

CHAPTER ONE

INTRODUCTION AND BACKGROUND INFORMATION

BACKGROUND TO THE STUDY

Few countries would have travelled the social, economic and political distance South Africans have in the ten years of its democracy. The journey has, however, not been without problems. While the availability of solid public policy indicates the beginning of the process of delivery to all, it alone is insufficient if not supported by effective systems and processes for actual delivery. The biggest challenge lies in the government's effectiveness and efficiency in reaching its goal. Several mechanisms put into place to improve the delivery of public services fall short and where they do not, no one is able to say with confidence what the level of success or failure is because, instruments to measure success or failure are not as accurate, have not been implemented or do not exist. Performance related and management decisions are taken, not on the basis of information available but mostly as a response to some crisis.

In the ten years since South African democracy came into being, much has been achieved, and a lot more could have been, especially in the area of policy implementation and improving performance. The so-called twin challenge of institutional transformation including integrating the former apartheid administrations and introducing policy (The Presidency, 2003:3) has resulted in levelling the political playing field. A shift from policy formulation towards implementation and efficiency faces the government

now. A number of efforts such as the introduction of Multi-Purpose Community Centres (MPCC's) and Anti-Corruption Strategies as well as legislation directed at achieving efficiency and effectiveness have been put in place.

The problem of performance improvement was realised from the beginning of the new democratic era, and mechanisms to deal with it were put into place. The performance vision was codified through the enactment of the Constitution of the Republic of South Africa (1996), and various supportive policies and legislation (Msengana-Ndlela, 2004). The White Paper on Reconstruction and Development (RDP) (1994:s5.7), for example in its endeavour to liberate the true potential of the public service, visualised an introduction of a performance measurement system to increase productivity. Enshrined in South Africa's Constitution (Constitution, 1996:s195) is the determination to promote values directed at improving efficiency, effectiveness and economy. Accordingly, The White Paper on Transforming Public Service Delivery also known as Batho Pele (WPTPS) (1997:s1.1.2), criticised the manner in which public services are delivered. This White Paper, concerned with the improvement of service delivery, further introduces the service recipient into the service delivery and quality equation. The response to a need for a performance management system has so far come from the human resources perspective, through Public Service Regulations (1999) by requiring the introduction, in state departments, of performance management systems that link individuals to agreed performance outputs and levels. Realising the organisational

performance gap, The Public Finance Management Act (PFMA) (1999) brought together all these performance improvement initiatives by insisting on adherence to the three e's (efficiency, effectiveness and economy). However, the organisational performance monitoring gap has remained despite this endeavour.

Accountability requirements have also placed an obligation on government organisations to report on success or failure (Constitution of the Republic of South Africa, 1996:92(2), (3), 133 (2) and (3); Public Service Commission, 1999) regularly (on an annual basis) on predetermined outputs (WPTPS, 1997). In reality, there is agreement with the public sector reform missionaries, for example, Osborne and Gaebler (1993:147) state that 'if you do not measure results, you can't tell success from failure and if you can't recognise failure, you can't correct it'. This is true in many respects and mitigates for a move towards measuring performance, something that South Africa has evaded in the past (Presidential Review Commission Report, 1997). Accountability becomes a fad if it is not accountability for delivery on the basis of policy requirements which is what government agencies are concerned with.

Policy needs to be reflected as a vision and a mission that the organisation has set for itself, this means that the organisational strategy, objectives and the resultant indicators need to reflect policy objectives and priorities. It is balancing the policy to the strategy that is sometimes a big challenge to technocrats.

At the local government level, performance measurement has been taken more seriously. The White Paper on Local Government (1998) proposes the introduction of performance management systems as tools to guarantee that local government is developmental, and has to be linked to the Integrated Development Plans (IDP). The IDP then becomes the Municipality's strategic plan. This White Paper does not only give guidelines but goes further and addresses the 'how', especially in so far as communities are concerned, and in particular in the development of performance indicators. This was followed by the Municipal Systems Act (2000) which operationalizes performance measurement. In local government, performance measurement has been elevated by making it a statutory requirement and thus creating a performance measurement vision gap between local government and other spheres of government. Evidenced here is the lack of co-ordination between the different government spheres and departments. The National Treasury, through its multi-year planning framework (Medium Term Expenditure Framework) (National Treasury, 2002:38), the Department of Public Service and Administration (DPSA) through the Human Resource based Performance Management System and the Department of Provincial and Local Government (DPLG) through its Municipal Systems Act (2000) are all players in the public sector performance measurement arena with different approaches.

