be an overall good understanding of the PMS in the DLGH.

5.2.9 Skills and capacity of performance management system officials

A question was asked on whether officials attached to the PMS division possess the necessary skills and capacity to implement the PMS in the Department. Implementing the PMS includes inculcating a culture of performance and improved productivity in the Department. A detailed discussion about productivity and productivity improvement together with a link to the PMS has been detailed in section 1.6 of Chapter one. One respondent commented that 'PMS officials are well trained and are headed by a tried and tested manager; however, the improvement of productivity is a far fetched issue. The productivity improvement lies with the branch head and top management'. Another one said 'I believe that they have skills and capacity, but no proper strategies to improve the performance and productivity of employees and the Department'. Twenty-one of the respondents (75%) agreed that they do have the necessary skills and capacity. One member of the SMS commented that they do have skills and capacity to implement the

PMS given the fact that they have received departmental and provincial certificates of good performance for the period under review, but also alluded to the fact that there is always room for improvement.

The submission rate of performance instruments by departmental employees to the PMS division for the period under review has been more than 80%. One of the reasons is that the division has tightened its PMS policy to disqualify employees who do not submit performance instruments from receiving performance incentives. The DLGH in the Limpopo Province has been the first department to pay performance incentives every year from 2007 to date. Considering the fact that the PMS division has received provincial and departmental recognitions (certificates), the division seems to have skills and capacity to implement the PMS. However, as alluded to by one respondent who is an SMS member, room for improvement exists. The PMS division should train departmental officials to understand how their individual performance contributes to or impacts on the attainment of the overall goals and objectives of the Department. All employees must understand the impact of their contribution in the high or low productivity rate of the Department.

5.2.10 Performance bonuses and pay progression for good performance

Respondents were asked their opinion on whether performance bonuses and salary/pay progression are sufficient to encourage good performance in the DLGH. Twenty respondents (71.4%) argued that performance bonuses and salary/pay progression encourage good performance, but there is a disagreement on whether it is sufficient. For example, one respondent said that 'performance bonuses and pay progression encourage good performance in that when one is aware of reward for good performance, one would work hard to achieve the set goals and targets'. Twenty respondents (78.6%) also mentioned that performance bonuses are acceptable but the 1.5% pay progression across the board for people who did not perform at the required level raises questions. Another respondent also said that performance incentives (performance bonuses and pay progression) come once a year at the end of the financial year and that there has to be

something which is a motivator in-between. It must, however, be highlighted that performance incentives paid at the end of the financial year are for the combined ratings of all four assessment quarters.

The researcher concurs with the 71.4% of respondents who argued that performance bonuses and salary/pay progression play a vital role in encouraging good performance by departmental employees. As indicated by 78.6% (22) of the respondents, salary/pay progression of 1.5% across the board for employees who have not performed to the required levels is a challenge. In other departments such as the National Department of Justice and Constitutional Development, pay progression varies according to the performance of an employee. Pay progression ranges from 1.5% to 4.5% depending on the rating of a particular employee (Department of Justice and Constitutional Development, 2008: 13). The DLGH may amend its departmental PMS policy so that it does not only offer a uniform 1.5% salary notch as a pay progression. However, it is necessary to argue that performance bonuses and pay progression alone can never be sufficient to encourage good performance. There are other factors that are non-monetary, such as recognition and acknowledgement of good performers by leadership in the presence of peers that may be used to encourage good performance. The Department should ensure that it uses other methods that may encourage the good performance of its employees.

5.2.11 Contributions of training to performance and productivity

Respondents were asked whether training contributes to improved performance and productivity. One of the respondents stated that proper training does contribute to the improvement of performance and productivity. Another respondent said that ‘trained employees are likely to execute their duties better than untrained employees’. Although all respondents (100%) agreed that training could play a pivotal role in the improvement of performance and productivity, a relevant impact analysis approach should be developed. Training needs should be developed because employees might choose a training need that may not be relevant. Another respondent has criticised the

Departmental training division, and mentioned that it does not focus on Personal Development Plans but mainly on spending the allocated budget. A warning has been raised by a respondent who argued that training is important but there are many employees who join the DLGH having received sufficient training but who fail to deliver due to complacency, de-motivation, laziness and stress. However, it could be said that training is one of the remedies for underperformance because it enhances employees' knowledge and ability to perform better.

The researcher agrees with the argument of the respondents that training could play a paramount role in the improvement of performance and productivity. However, there must be a proper skills audit and training based on Personal Development Plans. In order to avoid unnecessary expenditure on training, the impact should be seen through the performance of an employee.

5.2.12 Challenges facing performance management system and improvement of productivity in the Department

Another question posed to respondents asked them to mention challenges that they regard as facing the PMS and improvement of productivity in the DLGH. The following are the challenges as raised by the respondents, in no particular order:

- Incompetent managers who are unable to implement the PMS effectively and efficiently.
- Lack of understanding (if any) of the PMS by both employees and their supervisors in the Department.
- The PMS and training divisions not being under the same Strategic Business Unit/directorate whereas performance and training go together.
- Non-compliance of policy provisions by some employees which includes timeous submission of performance instruments.
- Failure to submit or late submission of performance instruments (performance agreement/MOU/quarterly assessment reports).

