

ASSESSMENT OF THE PERFORMANCE MANAGEMENT SYSTEM IN SOUTH AFRICAN MUNICIPALITIES

AVALIAÇÃO DO SISTEMA DE GESTÃO DE DESEMPENHO NOS MUNICÍPIOS SUL-AFRICANOS

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Abstract

The study assessed the performance management system (PMS) in South African municipalities. Introducing a performance management system in local governments has become an international standard practice. As a result, the comprehensive redesign of the framework for carrying out performance management has undergone a thorough makeover. The study used a qualitative approach to review literature and documentation and compile information regarding challenges hampering the effective implementation of performance management system in the South African context. The study found that these challenges are related to inadequate human resource management, insufficient financial management, and lack of legislative frameworks, to state a few. Notably, recommendations for improvement are offered based on the study, such as the management in municipalities need to follow and attempt to fulfil the system requirements, such as bridging the distance between vague mission and strategy statements, as well as tactical activities. In conclusion, all municipalities need to continuously monitor and assess performance management standards to pinpoint flaws and provide solutions for improvement.

Keywords: Performance Management. Frameworks. South African Municipalities. Performance System. Gauteng Metropolitan Municipalities.

Resumo

O estudo avaliou o sistema de gestão de desempenho (SGD) em municípios sul-africanos. A implementação de um sistema de gestão de desempenho em governos locais tornou-se uma prática padrão internacional. Como resultado, a estrutura para a realização da gestão de desempenho passou por uma reformulação completa. O estudo utilizou uma abordagem qualitativa para revisar a literatura e a documentação e compilar informações sobre os desafios que dificultam a implementação eficaz do sistema de gestão de desempenho no contexto sul-africano. O estudo constatou que esses desafios estão relacionados à gestão inadequada de recursos humanos, à gestão financeira insuficiente e à falta de marcos legislativos, entre outros. Notavelmente, recomendações para melhorias são oferecidas com base no estudo, como a necessidade de a gestão nos municípios seguir e tentar cumprir os requisitos do sistema, como reduzir a distância entre declarações vagas de missão e estratégia, bem como atividades táticas. Em conclusão, todos os municípios precisam monitorar e avaliar continuamente os padrões de gestão de desempenho para identificar falhas e fornecer soluções para melhorias.

Palavras-chave: Gestão de Desempenho. Estruturas. Municípios Sul-Africanos. Sistema de Desempenho. Municípios Metropolitanos de Gauteng.



1 INTRODUCTION

The public service association (PSA) (2015) states that in the contemporary South African local government environment, increasing service delivery demands require municipalities to address the shortcomings of public services effectively and efficiently. The local sphere faces various challenges that hinder efforts to provide services, particularly in local government. The difficulties are diverse. Lack of financial, technical, and technical resources may impede the ability to provide community members with services in an efficient manner. However, even though municipalities may have financial resources, the problem can also be linked to human resources, where a lack of competency may have a negative impact on service delivery. This statement is substantiated by opinions of Mdlongwa (2014) who stressed that Municipalities face difficulties with human resources in relation to staff abilities and competencies. Many South African municipalities lack human resources, including competent, skilled, and well-equipped staff. It is detrimental to provide communities with effective services in this situation (Mdlongwa, 2014, cited in Vyas-Doorgapersad, 2024). There are insufficient competent and knowledgeable public servants in South Africa to realise government goals. Professionals with the appropriate abilities within local government often move on to higher-profile positions within the provincial and national governments. While numerous job openings exist in the public sector, the lack of candidates is severe in the municipalities that demand highly qualified employees (PSA, 2015).

Therefore, it is significant to state that many scholars have emphasised on the need to establish an effective performance management system in municipalities. Armstrong (2012) indicates that introducing a performance management system to address these challenges has become an international standard practice. In support, Harris (1997) states that explaining the regulatory foundation for the municipalities' performance management and development system (PMDS) is essential and underscores the significance for all public employees to sign and enter into a performance agreement annually. For over 15 years, performance management has grabbed the attention of scholars in a broad range of disciplines (Folan & Browne, 2005). A little over 3,615 articles on performance assessment were published between 1994 and 1996 only. In 1996, the number of books released in the United States regarding performance management was one per week (Neely, 1999). This number has increased since then, and a variety of

topics related to performance management and performance assessment have been published globally.