As in the private sector, finance and budgetary requirements deal with the issue of performance measurement in the public sector. In terms of the

Treasury Regulations (2001), government departments are required to state their intended outputs and accompanying indicators as part of their budgetary process. The processes for arriving at and measuring performance are however not articulated. Without any guidance, determining a performance management and measurement mechanism becomes the prerogative of and something each government organisation determines. It is common knowledge that where it is not mandatory for something to be done, the likelihood for it happening is greatly reduced. Many government organisations and departments have, as a result, merely looked at the two ends of the performance equation, the input and output, and in doing so have ignored the process element. Unfortunately, it is this process element which determines, on the basis of its efficiency, the amount and ratio of input to output and ultimately outcome.

THE SOUTH AFRICAN PUBLIC SERVICE IN CONTEXT

This study would be incomplete by omitting South Africa and its political history. South Africa, a country in the southern part of Africa, is geographically bordered by Namibia, Botswana, Zimbabwe, Mozambique, Swaziland and Lesotho. Statistic South Africa (2001) estimates the population of South Africa to be 44 million, 90% of which is African while Whites, Coloureds and Indians make up the remaining 10%. South Africa got its first democratically elected government in 1994, after 48 years of apartheid and discriminatory white rule by the National Party. Under the apartheid government, black South Africans were denied the vote and most human rights. Whites occupied 87% of the country's richest lands, while

blacks were forced into the remaining 13% where 'homeland' governments were created (Native Land Act, 1913 and the Native Trust Land Act, 1936) . Black South Africans did not have equal access to government services, but had to rely on what their homeland governments could give them. The challenge after South Africa became democratic was that of transforming and bringing together the homeland governments, including their systems and those of the South African government. Instead of delivering services to a minority white South African population, as was the case before 1994, the new democratic government had the challenge of equalising service delivery, in terms of quality and quantity, throughout the whole country. It is this challenge which has partly necessitated the government to look at efficient and effective ways of service delivery.

SIGNIFICANCE OF THE STUDY

This study looks at the existing methods of performance management and measurement in the public sector. In many of the public service departments, performance is too often based on 'impressionistic' and 'presumptive' measures. By using such measures capricious conclusions about the effectiveness of government can be reached. It is important to find ways in which to measure the performance of government that transcends impressionist and presumptive accounts by being vigorous, outcome oriented, systematic, and as objective as humanly possible. Parastatals have been excluded from this study. A performance management and measurement system is needed to evaluate the consequence of government goals. However, in a performance

management system there are components, of both human and other resources, which need to be considered.

Performance measurement is sometimes confused with performance management, which specifically focuses on human resources and the reward system. Measurement is part of performance management. This, while difficult to omit because of the nature of performance and the fact that it involves human resources, will not be the focus of this study. Performance measurement is about the reduction of the impact of internal and (where possible) external influences to the point where they can be controlled or anticipated. Policy implementation, strategy, mission and programme implementation and operationalizing or building alignment on what the organisation wants to achieve and how it would be measured is looked at in this study. Research in the area of performance measurement and management, looking at the public sector processes and systems and how strategy, in support of policy, has not been done locally in the past. This study aims to fill that research gap while directing the public sector to the problem and appropriate or suggested remedies.

This study further highlights the need to set objectives, targets, and performance indicators, measure performance using appropriate data and improve the performance of an organisation. If policy implementation is a major challenge facing the government, then the purpose of this study can be said to be assisting, by ensuring that through these performance driven

actions, the value of decision-making improves and ultimately lead to service delivery improvements.