- Shortage of personnel in the PMS division to implement the system effectively and efficiently.
- Lack of sufficient performance incentives (performance bonuses and pay progression) to reward those who perform well or exceed the set performance target or halo effect.
- Biased ratings (subjective assessment) by supervisors' of their subordinates based on reasons such as favouritism.
- Focusing on the quantity of the end-product (output) rather than on the quality (value).
- Setting unrealistic performance targets that are too high to be achievable.

The above factors are in the opinion of the respondents challenges facing the PMS and improvement of productivity in the DLGH. These factors affect the effective implementation of the PMS which also impacts on the performance outcomes. The researcher agrees that the above-mentioned challenges may have a negative impact on the improvement of performance and productivity in the Department if measures are not taken to correct the situation. For example, if many employees have performed well and exceeded the set performance targets, there is often the challenge that the 1.5% of the wage/remuneration is not enough to compensate good performers. In some instances, performance bonuses have to be scaled down to a lower percentage. However, the greatest of all challenges facing the PMS and productivity is the lack of understanding of the PMS by departmental employees (subordinates and supervisors). Other challenges come about as a result of this lack of understanding of the PMS and the contribution of performance to productivity.

5.2.13 Management of underperformance as a challenge

After challenges had been raised, respondents were asked whether the same challenges raised are being well managed in their Department's respective branches. Only three (10.7%) of the 28 (100%) respondents argued that underperformance is well managed as a challenge whereas the rest of the respondents (89.3%) indicated that it is not well

managed. One respondent said that ‘when an employee underperforms, nothing is done; no one enquires as to what the underlying cause of the underperformance is’. Another respondent also expressed a view which was shared by 96.4% (27) respondents that there are no programmes and strategies developed to address underperformance.

There is almost a general consensus by respondents that the challenge of underperformance is not well managed in the Department. If an employee has not performed well or has not achieved the set performance targets, there are no measures to address such a situation. As a result, an underperforming employee will continue to underperform and be unproductive because the employer does not develop mechanisms to address such challenges. The training that is done is not aligned to the skills gap/challenge. It is also argued that there is no proper referral to other necessary stakeholders such as the training division and Employee Assistance Programme (EAP) division. There is no proper coordination between the PMS, training and EAP divisions in the Department.

5.2.14 Management of subjective assessments

A question was asked as to how the DLGH manages the challenge of subjective (biased) assessments during performance assessments. All respondents (100%) agreed that subjective assessments are not fair and that supervisors must assess the performance of their subordinates and not other factors such as friendship or relationships. It is also discouraging for performing employees to be rated the same as underperforming employees. One respondent mentioned that ‘in our division everybody received a performance bonus except one employee who does not have good relations with the supervisor’. Another respondent also echoed a sentiment which was shared by 75% (21) of the respondents that each quarterly assessment report should be accompanied by verifiable evidence supporting or justifying high/low rating. It is alluded to by another respondent that subjective assessments may be managed by way of involving the overseers (supervisor’s supervisor) who will help to resolve disputes between supervisors and subordinates. All respondents (100%) agree that during assessments all parties (that

is, subordinates, supervisors and overseers) should be involved. A member of the SMS responsible for the implementation of the PMS also alluded to the fact that the Moderation Committee demands that a portfolio of evidence be provided in order to substantiate higher rating, and where evidence is not adequate, ratings be reduced. Requesting a portfolio of evidence seems to be an effective system of managing subjective assessments. The Moderation Committee is a departmental committee responsible for overseeing of the application of the PMS in the Department. This Committee's other responsibilities include advising the DLGH on financial rewards, detecting potential problems regarding the PMS, reviewing allocated ratings whenever necessary, and recommending the reward level.

However, the method of verifying the portfolio of evidence is not effective because the DLGH's Moderation Committee always prefers to moderate the quarterly assessment reports and evidence of the entire Department at once and then the entire process becomes ineffective. The aim becomes completing the work whereas it should be verifying whether rating is substantiated by verifiable evidence. The Moderation Committee has to play a paramount role in addressing the challenge of subjective (biased) assessments by supervisors of their subordinates. The Moderation Committee could be effective if the portfolio of verifiable evidence submitted is scrutinised and verified against the ratings given. The overseer (supervisor's supervisor) could also assist the Moderation Committee by helping the parties to address issues of subjective assessment and all other related disputes before quarterly assessment reports are submitted.