Similarly, Flynn and Strehl (1996) note that public service in Australia, New Zealand, and Europe was dominated by performance culture in the 1990s. In 1996, an investigation conducted across seven European countries found a growing emphasis on performance across the continent. It was noted that attempts had been made to refocus managerial attention from performance to adherence, which needed modifications to how organisations operated. To this, the need for a performance management system has been addressed by many authors and subsequently by Kaplan and Norton (2001) who severely criticise the late 1980s financial-based performance evaluation systems, asserting that the data was “too distorted, too late, and too aggregated to be relevant for managers’ planning and control decisions.” Various ways of assessing financial and non-financial performance have comprised management account theory and practice (Keegan, 1996).

In the context of South Africa, the demand for enhanced state work and service delivery prompted an order that national, provincial, and municipal government departments implement a new performance and development system (Mouton, 2006). Additionally, Minnaar (2010) emphasised that a government department tasked with carrying out specific policy mandates needs to schedule its operations in accordance with those mandate’s requirements. In the process, government policy [may] be translated into management results, starting with formulating an institutional mandate. Minnaar (2010) further states that performance planning, activation, monitoring, and evaluation follow what begins as a political policy-making process and then becomes a management process. The priority is performance management.

A carefully planned and executed performance management and development programme is therefore required, which may enhance the chances of retaining, encouraging, and advancing productive employees. It enables an organisation to outline its priorities thoroughly and employ people and assets appropriately. It can enhance output, drive, and facilitate the delivery of necessary services (Hale & Hartle, 2001). In its worst-case scenario, performance reviews tend to demotivate staff members and generally diminish morale throughout the institution. Performance evaluation programmes have much promise when effectively designed and implemented, both for the business and the individual (Hale & Whitlam, 1999). However, the incorrect

execution of performance appraisals might result in adverse consequences such as low self-esteem, unhappiness, unfair treatment, and victimisation.

Further, Kohli and Deb (2008) allude that the public's demands should be the first consideration when developing effective public service. The public service association (PSA) (2015) indicates that service delivery is a sophisticated, challenging task, particularly in South Africa, and thus requires adequate performance management structures and frameworks. According to Debra, Stewart, Garson and David (2010) the nation's infrastructure was not constructed with inclusivity in mind, and the process of redesigning the system as a whole to satisfy the needs of every citizen is a difficult undertaking for the government, which is typically unable to manage it. The PSA (2015) highlights that although there has been progress in many areas, there are still significant issues, especially in communities with limited resources. However, the PSA (2015) also indicates that any government would find it hard to fulfil the prerequisites of South Africa's change; systematic issues with the government continue to be a significant hurdle. Continuously poor service delivery harms public confidence in the government and incites resentment in marginalised communities. Citizens' trust in the government's capacity to provide for their essentials is declining.

Therefore, the lack of a comprehensive framework to implement a performance management system in the municipal sphere likely negatively impacts public service at large. In designing such a framework, Sayles (1996) notes that the effectiveness and efficiency with which public employees execute their duties ultimately dictate whether municipalities successfully meet their operational and developmental objectives. The White Paper on a New Employment Policy for the Public Service (1997) states that performance management is vital to human resource management and development strategies.

2 CONCEPTUAL FRAMEWORK

Performance management aims to use people to attain better outcomes. It consists of various duties, the primary objective of which is to assist management in bringing better performance out of their employees, who will then be recognised adequately (Armstrong, 2004). Performance management considers the future to allow employees to assume more responsibility and receive greater benefits in return. Performance

management is primarily an interactive method that management within organisations conducts with the employees they oversee (Warner, 2002). The agreement of goals, knowledge, skills, competence requirements, tasks, and development plans form the basis of performance management. It includes the negotiation and execution of improvement and future development plans, as well as the collaborative and ongoing evaluation of performance about these targets, norms, and plans (Armstrong, 2004). Performance management promotes the fundamental values of the organisation, in this scenario, the institution, by integrating corporate individual and team goals. Giving people greater influence over their work and performance development can empower them and serve as a lever for driving cultural and behavioural change; often, it constitutes a framework for their performance (Armstrong, 2004).

One agreement among performance management scholars is that the concept of performance management is problematic to define (Williams & Zairi, 2002). To provide a more comprehensive grasp of the idea, Hildebrand (1997) describes a performance management system as a general concept comprising activities that include performance reviews, goal setting, expectations-setting, observation, documentation, feedback, and skill-building for staff members. When executed effectively, it can provide an organisation with a competitive edge. Bussin (2004) states that the key competitive advantage is primarily based on how employees are managed, trained, and assisted in improving their competencies to contribute value to the organisation.

Armstrong (2004) defines performance management as a strategically designed, thorough method that helps an organisation achieve long-term success by raising employee performance, team skills, and individual contributions. Stevens & Hume (1995) notes that performance management is on the rise in government due to an important increase in the adoption of performance-related compensation schemes. Considering the competition for expertise from the private sector, the public sector has started utilising performance-related remuneration more often. This is a direct response to concerns with hiring and retaining employees and the need for greater managerial accountability in human resource management (Stevens & Hume, 1995).