AIMS AND OBJECTIVES OF THE RESEARCH

This study will identify and bring awareness to those in authority of the measurement gap existing in the public sector between local government and the public service. This study will also make recommendations on appropriate performance improvement related mechanisms that, when implemented, will lead to improved accountability, efficiency and effectiveness. In the few public organisations where some form of service measurement and management exists, this study will make specific recommendations and increase awareness and interest in performance improvement. Little has been done in the area of organisational processes by academic institutions, this gap will be bridged by this research. It will give further recommendations regarding strategy and policy implementation and demonstrate that where strategy is cascaded to, and shared with lower levels in the public organisation, the likelihood of success and performance improvement is quite high. Mapping the proposed strategy should also demonstrate perceived cause and effect through starting at the future the organisation wants to achieve and asking what factors are most critical for the strategy to succeed. These critical factors for success should be the factors that need to be continually monitored and controlled. For each of the success factors there is a need to know what systems are most likely to affect them and which factors most affect the success of those systems. A higher success rate will undoubtedly make accountability easier within, and

to those stakeholders outside public organisations and the most important activities can be reported and acted upon. The results of this study are likely to be useful and usable to both practitioners and academics.

THE PROBLEM STATEMENT

The public sector accounts for a sizeable chunk of any country's Gross Domestic Product (GDP) but little is done about improving performance and productivity in this sector. Traditionally governments have avoided the use of measures of public output and outcome, preferring instead to use measures of input, which are usually restricted to spending and or employment. Increasing demand and shrinking government resources have led to a growing emphasis on the output and outcome dimensions of public sector productivity. The South African public sector is faced with challenges to deliver services on different fronts, and notably to address apartheid backlogs. The major challenge is that, despite this intense endeavour directed at improving service delivery, lack of or mediocre delivery continues to plague this sector. Skills deficit, lack of motivation (Provincial Review Report, 1997) and inability to implement plans and policies (Presidential Commission Review Report, 1998) as intended are some of the problems frustrating all levels of society. Numerous high flying consultants are being paid large amounts of money to craft visions, missions and strategies for the different government delivery agencies. Despite strategic planning and policy implementation endeavours, government continues to be unable to deliver services efficiently and effectively (National Treasury, 2002:38).

Strategic goals are often set as aspirational statements of direction without any real thought being given as to how they can be achieved. Very few strategic plans move beyond being paper plans because objectives or goals are not clearly defined, roles and responsibilities not allocated and general alignment is lacking. There is a need to pave the way for achieving significant organisational goals. Identifying the long term goals and then working backwards to identify and prioritise what needs to be done in the medium and short term to close the gap between where the public organisation is currently and where it intends to be have to be defined. It is these particular areas in policy implementation, strategy cascading and delivery that need more attention.

THE RESEARCH QUESTIONS

As a means for focussing, a research question has been developed. A research question can be used to validate the contribution to knowledge and gives an indication of the exploratory nature of the research. The major research question that this research tries to answer is:

Whether the implementation of a performance management and measurement system in the public sector can result in an improved operationalization of policies and strategies? The second question is to what extent such implementation can result in the realisation of an effective and efficient public sector?

A performance measurement system includes design, implementation and evaluation and this report will consider these different stages of implementation to assess how best each phase could have been completed to realise efficiency and effectiveness.

STRUCTURE AND OUTLINE OF THE REPORT

This study will begin by analysing the problem and posing the research question in **Chapter One**.

Chapter Two will look at the related literature review, including the theoretical foundations of public administration and management, public service reform and efficiency and productivity.

Chapter Three looks at the research methodology and why a particular approach was chosen over others. The case study and how performance management and measurement is currently approached in the public service is also presented.

Chapter Four looks at policy implementation and the different mechanisms for success.

Chapter Five looks at the organisational performance management and measurement including operationalizing the strategy.

Chapter Six, is the conclusion, recommendations, and areas for potential further research.

CLARIFICATION OF KEY CONCEPTS

Accountability

Accountability is difficult to define but possesses qualities that make its presence in a system immediately detectable. It is an obligation to render an account for a responsibility conferred (Leclerc, Moynagh, Boisclair & Hanson, 1996:44; Gloeck 1996:9 and The Public Service Commission, 1999) on an organisation (Osborne & Gabler, 1993:254 and Anderson & Lawrie, 2002:3) to allow public challenge of its performance. In the public domain, accountability basically means to give an account of actions or policies, or 'to account for'. Accountability can also be seen as a requirement obligation. In this sense accountability can be said to be a requirement or obligation to answer for a responsibility for a person to explain and justify, against criteria of some kind. It presumes the existence of at least two parties, one who allocates responsibility and the one who receives it. This will also require that the person makes amends for any fault or error and takes steps to prevent its recurrence in the future.