5.2.15 Departmental budget allocation for rewarding good performers

Respondents were asked as to whether the 1.5% of the wage/remuneration bill (budget) is sufficient for rewarding good performers and also to motivate their response. Almost half of the respondents (46.4%) highlighted that it is enough because rewards are meant for exceptional performers and not for all employees. Some respondents argue that going beyond 1.5% becomes unaffordable because part of the budget should be used for service

delivery tangibles and not administration. However, some indicated that it is not sufficient as the employee turnover is high in favour of the private sector. Respondents further indicated their frustration of the system that requires that if they have performed well, they reduce assessment ratings/scores because the 1.5% budget of the wage/remuneration would not cover expenses relating to performance incentives. One respondent further suggested that 3% may be appropriate for performance bonuses. In general, respondents (53.6%) argue that if the budget were to be increased, the performance may also increase which will result in high productivity. From the foregoing, one could argue that the increase of 1.5% to 3% of the wage/remuneration bill may not necessarily help because there are a variety of motivating factors beyond performance bonuses. Some of these factors are suggested by the respondents to include the acknowledgement of good performing employees during appointments and promotions. The issue of 1.5% of the wage bill has been adopted by the Department of Public Service and Administration (DPSA) PMS policy framework. Provincial Administrations or departments are not in a position to effect changes to this government-wide PMS approach.

5.2.16 Management of non-submission as a challenge

The questionnaire asked respondents to give recommendations as to how the Department should deal with the challenge of non-submission of performance instruments by Departmental employees. Performance instruments refer to performance planning and monitoring tools which include performance agreements/MOUs and quarterly assessment reports. Respondents recommended that addressing non-submission of performance instruments to the PMS division as a challenge in the department should be given priority. The DLGH's employees are supposed to submit performance agreements/MOUs on performance to the PMS division at the beginning of each financial year and thereafter quarterly assessment reports at the end of each quarter. The following aspects are summaries of the recommendations by the respondents on how to deal with the challenge of non-submission:

- Implementing punitive/disciplinary measures against those employees who do not submit their performance instruments.
- Sensitising employees about the consequences of non-submission of performance instruments.
- Disciplining line managers for contributing to the non-submission of performance instruments.
- Disqualifying employees who submit their performance instruments late from receiving performance incentives (performance bonuses and pay progression) even if such employees have performed well or have exceeded the set performance targets.
- Intervention through the EAP with those employees whose failure or late submission of performance instruments is due to psychological or personal problems.
- Reminding employees regularly through emails.
- Exposing those who do not submit performance instruments on stipulated timeframes by naming them during departmental/branch meetings (within the confines of the law).

The above recommendations of dealing with late/non-submission of performance instruments as a challenge may contribute positively to improving performance. However, the submission rate of performance instruments in the DLGH is often very high in that for the financial years under review it was recorded as above 80%.

5.2.17 Additional issues relating to Performance Management System

It was asked of respondents to raise any additional issues relating to the PMS that they felt necessary in relation to the PMS. Nineteen employees (67.9% of respondents) indicated that they do not have additional issues to raise. The remaining nine respondents (32.1%) had some issues to raise but most of the issues they raised had already been discussed above under different subheading. The following are some of the issues raised by respondents:

- Clearly-defined performance targets must be set.
- Training or workshops on the PMS be held at least once a year, particularly for new employees.
- Subjective performance assessment must be dealt with effectively.
- Employees must be made to understand how their individual contribution in the Department contributes to the realisation of the departmental vision, mission and objectives.
- Combining the PMS and training divisions so that they fall under one SBU/directorate may prove to be a fruitful exercise because performance and training are closely related.
- Punitive or disciplinary measures should be applied against those who fail to perform consistently after necessary interventions have been implemented.

Some issues above have already been raised by the respondents although the few who responded to a question asking them to raise additional issues necessary regarding the PMS said that of all the issues they raised before, they feel strongly about the above mentioned. These discussions and findings will be analysed together with data collected through the document analysis approach. This approach is necessary in this discussion in order to inform conclusions as well as recommendations to be drawn in this study.

5.3 FINDINGS FROM DOCUMENTARY ANALYSIS

As indicated in Chapter four (see section 4.3.2), to ensure multiple collection of data to produce reliable results, official documents of the DLGH were analysed. Relevant documents including institutional annual performance plans (APP) and annual reports were perused. The documents perused date back from April 2007 to March 2010. The APP is a strategic document derived from the strategic plan and it contains among other things institutional performance targets that are to be reached in the following financial year. It has to be approved by the Member of the Executive Council (MEC) in the

Limpopo Province. All branches, SBUs and divisions would have their own targets from the APP to be met. It is from these targets of the APP that departmental employees develop their own individual performance agreements/MOUs. In other words, performance targets in the performance agreements/MOUs are derived from the APP.

After departmental performance targets have been set and performance has been executed, an annual report is drawn up based on the set targets and performance executed. An annual report is a report on how the performance measures against the set performance targets. Divisions, SBUs, and branches within the DLGH are informed of how their monthly, quarterly and annual performances are rated. The APP, together with the annual reports of the three financial years (from April 2007 to March 2010), are discussed and analysed below.

5.3.1 Financial year 2007/2008

Below is the summarised version of the 2007/08 APP and annual report with specific focus on Strategic HRM and Housing Project Management. The level of achievement in the DLGH is discussed in detail after Table 5.1 below.