The growing significance of trade unions in pay negotiations, where collective bargaining includes wage and reimbursement negotiations, is another significant component (Slack, 2014). The main objective of the public sector's implementation of performance-related remuneration (PRR) systems is to reward employees for their

performance in anticipation that higher individual performance and support institutions deal with the challenges of economic decline and compensation (Clarke & Braun, 2013). According to Stevens & Hume (1995), with a priority on improved management control and performance culture, PRR has been implemented in the public sector as a needed result of sociopolitical transition as a component of the organisational change process. The South African workplace must also continue to consider other ethical concerns in public performance management, such as gender, affirmative action, and diversity management.

Based on its success in the private sector, Dastile (2018) indicates that the public sector perceives performance management to offer the following advantages: Elevated role and objective clarity, support and encouragement for improved performance, direction and support for the development of potential and abilities, an independent and unbiased basis for evaluating performance, and the prospect to engage in the process of encouraging public servants to enhance service delivery and ultimately advance society at large.

The study's premise was to assess the implementation of this tool in the municipalities based on the benefits meant to be attained from its implementation. The City of Tshwane (CoT) is considered as a case study to explore the performance management (PM) policy, and the challenges related to the effective implementation of PM within its area of jurisdiction.

3 CITY OF TSHWANE MUNICIPAL PERFORMANCE MANAGEMENT POLICY

An adequate framework for managing employee performance inside an organisation is the performance management policy (Windmill Hill City Farm (WHCF), 2014). According to the WHCF (2014), whilst the policy can be applied to all parties within the organisation, it will vary depending on the role held by each employee. The three performance management policies from the CoT that comprise its organisational performance management policy are presented collectively.

The CoT's performance management policy and process for top/senior management aims to oversee the efficient execution of senior-level management's performance requirements as they appear in the legislative framework. When undertaking

senior management functions and activities, this policy puts extreme value on utilising and adhering to local and national government legislative frameworks which allow local governments to use performance management (CoT, 2011). According to the CoT's (2011) performance management policy and practice for senior management, they should generate the following: the service delivery and budget implementation plan (SDBIP) and the integrated development plan (IDP). Senior management must also know how to assist the municipality in achieving its vision, mission, and strategic objectives, as well as its municipal key performance indicators (KPIs) and key performance areas (KPIAs) (CoT, 2011). Additionally, the policy upholds and underscores the significance of senior management and the municipality establishing performance agreements in which both parties are dedicated to the success of the organisation (WHCF, 2014). However, these senior manager's leadership qualities also play an essential part in accelerating municipal performance success.

Per the CoT policy and procedure for permanent employees on performance management (CoT, 2011), employee contributions and performance are vital elements of corporate performance. According to the CoT (2011), this policy intends to ensure that employees understand what their employers expect of them to accomplish all the goals and make the organisation successful. The policy's purpose is to describe the employee's primary duties relating to organisational operations (CoT, 2011). The policy's objectives are to specify the following controls on how well individual and organisational performance management systems are executed (CoT, 2011), how to establish solid working connections between management and employees, how to oversee personnel appropriately, how workers should be involved, how to manage and enhance poor performance, what expectations should be placed on teams and personnel, the competencies and skills that need to be acquired, how to enhance team and individual performance to enhance organisational performance, and how to make the entire organisational culture focused on performance.

Employees should utilise and follow these procedures while contributing to performance management. By verifying that employees understand the expectations of their employer and demonstrate a commitment to accomplishing the organisation's objectives using their performance plans, the policy arranges the implementation of performance management. The CoT's policy regarding the oversight of inadequate job performance is addressed in the following section.

Greater Taung Local Municipality (GTLM) (2016) states that employees who do poorly on their yearly performance evaluation will receive assistance from the municipality to enhance their work, as demonstrated by the preparation of Personal Development Plans (PDPs). Managing poor performance is a tool to support employees in need rather than as a means of punishment (GTLM, 2016). The Public Service Commission (PSC) (2007) contends that it is not usually the case that employees purposefully decline to follow performance standards and targets when they are not meeting these related to their employment. However, the CoT (2011) argues that the following actions should be performed before making a final determination regarding poor performance: management awareness; initial meeting on poor job performance; corrective measure to be performed; monitoring; last meeting regarding inadequate performance at work; and hearing for dismissal (CoT, 2011). It is noteworthy that management has an obligation to ensure the effective and successful execution of the above-stipulated steps, as failure to do so will affect the entire municipality's performance. Employees have to comply with the terms of their performance plan, as failure to do so may result in implications, such as promotion or termination, if all necessary procedures have been followed.