It is an obligation to expose, explain and justify actions. Accountability demands that actions of public organisations be publicised to encourage public debate and criticism (de Bruin, 2002:579). It requires that a government should explain and justify its decisions and actions to the citizens and is a mechanism through which decisions are subject to public

scrutiny. Because of this requirement, those in power are kept in check and are more likely to consider consequences, act with restraint and use resources effectively and efficiently (Finance and Fiscal Commission Document, 1995:4).

Budget

A budget is an income and expenditure plan. In all definitions of a budget, Miller (1992:228) sums it up when he refers to it as a plan provided in financial terms (Committee's Report, 1997:69) of operation(s) embodying an *ex ante* estimate of proposed expenditures for a given period and the proposed means of financing them, or process for systematically relating the expenditure of funds to the *ex post* accomplishment of planned objectives. Savoie (1996:318) on the other hand simply sees it as a means of delivering value for money against the background of aims, objectives and targets. Traditionally budgeting was intended to keep control over all money spent. Since government departments do not have to worry much about the income side of the budget equation, it is the expenditure plan that guides allocation of finances that gets left. This makes the budget one of the most important policy instruments presented in quantifiable and measurable terms.

A budget is defined as a formal document that quantifies an organisation's plan for achieving its goal. It is a description of the financial implications of a sequence of coordinated actions and specialised targets that will allow an organisation to achieve its objectives in a changing environment. Several

approaches to budgeting determine the efficiency of expenditure while ensuring easier methods for accountability. Programme budgeting is one of these mechanisms where rather than being general, allocation is by each function of government instead of being input based (Abedian, Strachan & Ajam, 1998:57). There are other approaches like performance budgeting which places emphasis on objective and output.

Economy

Economy is the minimization of resource consumption (Hilliard, 1995:4) or the cost of inputs that are used to produce outputs (National Treasury, 2002). Economy refers to the acquisition of resources in the right quantity, of the right quality, at the right time and place at the lowest possible cost. However, it cannot be of much use to know that a service was cheap if it does not satisfy the intended objective or quality. Questions such as whether due economy was exercised in achieving a goal give an answer to this concept. According to Abedian *et al* (1998:85) there are two generic questions related to economy:

- (a) Was the service delivered as budgeted for?; and

- (b) Did the services delivered cost more than comparable services elsewhere?

Effectiveness

Effectiveness is an extension or consequence (Coombs *et al*, 1994:30) that results from efficiency and determines the relationship of an organisation's output to what it intends to accomplish (Dalton & Dalton 1988:25). It also means the match between the results achieved and those needed or desired (Public Service Commission, 1999. Amitai (1964:8) defines it as the degree to which an organisation realises its goals. It can also refer to the extent to which set policy objectives and other intended effects are achieved (Erridge, Fee and Mc Ilroy, 1998).

Efficiency

Efficiency is a dimension of performance that is based on a direct relationship between input and output (Epstein, 1992:167; Morley 1986 and National Treasury, 2002). It is measured by the ratio output: input or what is referred to in short as productivity. The larger the ratio, the more output per unit of input and hence the more efficient the operation be it an activity, an organisation or a programme (Abedian *et al* , 1998:83). This, Diewert (1992) sees as the measure of changes in the coefficients that make up the input total. The central question of efficiency that can be posed is simply: 'are we doing things right?' In this question, the phrase 'doing things right' means without unnecessary expenditure of time, money, or effort (Rothwell & Kazanas, 1992:5). Individuals have more control over inputs that lead to direct outputs and can have an influence over how that input is economised for maximum output. Broadly defined, this is the ability to bring the limited resources of an organisation into a proper relationship to the desired goals.

Efficiency is increased if, with a given supply of resources, the factor proportions used in the services are altered to produce more of every service of product.