Table 5.1: Summary of targeted and actual performance for 2007/08 financial year

Performance targets (APP)	Actual performance (annual report)
<ul style="list-style-type: none"> • 6 000 houses to be completed. • 300 BNG houses to be completed. • 2 400 sites to be planned and serviced. • 8 495 houses to be completed through unblocking of blocked projects. • Train 700 officials. • 50 officials to be trained through the University of Limpopo. 	<ul style="list-style-type: none"> • 3870 completed; 5203 under construction. • 380 BNG houses completed. • 7 226 sites planned and serviced. • 3952 houses completed and 1 664 under construction. • Trained 800 officials. • 34 officials trained through the University of Limpopo.

<ul style="list-style-type: none"> • 50 bursaries to be awarded. • 100 officials to be trained on a Leadership and Development programme. • 80 interns to be recruited. • Filling 150 vacant posts. • Meeting 2% target on disabled people. • 137 state guarantees to be redeemed. • 50% women representation on Senior Management. 	<ul style="list-style-type: none"> • 50 bursaries awarded. • 104 officials trained on a Leadership and Development programme. • 73 interns recruited. • 159 vacant posts filled. • 0.2% target on disabled people met. • 77 state guarantees redeemed. • 25% women representation on Senior Management.
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Source: (Limpopo Department of Local Government and Housing, 2008: 16-17 & 27)

According to the above table, more than half of the set performance targets of the 2007/08 financial year were not achieved. Only six (6) out of 13 performance targets on the table were achieved. However, 267 officials received monetary performance bonuses for having performed beyond the required expectation or above average (rating of 4 and 5). Additional 192 received salary/pay progression which is for satisfactory performance (rating of 3). In the opinion of the researcher, there is a vast inconsistency in that officials were paid performance incentives (performance bonuses and salary/pay progressions) while the overall performance of the Department has not been impressive. The productivity has also been low. It may mean that higher ratings were not substantiated by portfolios of verifiable evidence as indicated in section 5.2.14 above.

For the performance targets which were not achieved in the 2007/08 financial year, performance improvement plans were not provided except for the fact that new performance targets were set for the subsequent financial year. There are several performance targets that are recorded in the APP but not featured in the annual report. These targets included an evaluation of 350 posts, 49 retirement terminations to be effected, all employees to sign performance instruments, and 30 municipalities to have special programmes in their Integrated Development Plans (IDPs). In this regard, the

Strategic Management SBU which is responsible for the APP and annual reporting has not reported accordingly regarding the achievement of all the targets during the financial year 2007/08. All performance targets on the APP should be reported in the Departmental annual report of a particular financial year. The Strategic Management SBU should ensure that there is accurate planning and reporting about Departmental performance. It is reported in the DLGH in the 2007/08 annual report that during the 2007/08 financial year, the Department came across a number of challenges which impacted negatively on the pace of service delivery (Limpopo Department of Local Government and Housing, 2008: 10). One such challenge is the late loading of the budget on the financial system for use which delayed the implementation of certain key programmes. Another challenge was the month long public service strike during the 2007/08 financial year. The Accounting Officer (Head of Department) of the DLGH alluded to the fact that the Department had an overall good performance (Limpopo Department of Local Government and Housing, 2008: 2), although most of the targets were not achieved. However, as indicated above, more than half of the set performance targets in Table 5.1 were not achieved. The performance of the DLGH in the 2007/08 financial year was not impressive and did not contribute positively to productivity. The low performance of the Department resulted in the overall low level of productivity and service delivery.

5.3.2 Financial year 2008/2009

Unlike in the 2007/08 financial year where most of the performance targets were not achieved, in the 2008/09 financial year most of the set targets were met or achieved as reported in the annual report. Below are some of the targets that were set for and achieved for the 2008/09 financial year.

Table 5.2: Summary of targeted and actual performance for 2008/09 financial year

• Performance targets (APP)	• Actual performance (annual report)
• 3 314 houses for informal settlement to be completed.	• 6 421 houses for informal settlement completed.

<ul style="list-style-type: none"> • 1 524 BNG houses to be completed. • 3 500 rural housing units to be completed. • Unblocking of 3 000 blocked housing projects. • Services for 3 000 sites installed. • Training 650 officials. • 180 officials to be inducted and oriented. • 80 officials trained through the University of Limpopo. • 50 bursaries to be awarded. • 100 officials to be trained on the Leadership and Development programme. • 100 interns to be recruited. • Filling 180 vacant posts. • Meeting 2% target on the employment of disabled people. • 5 municipalities to be capacitated through Work Place Skills Programme. • 50% of women representation in the staff establishment. • Training 20 officials for Job Evaluation paneling. • Developing 149 job descriptions. • 30 municipalities with Special Programmes in their IDP. • 100% (765) employees sign 	<ul style="list-style-type: none"> • None of the BNG houses were completed. • 976 rural housing units were completed. • 3 269 blocked housing projects completed. • 545 services installed. • Trained 755 officials. • 287 officials inducted and oriented. • 149 officials trained through the University of Limpopo. • 61 bursaries awarded. • 150 officials trained on the Leadership and Development programme. • 100 interns recruited. • 34 vacant posts filled. • 0% target on the employment of disabled people met. • 5 municipalities capacitated through Work Place Skills Programme. • 44% of women representation in the staff establishment. • 20 officials were trained for Job Evaluation paneling. • 379 job descriptions developed. • 11 municipalities have Special Programmes in their IDP. • 96.2% (736) employees signed and
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performance instruments and submit. <ul style="list-style-type: none"> • 35 retirement terminations effected. 	submitted performance instruments. <ul style="list-style-type: none"> • 114 employees terminated (according to the 2008/09 annual report this number (114) was inclusive of employees terminated through death, resignations and dismissals).
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Source: (Limpopo Department of Local Government and Housing, 2009: 12-17 & 33)