However, the CoT experience various challenges experienced by CoT while executing its performance management system, discussed below.

3.1 Targets not in line with the budget

The CoT (2015) indicates that the system for performance management implementation is hindered by the targets in the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) exceeding the budget, as shown in the municipality's performance report for the third quarter of 2015 on IDP and SDBIP. Section 6 of the Local Government: Municipal Systems Act (2000) explains that attaining goals within the municipality with the budget is a prerequisite for a performance management system. This ensures that the available financial resources can support the target's implementation.

The budgeting and target-setting processes should be connected to achieve alignment. However, Carlson (2014) is of the view that most organisations' budgeting processes tend to be the worst management practices, which makes it problematic for

institutions like the CoT to match their goals to their spending plans. He states further that an important contributor to poor budgeting is the lack of coherence between the organisation's overall strategy and the budget (Carlson, 2014).

According to the Auditor General (AG) (2018), an organisation's ability to reconcile its targets with the budget decides how well it achieves its goals, objectives, and targets. While not every aim has a financial component, many do.

According to Robinson (2015), examples of such targets are the development of bridges inside municipal borders, the modernisation of city halls, the wiring of new meter boxes, and the energising of new regions and unofficial settlements. These are all project objectives that require a budget for management to perform its obligations efficiently. Budgeting and strategy formulation are both included in planning.

The Auditor General (AG) (2017) indicates that due to targets not in line with the budget, the CoT has been unable to achieve its goals on time because of insufficient or absent preparation. In its report, the AG (2017) indicates this discrepancy between targets and budget by referring to a CoT project called "Temba Water Purification Plan." It reports that the project was delayed due to the contractors' late or missing payments, leading to interest being charged on the late payments and noncompliance with spending management.

The project's inability to meet its goals was due to poor project management of significant benchmarks and the absence of preparation before selecting the contractor, which led to excessive spending and insufficient contractor oversight (AG, 2017).

3.2 Inadequate details on strategic documents and reports

Another recognised issue is the CoT's practice of withholding information from strategy documents and reports. Any organisation that wants to successfully adopt performance management must be able to provide comprehensive, understandable, and sufficient information on strategic documents like SDBIPs, IDPs, and quarterly and yearly reports (CoT, 2016).

According to Makamu and Mello (2014), strategic documents provide information about the organisation's goals and objectives, both short and long-term, as well as how it plans to achieve them and set benchmarks. However, missing information

affects the deliverables' quantification and clouds the judgement of whether the municipal objectives were met successfully or not (Makamu & Mello, 2014).

While quarterly and annual reports provide a summative evaluation of these immediate and long-term goals, the lack of critical information in these documents impedes the CoT's ability to effectively implement its performance management strategy because it delays the system's objectives from being achieved (CoT, 2016). A portion of the information in the municipality is not comprehensive. IDPs and SDBIPs indicate that there are spaces in achieving the organisation's current and future objectives, which could harm municipal performance (CoT, 2016).