Goal

This is a general statement of purpose or accomplishment indicating anticipated level of achievement, or desired results and (Public Service Commission, 1999) outcome defined more specific, quantifiable and time based. It is a general end towards which an organisation directs its efforts. A goal provides a framework within which the programme operates. It also reflects realistic constraints upon the unit providing the service. A goal statement speaks generally towards end-results rather than specific actions. Sometimes referred to as an objective normally.

Input

Input is the resources (National Treasury, 2002:53) that an organisation uses to produce services. Inputs include humans, finance, facilities and materials. A complete definition of input includes information, requests, problems and even conflicts (Linden, 1994:64) as inputs to be processed to attain complete products, deliver services or goods. Even a simple procurement process involves some processes that could be considered to be inputs into the development of a product or services.

Organ of state

An organ of state is better defined in The Constitution's section 239 (1996) as 'any department of state or administration' or 'any functionary or institution exercising a power or performing a function in terms of the Constitution or provincial constitution; or exercising a public power or performing a public function in terms of any legislation'. While the Constitution's definition excludes the courts, as a public service this study does not exclude courts since the introduction of performance improvement methods will improve delivery in the courts as well.

Output

Outputs are goods and services produced. Coombs and Jenkins (1994:30) and Brudney and Morgan (1998:163) see output as an indicator of activity like the number of houses built. Ideas can also be seen as either inputs, outputs (Harrison & Shirom 1999:45) or outcome of organisational action. Depending on where you are in the organisation, ideas can be inputs as well as outputs. Outputs are activity oriented, measurable, and usually under managerial control. This refers to how well services are delivered without regard as to whether they contribute to effectiveness. It is the ratio of quantity of services provided to the cost required to produce the services.

Performance indicator

A performance indicator is evidence to help managers answer the question, 'how will I know when we have been successful?' It refers to what specifically is to be measured for each aspect of performance, that is, the

specific, normally numerical complaints or percentage of customers that are satisfied with the service they receive. It is an event or value that reflects on the status of something (Maryland Hospital Performance Evaluation Guide, 2002).

Performance management

While performance management generally would be referring to a system used to evaluate performance of people, here it refers to a combination of both the people and systems and processes but very specific to the latter. Performance management is the means through which performance against objectives is reviewed, using appropriate performance measurement information and decisions made regarding direction, required action and resource allocation. In defining performance management, it is important to begin with the concept performance before dealing with management and combining them. According to Neely (2002:67) performance is identified or equated with effectiveness and efficiency and refers simultaneously to the action, the result of the action and to the success of the results compared to some benchmark. It is setting targets (goals) and evaluating output/outcome (actual). It therefore could be measured using the planned and actual outcome. Effectiveness and efficiency are attained by the ability to focus the attention of organisation members on a common objective and galvanise them to attain this objective (Balogun, 2003). Performance management takes management to a higher plane by trying to understand causes of unusual performance and everything that could possibly go wrong with corporate strategies, decision rules, institutions, processes and people.

Performance Measurement

This is the process of quantifying the efficiency and effectiveness of past actions through acquisition, collation, sorting, analysis, interpretation and dissemination of appropriate data (Neely, 1998). However, Moullin (2004:3) put this definition into perspective when he refers to it as evaluating how well organisations are managed and the value they deliver. Performance measurement is the essential foundation on which performance management can be built (Audit Commission, 2000:5).

Process

It is a sequence of related tasks or ordered set of sub-processes which act on inputs to add value to create outputs. It can also be an activity which takes place over time and which has a precise aim regarding the results to be achieved. It uses resources subject to controls and influences. Formal and informal processes have always existed because that is how day to day business operates.

Public Financial Management

It is necessary to understand what public financial management is to understand the context within which government activities take place. If Rosen's (1995:4) definition of public finance is accepted, the taxing and spending activities of government, it follows then that the management side of public finance leads to it being called public finance management. This view is accepted because both sides of the fiscus, the demand and supply sides are catered for creating the necessary balance and then managing the process of either collecting, preserving, utilising and distributing of assets. Public finance management can also be seen as the process

through which a government unit or agency employs the means to obtain and allocate resources and or money, based on implied or articulated priorities and utilises methods and controls to effectively achieve publicly determined ends. In general terms public financial management comprises of three main activities;

- (a) It determines the scope and content of fiscal policies
- (b) It establishes general guidelines and standards to ensure that funds are spent honestly and wisely.
- (c) It provides organisational structures and controls to effectively carry out fiscal duties and responsibilities.