The above performance targets were from two branches, namely the Strategic HRM and the Housing Project Management. The above table shows that the Department or the two mentioned branches had performed well with few exceptions in some targets. Compared to the performance of the 2007/08 financial year, the performance and productivity of 2008/09 show improvements. As discussed in Chapter one (see section 1.6), productivity refers to a state of achieving institutional goals by transforming inputs (human, financial and material resources) into outputs (service delivery tangibles) at the lowest cost. One of the key elements of productivity is then continuous improvement of performance with efficiency and effectiveness. Most of the set performance targets for the 2008/09 financial year have been achieved, and according to the definition of productivity this means that there was an improvement of performance and productivity (see section 1.6). The researcher concurs with the fact that there was an improved performance in the 2008/09 financial year which could be linked to an improvement of productivity.

For the several targets not achieved, the relevant divisions such as Recruitment and Selection provided the reason for not reaching the set targets as that the allocated budget was reduced during the middle of the financial year. The reduction of the budget is a mandate from the Limpopo Provincial Administration (a combination of all provincial departments with the control vested in the Office of the Premier). Lack of development areas among municipalities has also been cited as a challenge regarding the construction of houses in the Limpopo Province. A low capacity by emerging contractors was also identified as another challenge (Limpopo Department of Local Government and Housing, 2008: 35). A total of 582 officials (70%) received performance bonuses in the 2008/09

financial year. A total of 595 (77.8%) of the total number (765) received a pay progression. The Department also incorrectly reported on the target about termination of retirement in that the actual performance reported about all terminations which included deaths, resignations and dismissals. The incorrect reporting in the annual report is a mishap which should be avoided by the Department at all times.

5.3.3 Financial year 2009/2010

The table below shows how the Department had set targets for itself and how the performance was reported to be at the end of the financial year (2009/10). A detailed analysis of the 2009/10 financial year regarding performance and productivity is provided after Table 5.3 below.

Table 5.3: Summary of targeted and actual performance for 2009/10 financial year

Performance targets (APP)	Actual performance (annual report)
<ul style="list-style-type: none"> • Constructing 7 000 housing units (informal settlement). • Geo-tech investigation for 15 000 housing units. • 4 210 rural housing units to be completed. • Unblocking of 2 000 blocked housing projects. • 100% installation of services to 4 000 sites. • Creating 2 700 job opportunities through the Expended Public Works Programme (EPWP). • Constructing 50 housing units for farm 	<ul style="list-style-type: none"> • 7 663 housing units (informal settlement) completed. • Geo-tech investigation for 13 650 housing units. • 9 694 rural housing units completed. • 1 519 blocked housing projects completed. • 78% installation of services to 400 sites. • 2 402 job opportunities created through the Expended Public Works Programme (EPWP). • None of the housing units for farm

<p>workers.</p> <ul style="list-style-type: none"> • Constructing 368 emergency housing units • Constructing 100 state rental housing units. • Training 300 officials. • 350 to be inducted and oriented. • Verifying 200 qualifications. • 244 bursaries to be managed. • 400 officials to be trained on the Leadership and Development programme. • 120 interns to be recruited. • Filling 30 vacant posts. • Reviewing and implementing a Job Evaluation policy. • Placing and training 20 experiential learners. • 1 203 employees (100%) sign and submit performance instruments. • 74 managers to be assessed on competency. 	<p>workers were constructed.</p> <ul style="list-style-type: none"> • 277 emergency housing units constructed. • None of the state rental housing units were constructed. • Trained 447 officials. • 926 inducted and oriented. • Verified 330 qualifications. • 244 bursaries managed. • 444 officials trained on the Leadership and Development programme. • 120 interns recruited. • 51 vacant posts filled. • Draft Job Evaluation policy developed. • 64 experiential learners placed and trained. • 647 (53.9%) signed and submitted performance instruments. • None of the managers were assessed on competency.
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Source: (Limpopo Department of Local Government and Housing, 2010: 15-19 & 35-37)

The table above shows that many of the performance targets that were set by the Department were not achieved, particularly in the Housing Project Management branch. This underperformance is despite 661 employees receiving performance bonuses and 738 receiving pay progression for good performance. Individual underperformance has led to the Department underperforming against its set targets in this financial year. The researcher observed that the performance and productivity of the Department for the

2009/10 financial year has been low, particularly compared with the 2008/09 financial year. The compliance regarding submission of performance instruments has not improved compared to the 2008/09 financial year. The low submission rate was due to lack of understanding of the PMS policy provision which makes it compulsory for all departmental employees to sign and submit performance instruments regularly. Among others, the construction of houses had the constraints which included scattered development areas, unproclaimed townships, untraceable beneficiaries, inadequate bulk infrastructure, slow pace of processing Title Deeds or Deed of Grants by Deeds Office in Pretoria, the responsibility for land audits being delegated to Housing Development Agency in terms of *Housing Development Agency Act of 2008 (Act 23 of 2008)*, and delays in the approval of development areas. These constraints had affected the achievement of some of the performance targets particularly by the Housing Project Management branch (Limpopo Department of Local Government and Housing 2010: 37).