4 METHODOLOGY

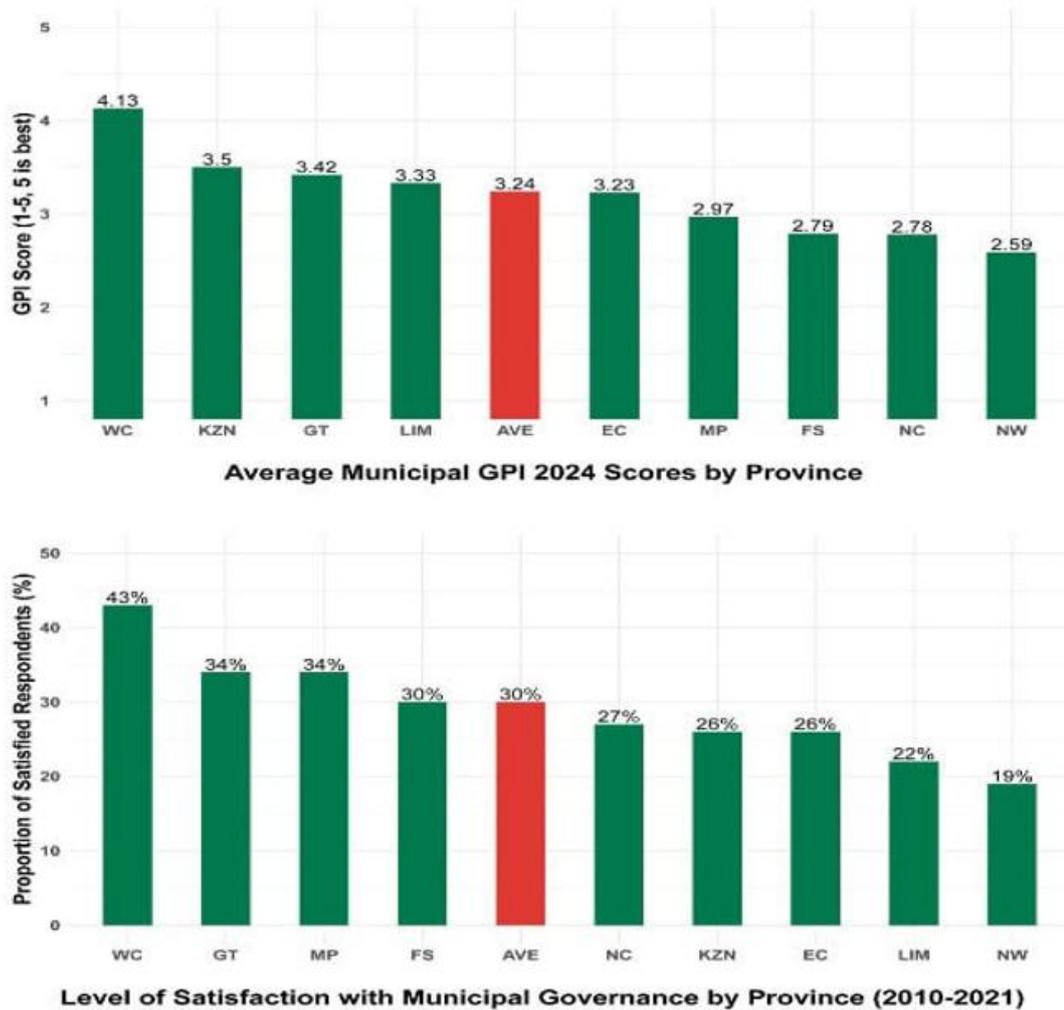
Encouraged by the arguments stated above, the main research question of this study was the following: What are the factors affecting the effective implementation of performance management system in South African municipalities? In pursuit of answering the research question, this study employed the qualitative research method and centred on a conceptual, theoretical analysis through a literature review (George Mason University Writing Center, 2018: Internet Source). In general terms, any study that provides conclusions independent of statistical analysis or other quantification techniques is referred to as qualitative research (Cresswell in Auriacombe, 2012). Understanding-based research that builds from multiple methods to investigate social or interpersonal problems is known as qualitative research. In addition to analysing words and concepts, reporting in-depth informant perspectives, and performing the study in a natural context, the researcher creates a complex, thorough picture (Cresswell in Auriacombe, 2012).

The information was compiled through literature review. Ross (2005) suggests that a literature review is a condensed presentation of the fundamental concepts and connections about the information, arguments, and topics investigated within a particular field. Such reviews outline the existing discourse, its reception among scholars, key research discoveries from various studies, and significant discussions concerning both content and methodological approaches. The secondary data for this study was obtained through academic textbooks, relevant legislation, research reports, published research papers, journal articles, official publications, online sources, and unpublished theses and dissertations. The data was analysed using document analysis. Scherman (2007) states

that the act of developing and validating interpretations, forming deductions, and concluding is achieved through data analysis. This study relied on document analysis, which is the evaluation of documents relevant to the topic being investigated (Bowen, 2009).