More than 50% of the set performance targets for the 2009/10 financial year were not achieved. It means the DLGH has failed in terms of reaching a high level of performance, productivity and service delivery. As discussed in Chapter one (see section 1.6), one of the most important elements of productivity is the continuous improvement of performance and that such improvement must be measurable. The overall performance of the DLGH from the year 2007 to 2010 has not been good in that the majority of performance targets were not achieved. It is only in the 2008/09 financial year where more than half of the performance targets were achieved. However, based on the tables above (5.1 to 5.3) the overall performance of the Department has not been good considering the fact that there were zero achievements on some targets. Productivity overall has been low except in a few cases as indicated in the tables above (Table 5.1 to 5.3). It must, however, be argued that continuous improvement of performance contributes to improved productivity. The constraints discussed above might have contributed immensely to the Department not achieving its set performance targets. In the annual report the Department is reported to have performed well even though there were several deliverables which were not realised. Some challenges could be addressed by implementing the recommendations which will be discussed in the next chapter.

5.4 CONCLUSION

Data analysis of the study was undertaken in this chapter. The data which was collected using different methods have been discussed and analysed. Data utilised was collected using methods which include a research questionnaire, documentary analysis and observations. Answers provided were analysed against the questions asked in the questionnaire together with the observations made during the collection of data. The APP and annual reports from the 2007 to 2010 financial years were also discussed and analysed. Based on the discussion and analysis above, the conclusions and recommendations of the research study will be made in next chapter.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

The previous chapter discussed the findings and analysis of the data obtained through various methods including a semi-structured questionnaire, official departmental documents and personal observations. The purpose of this chapter of the study is to provide concluding remarks on the research problem raised (see section 1.3). Useful recommendations based on the data analysed in the previous chapter will be provided in order to assist the management of the Department of Local Government and Housing (DLGH) in the improvement of performance and productivity. A summary of the preceding chapters is given.

6.2 CHAPTER SUMMARY

The first chapter provided a background to the study about the PMS and productivity which also included the research problem. The research problem undertook to investigate whether the PMS of the DLGH in the Limpopo Province contributes to improved productivity. In order to address this research problem, research questions were raised. The researcher also developed research objectives in order to assist in answering the research questions. The main objective of Chapter one was to contextualise the study and also explain the relevance and significance of the study. The set objective of the chapter was realised. The background to the study has played a pivotal role in introducing the study and the reason the study was undertaken.

Chapter two of the study critically evaluated the literature that was deemed relevant to the study. According to Mouton (2001: 86) it is paramount that every research project begins with a review of the existing literature in a particular field of study. A good literature review makes the researcher aware of what has been written about before to avoid

duplication of study and unnecessary repetition. Scholarly work on performance management was interrogated to understand how other researchers have conceptualised and researched these issues. Some of the previous studies about performance management were discussed in section 2.3. As discussed in Chapter two, some of the conclusions from other scholars were concurred with while others were not agreed with. For example, Ravhura's (2006) conclusion was disagreed with in that it recommended that the provincial Department of Education in the Limpopo Province should increase its PMS budget. The view of this researcher is that the PMS budget allocation be limited to 1.5% of the wage/remuneration bill as per the PMS policy provision of the Department of Public Service and Administration. Pay/salary progression is limited to 2.0% of the wage/remuneration bill of the Department. A study which was agreed with was undertaken by Mabelane (2007), and it concluded that there is subjectivity (bias) and favouritism in the process of PMS implementation. However, it must be noted that Mabelane's study focused on the legislative arm of the provincial (Limpopo Province) government, while this study is on the administrative arm of the provincial government. The literature review conducted was necessary in that it informed this study to focus on a new research problem which has not been solved by other scholars before. The literature review assisted the researcher to cover a research area which has not been covered before.

Chapter three discussed the legislative and regulatory framework that underpins the PMS. There are several Acts and statutory guidelines which guide the development and implementation of performance management in the public service. The regulatory framework discussed includes those that inform the PMS at municipalities. Several role players in the process of managing performance such as the Public Service Commission, the Department of Public Service and Administration (DPSA), Public Administration Leadership and Management Academy (PALAMA) and trade unions and the role they play were discussed in detail. It was discussed that each of these role players has a unique role to play during the entire process of the PMS. Steps to be followed in the development of a successful PMS in the public service which included the development of a policy framework, developing a system, signing performance agreements, measuring performance and managing the outcomes of performance measurements were also

discussed. The PMS policy of the DLGH was also analysed. The main objective of Chapter three is to establish the understanding of the PMS in the public service and also the legislative framework that underpins it. The PMS implemented in the public service has to satisfy the provision of the legislative framework which includes the *Constitution of the Republic of South Africa of 1996*, the *Public Service Act of 1994* (Proclamation 103 of 1994) and the *Public Service Regulations of 2001*. The objective of the chapter was realised.

The purpose of Chapter four was to discuss the methodology used to collect data and how such data is analysed. The data collected assists in providing a solution to the research problem of this study. The research design and methodology of the study are discussed. Chapter four discussed the research strategy within which evidence is collected and analysed. The study is qualitative in nature. The data collection method used and the way data is analysed have been highlighted. The sample with a reason for such a selection was also advanced. Chapter four discussed and concluded on the most appropriate research method for this study. In this regard, the set objective of the research design and methodology chapter was realised.

Chapter five presented the research findings and analysis of the data obtained. The analysis is based on data collected through various methods discussed in section 4.3 which includes a semi-structured questionnaire (Annexure one), Departmental documents and observations. A questionnaire (semi-structured) with 22 questions was distributed to the respondents, and responses to the questions were analysed in Chapter five. Observations and perusal of Departmental documents assisted the study to consolidate findings. Chapter five is aimed at providing a possible solution to the problem statement in Chapter one which asks whether the PMS of the DLGH in the Limpopo Province contributes to the improvement of productivity.

After giving a summary of the preceding chapters, it is only appropriate to develop concluding remarks.

6.3 CONCLUSION

The Department has received several awards such as the best department in the province and the national Govan Mbeki Award for best housing department in the period under review. However, most of the performance targets set in the Annual Performance Plans (APP) (from April 2007 to March 2011) were not achieved. This seems to be because even though the Department did not achieve some of its set targets, it performed better than other departments in the Limpopo Province.

The evidence collected was done with the specific aim of answering the research question, namely, whether the PMS of the DLGH in the Limpopo Province contributes to the improvement of productivity. After having carefully considered all evidence collected through the different data collection methods discussed in section 4.3, the following conclusions are drawn:

- Although there are officials with a better understanding of the PMS in the DLGH, the majority have not acquired a sufficient understanding of the PMS.
- During the period under review (2007-2010), several performance targets were not achieved.
- Although the PMS plays a significant role in the improvement of productivity, it has not contributed to the improvement of productivity of the DLGH in the Limpopo Province. Productivity in the Department has been low because the performance has not been continuously improving as provided for by Productivity SA's definition of productivity (discussed in Chapter one (section 1.6)).
- The challenges facing the PMS in the DLGH are the following:
 - Poor understanding of the PMS in the Department.
 - Separation of the PMS division from the training division in the Department.
 - Non-compliance to PMS policy provisions such as timeous submission of performance instruments by some individual employees.

- Shortage of personnel in the PMS division.
- Biased ratings (subjective assessments).
- Setting of unrealistic performance targets which are unrealisable.

The above conclusions have been drawn up based on the evidence collected and analysed in the previous chapter (Chapter five). The objectives of the study, namely, to understand the PMS in the public service, to explore whether the PMS in the DLGH contributes to the improvement of productivity as intended, and to analyse challenges facing the PMS in the DLGH in the Limpopo Province have all been achieved. The study brought about a better understanding of the PMS in the public service, the kind of contribution PMS has on the improvement of productivity of the DLGH in the Limpopo province, and the challenges it faces on its application and implementation in the Department. The conclusion of the study was informed by these research objectives hence it covers the understanding of PMS, its contribution and its challenges in the DLGH and its relations to productivity. The recommendations of the study are discussed in detail below.

6.4 RECOMMENDATIONS

Based on the findings, analysis and conclusion of the research study, the following recommendations are made:

- There should be regular and thorough training of departmental officials about the PMS in the public service and how it impacts on productivity. Such training could improve the understanding of the PMS by Departmental officials.
- After concluding that the PMS has not contributed to improvement of productivity, the DLGH should ensure that employees understand how their individual performance impacts on the overall productivity of the Department. Officials should understand that low individual performance may lead to a low departmental performance and productivity

- In addition to paying of performance incentives to employees, the Department should improve its performance and productivity by undertaking the following actions:
 - Monitoring of performance should not only be limited to quarterly and annually, but should be extended to monthly (even if such is done informally), so as to detect weaknesses as soon as possible.
 - PMS training on the purpose and objective of the system should be conducted annually for all departmental employees.
 - Good communication and relations between subordinates, supervisors and management should be facilitated.
 - The PMS division, Training division and Employee Awareness Programme division should work together to address the lack of skills and other problems associated with underperformance.
 - Performance targets of both the individual employees and the Department should be clearly defined.
 - Recognising and acknowledging of internal staff during recruitment, appointments and promotional process should be done.
 - Personal development plans (PDP) should be implemented effectively.
 - A skills audit on a quarterly and annual basis should be conducted to check what employees are capable of doing.
 - Best performers should be recognised by appreciating them during Departmental meetings or gatherings in the presence of their colleagues.
 - A favourable working environment for employees should be created by ensuring that the necessary resources such as computers and stationery are made available to them.
 - A performance culture should be internalised by employees through instilling the spirit of wanting to achieve all the time.
 - Compliance should be strengthened by ensuring timeous submission of performance instruments.