5 DISCUSSION AND FINDINGS

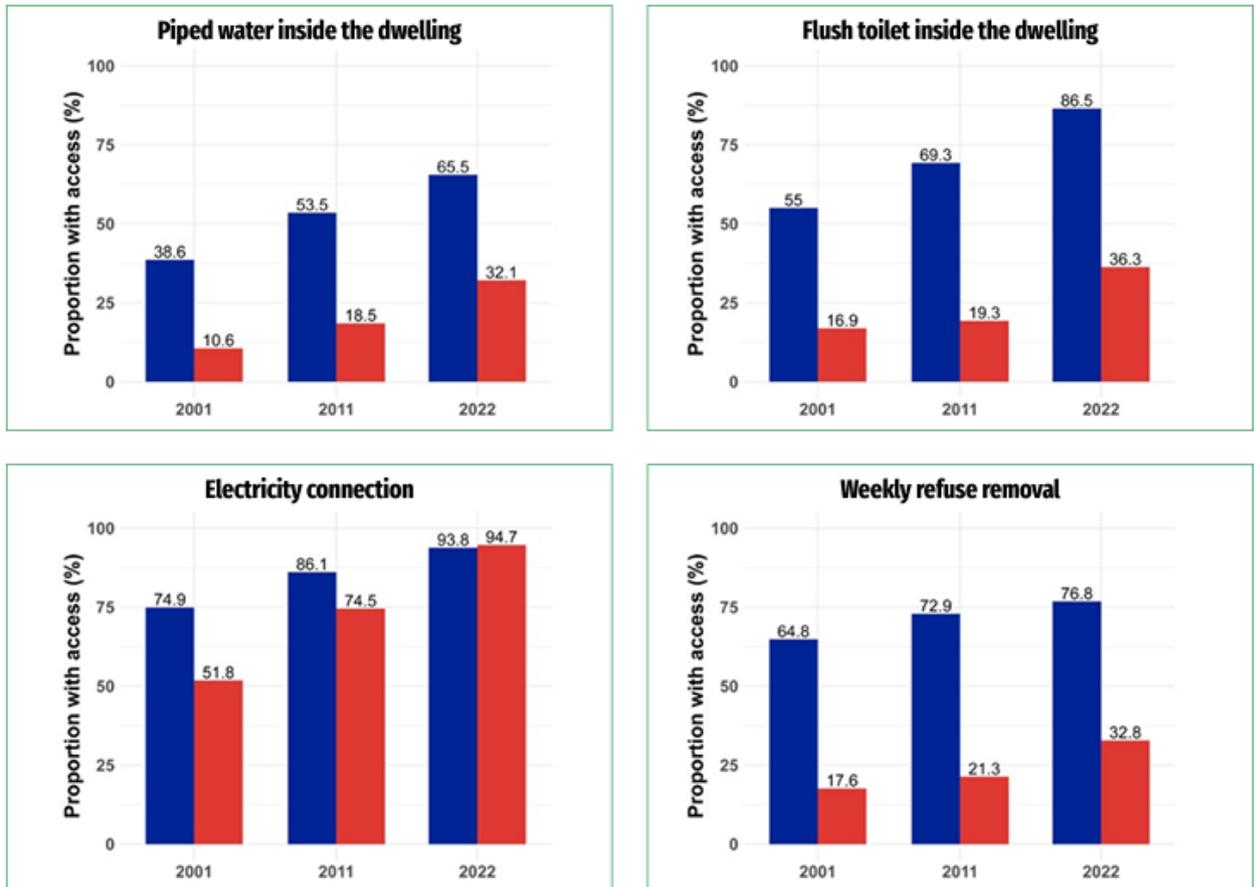
The mandate of municipalities is to deliver services. This is the area that requires effective performance of people and processes. People in the community who receive services in the end are dissatisfied with how municipalities perform. The graph 1 below illustrates this situation using data from the Human Sciences Research Council on citizens' satisfaction with the performance of their municipalities. In South Africa, citizens' satisfaction with municipal performance is generally low; from 2010 to 2021, only three out of ten South Africans expressed satisfaction (Corruption Watch, 2024).

Figure 1*Government Performance Index (GPI) performance and citizen sentiment*

Source: Good Governance Africa's 2024 GPI, in Corruption Watch, 2024.

The GPI uses data collected and evaluated in terms of about 40 indicators under four main governance categories to determine how well or poorly a municipality has been performing. Service Delivery, Leadership and Management, Administration and Governance, and Planning, Monitoring, and Evaluation (Corruption Watch, 2024).

Another important consideration, particularly for the indicators related to service delivery access, is whether a municipality includes any territory that was either formerly under homeland system control or is currently subject to some form of traditional authority. Graph 2 compares households in areas with this history to those without it in terms of access to essential services (Good Governance Africa, 2024).

Figure 2*Core services access by municipal covered by homeland/TA*

Source: Good Governance Africa, 2024.

Although South Africa has made significant progress since 1994 in enhancing service access in the historically underserved areas, the four plots in graph 2 show that these areas can only claim anything approaching parity in terms of household electricity connectivity. The degree to which South Africa's past continues to influence local municipal functioning today should therefore not be undervalued, even when taking into consideration how significant the current state of governance is in influencing municipal performance, as evidenced by the sentiment of the populace (graph 1) (in Good Governance Africa, 2024).

Hence, many scholars and practitioners, such as Sørensen (2002), emphasised that the effectiveness of any performance management system depends on how well it is implemented. Additionally, Sørensen (2002) alludes that poor deployment of a performance management system in government can have catastrophic impacts on the provision of services—most of the time, inadequate implementation results from

managers managing performance inefficiently. Managers are aware of the significance and advantages of effectively executing performance management into practice. However, there is still a gap in the relationship between theory and practice since managers do not possess the time, money, or competence to do in-depth reviews. According to Allen-Lle and Munyaka (2007) performance management will likely be more successful if employees are included in the process through open communication channels. These authors further emphasise that management may accomplish this by discussing the most effective implementation methods. The degree of enthusiasm employees express towards the system will likely affect its success or failure.