- The Departmental Moderation Committee should demand verifiable evidence to justify higher ratings during assessment.
- Punitive/disciplinary measures should be dealt out to those officials who do not comply with the provisions of the PMS policy, particularly non-submission of performance instruments.

In the opinion of the researcher, the solution to the research problem asked in Chapter one (section 1.3), namely, whether the PMS of the DLGH in the Limpopo Province contributes to the improvement of productivity has been properly provided. In an attempt to successfully respond to the research problem, appropriate research objectives (section 1.5) were raised. All the objectives of the study have been adequately addressed as discussed in section 6.3 above. The discussion about the understanding and the contribution of the PMS in the improvement of productivity together with challenges facing PMS in the DLGH appropriately addressed the objectives and research problem of the study. The set objectives have assisted and guided the study in developing an informed and correct conclusion and recommendations. The recommendations listed above may assist the DLGH in addressing the challenges facing the PMS adequately.

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ANNEXURE ONE

SEMI- STRUCTURED QUESTIONNAIRE

The purpose of this semi-structured questionnaire is to obtain information from the selected operational staff and managers of two branches in the Department of Local Government and Housing (DLGH) in the Limpopo Province. The two branches to be focused on are the Strategic Human Resource Management and Housing Project Management as stated in Chapter one. The results of the questionnaire will be utilised in a dissertation for a Masters of Administration degree of Mr Pandelani Harry Munzhedzi. The responses from all respondents will be treated as confidential and will not be seen by the employer.

All the responses will cover the period of three financial years which is from April 2007 to March 2010. The responses of the chosen respondents will enable the researcher to make informed analysis, conclusion and recommendations about the performance management system (PMS) and improved productivity. These responses will also enable the researcher to answer the research question asked in Chapter one of this study. The questionnaire has been designed as follows:

- A. Number 1 to 4 is the personal data of the official.
- B. Number 5 to 9 seek to address the understanding of the PMS in the public service.
- C. Number 10 to 16 seek to address whether the PMS in the DLGH contributes to the improvement of productivity.
- D. Number 17 to 21 seeks to analyse the challenges facing the PMS in the DLGH in Limpopo.

1. Name.....

2. Position.....

3. Department.....

4. Branch.....

5. How would you define performance management as applied in the Department?
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6. Would you describe your level of understanding of the Performance Management System (PMS) as adequate? Explain further.

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7. Do you think that your supervisor has a good understanding of the PMS? Explain further.

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8. Do you think that there is a general understanding of the PMS in the Department of Local Government and Housing by employees at all the levels?

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9. What do you think should be done to improve the understanding of the PMS in your branch and/or department?

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10. Would you attribute either poor or good performance in the past three financial years (April 2007 to March 2010) to the PMS?

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11. Can you say that the PMS contributes to the improvement of performance and productivity in your department? Why?

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12. Does the PMS division in your department render enough support services to the entire department to ensure effective implementation of the system and improvement of performance? If yes, how so?

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13. Do you believe that officials attached to the PMS division have the necessary skills and capacity to implement the PMS (for example, inculcating the culture of performance and improved productivity)? Provide reasons for your response.

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14. Would you regard performance bonuses and notch progressions sufficient to encourage good performance in your department?

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15. In summary, what would you recommend the department do to improve its performance and productivity?

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16. Does training contribute to improvement of performance and productivity? If so how?

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17. What do you regard as challenges facing the PMS and improvement of productivity in your department?

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18. Would you argue that underperformance is well managed as a challenge in your branch/department?

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19. How does your branch and/or department manage the challenge of subjective (biased) assessments during performance assessment? Do you think this is fair? Explain further.

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20. Do you think that 1.5% of the wage or remuneration bill of the department is enough for rewarding good performers? Motivate your response.

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21. How do you think your department should deal with the challenge of non-submission of performance instruments to the PMS division by departmental officials?

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22. Do you have any additional issues relating to the PMS that you would like to raise?

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ANNEXURE TWO



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
LOCAL GOVERNMENT AND HOUSING

DATE : 17 DECEMBER 2009

TO : HEAD OF DEPARTMENT

FROM : SGM: SHARED SERVICES

SUBJECT : REQUEST TO UNDERTAKE RESEARCH STUDY

1. BACKGROUND


Mr Munzhedzi PH has registered for a Masters of Administration degree with University of South Africa. The title of his dissertation is: *Performance Management System and Improved Productivity: a Case of the Department of Local Government and Housing in the Limpopo Province.*

2. PURPOSE

To apprise the Head of Department about the intended study and to ask that Mr Munzhedzi PH be allowed to peruse some departmental documents and to also interview staff as part of his research.

3. RECOMMENDATION

It is recommended that the Head of Department grant permission to Mr Munzhedzi PH to conduct research in the Department as alluded to in 2 above. Mr Munzhedzi PH to also avail a copy of his dissertation to the Departmental library for reference after completion.


SGM: Shared Services

17-12-2009
Date

Approved/Not Approved/Approved with Amendments


HOD

2009/12/18
Date