Furthermore, as per Pearse and Williams (2009) a performance management system's congruence with the organisation's cultural values is essential for its successful adoption. Organisational culture not only impacts an organisation's overall effectiveness but also significantly impacts employee behaviour and their readiness to accept change. Strong norms and ideals, improved administration and control, and consistency are all outcomes of an organisation's culture. Sørensen (2002) concurs and notes that studies have shown that corporate culture can enhance employee internal consistency in behaviour, increasing an organisation's success.

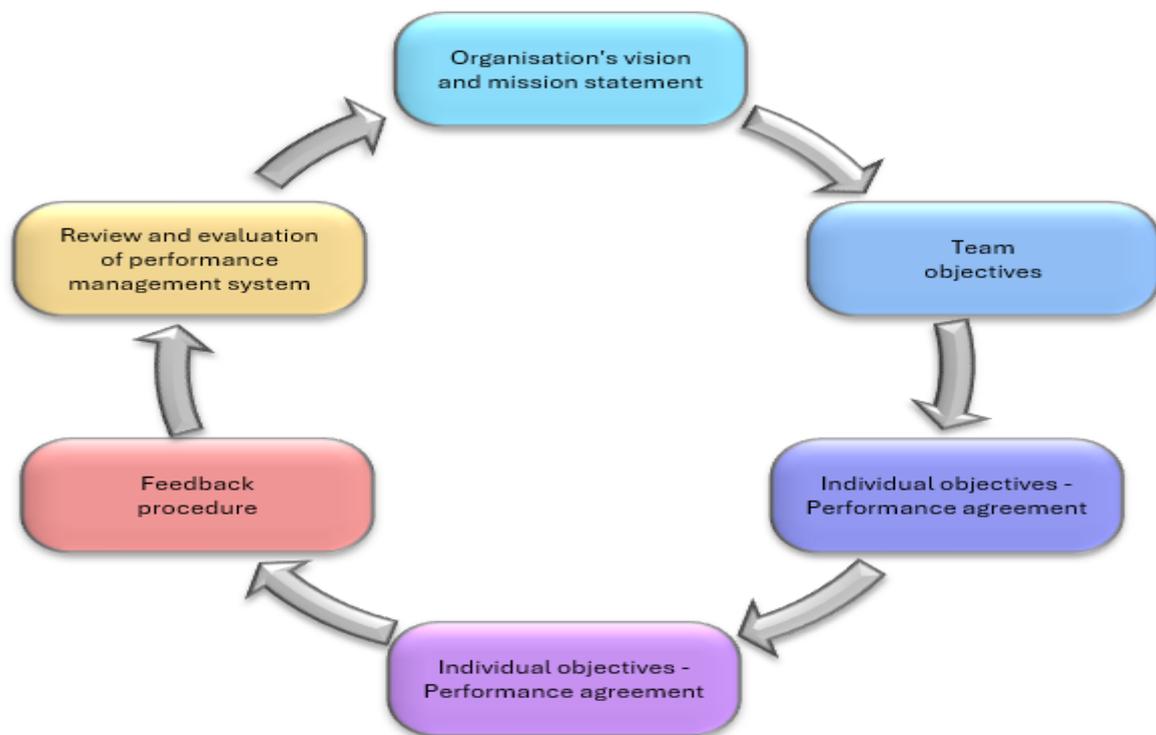
The PSC, which is among the components of performance management, mandates that directorates of human resource management across departments ensure that quarterly and annual performance evaluations and assessments are conducted. According to the PSC (2009), this is the sole way for government employees to obtain official performance reviews and receive appropriate compensation. It should be emphasised that department heads are also subject to this procedure; indeed, they are expected to lead by example (PSC, 2009). Tilley, Smart, and Ross (2010) suggest that every organisation must ensure that the performance management system it develops reflects its top goals. Organisational performance can be enhanced by performance management systems that are developed and implemented through a bottom-up methodology. The bottom-up methodology includes a feedback loop that enables goal and outcome comparison. Conversely, top-down inflexible control systems are more likely to malfunction.

One of the legal frameworks governing the administration and execution of the performance management system, the White Paper on Transforming Public Service Delivery (1997) makes the case that officials' future success will be measured by how well they provide services, especially to those who interact directly with citizens. This

perception is backed by Van Dijk and Thornhill (2003) who passionately contend that competent performance management maximises employee production in terms of both quantity and quality, which raises an organisation's overall performance. Singh and Twalo (2015) state that performance management encompasses setting goals and objectives, observing performance management, coaching, and feedback. Incorporating these factors into a performance system facilitates the efficient implementation of performance management. Refer to Figure 3.

Figure 3

Components of an effective performance management system



Source: Whittington-Jones, 2005

Whittington-Jones (2005) alludes that objectives are the first element of a successful performance management system. Objectives are particular goals that an organisation sets to fulfil its mission. At the individual level, attaining group objectives takes precedence over the person's aspirations. At the team level, objectives are the targets established by different parts of the organisation. According to Whittington-Jones (2005) team objectives contradict the idea that performance management focuses solely on individual performance by improving communication and interdependence within the

organisation. It should be mentioned that the performance agreement includes individual goals derived from team goals.

Formal assessment is the second element of a successful performance management system. A formal evaluation should involve the employee and supervisor having a two-way discussion (coaching as the third element) regarding goals and the work that has been done thus far. Following a performance evaluation, it should be determined whether to offer incentives for excellent work or performance coaching and counselling for unimpressive work (Whittington-Jones, 2005). Yadav and Dabhade (2013) describe this aspect of performance management as including reviewing and performance appraisals. However, considering reviewing is an aspect of feedback that typically comes last in performance management, the researcher cannot be sure if these authors comprehended this element.

Regular feedback is the fourth element of a successful performance management system, alluded to by Whittington-Jones (2005). It would be inappropriate to discuss poor performance with an employee solely at the end of the year performance review. Feedback can be used to provide employees whose performance falls short of expectations with ongoing training and development. Singh and Twalo (2015) support this by stating that staff members should receive feedback on the right actions, including coaching and training, to enhance performance. Based on the agreed-upon actions, realistic timeframes for improvement must be determined. Whetten and Cameron (1998) agree that certain employees may not benefit as much from training and development due to a lack of determination. However, other ways exist to deal with poor performance outside training and development. According to Maley (2014) it is clear that feedback is a part of performance management when both sides participate to a certain significant extent.

The last element of a successful performance management system is the system's independent review and evaluation. When employees need to evolve, the performance management system should not stay the same. It must be upgraded appropriately by including suggested modifications and changes. If there is regular review and evaluation, employees are convinced that the performance management process is fair (Whittington-Jones, 2005).

6 CONCLUSION

The study's primary conclusions demonstrate that much more work needs to be done to improve education and knowledge around performance management systems for both employers (municipalities) and employees. This can be achieved by implementing performance objectives that integrate with the municipality's overall mission, vision, and strategic priorities.

The study highlights that the CoT's strategy documents, including IDPs, SDBIPs, and other reports, contain insufficient high-quality content, suggesting inadequate quality control during the system's implementation. As a result, the CoT must perform comprehensive quality assurance for these strategic reports and documents to guarantee that all the information is accurately and completely demonstrated, resulting in system reporting that is understandable and accessible and that all data is authenticated.

The study identified several issues; for instance, in the CoT, targets in the IDP and SDBIP are not in line with the budget, which immensely impedes efforts to implement the performance management system.

There is no doubt that municipal policies on performance management exist. However, the importance of persistent enhancement in the performance management system must be emphasised. Municipalities must regularly review and refine key performance indicators (KPIs) processes, targets, and changing circumstances.

In support of the above, Minnaar (2010) alludes that as part of its strategic planning, organisations must establish KPIs prior to execution to comply with performance regulations. KPIs are quantifiable statistics that are established in advance and represent an organisation's essential success criteria. The National Treasury (2007) highlights the following important indicators that can be implemented to measure performance in municipalities:

- Baseline indications indicate the current situation inside the organisation.
- Outcome indicators quantify the results.
- Cost or price indicators calculate production costs.
- Indicator composites aggregate data from multiple indicators to show overall performance.

According to the data collected, there is a concern about the existing policies on performance management. Therefore, the CoT must enhance their policies to improve

their performance management systems so that employees are satisfied. This can be achieved by regularly reviewing performance management policies to ensure they align with changes in organisational priorities and objectives.

Note: This article is based on an unpublished MA Minor Dissertation titled Machete, R. 2024-Assessment of the Performance Management System in South African Municipalities at UJ under the supervision of Prof S Vyas-Doorgapersad. Unpublished Minor Dissertation. Johannesburg: University of Johannesburg.

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Authors' Contribution

All authors contributed equally to the development of this article.

Data availability

All datasets relevant to this study's findings are fully available within the article.

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