Public administration

It is administration in public administration that need to be understood especially within the performance management context. Among the many definitions, seeing administration as a 'systematic ordering of affairs and the calculated use of resources aimed at making those things happen which we want to happen and simultaneously preventing the developments that fail to square with our intention'(Vieg, 1946), captures it very well. It follows that if administration is public, it means that administration is undertaken on behalf of the public.

Risk

Different people perceive risk differently. For the purpose of this study, risk refers to a deviation or variability of actual results from desired or expected results. This concept deals with uncertainty and controlling and predicting consequences. It is the chance of something happening that will have impact upon the objectives of the department (Guidelines for managing risk in the Australian and New Zealand public sector, 1999:4). The wider the range of possible events that can occur, the greater is the risk (Petty, Keown, Scott and Martin 1993:103). Risk depends on the frequency with which an event occurs and the probability that it will have certain outcomes. The reduction of uncertainty gets referred to as risk management.

System

This is a set of related processes, an assemblage or combination of steps which might be independent but connected to the attainment of a common overall, unitary aim or objective, or coherent entity. It can also be said to be and ordered manner, orderliness by virtue of being methodological and organised. A performance management system will have the stated characteristics with the aim of attaining a particular goal.

Targets

By targets it is here meant performance targets which are commitments that the government and different organs of state make about the level and timing of results to be achieved. A target is a desirable end state. For each

performance indicator selected for a strategic objective there should be a target (Drucker, 1993). Whereas the indicator defines how performance will be measured along a scale or dimension, the target identifies the specific, planned level of result to be achieved within a specific time frame for instance 1000 houses to be built before August, represents a target that the housing agency sets for itself .

BACKGROUND ARGUMENTS

Neo-liberalism and the welfare state

It will not be doing justice to this study if the role of neo-liberal thinking (Jenkins, 1992) and the public sector efficiency and effectiveness is not highlighted. Actually, the very role of the state and its ability to deliver is in question (Esman, 1991:8) when the performance debate emerges. According to Luthuli (1999:33), the effects of economic crises and growth of new ideas on the nature of government, create new challenges within the public sector. It is these challenges that are giving direction and forcing governments to be innovative and look for ways for delivery in an efficient and effective manner.

Dealing with the problems associated with welfarism allowed the 'New Right' and what became known as the 'pragmatic consensus' (Esman, 1991) and anti-statist ideas to take precedent over statist with more emphasis being placed on market mechanisms, creating new relationships in the provision of services (Erridge, *et al*, 1998:342 and Osborne &

Gaebler, 1993) and governments concentrating on effectiveness and efficiency means to deliver. Pragmatic consensus or the agreement that there was a need to relax ideological rigour, compromise, a greater willingness, especially among the government elite, to consider and try new approaches and fresh policies for delivery. This was accompanied by an openness to pragmatic measures that allow a greater scope for private enterprise and market forces to exist in traditional government terrain.

The crisis of the welfare state appears more as a finance related crisis. The problem is not so much in the system itself but lies in whether it can be financed in a situation of increasing demands and deficit in efficiency.

The need for performance improvement is also driven by government expenditure that is continually becoming more than citizens can be persuaded to pay (Thomas & Potter, 1992:137). Higher taxes have been found to have other effects like loss of economic efficiency when some social service are provided by the government. Besides, the cost of providing services, if not financed through taxation, forces the government to borrow. The negative effects of borrowing on a nation is well known and beyond the scope of this study. Higher taxes have a distorting effect on a number of areas including the country's savings rate, allocation of investments, entrepreneurialship and employment.

The New Public Management Paradigm

The coming into being of the New Public Management (NPM) or 'New Managerialism' (Wilson, 1996:1509) introduced to the public sector private sector domain approaches. These new approaches, which emphasise entrepreneurialism and market based solutions to address policy problems, ranged from consumerism and customer service approaches to decentralisation and allowing managers in decentralised organisations to manage in an autonomous manner (Osborne *et al*, 1993 and Government Results Act, 1993). This kind of approach ushered in elements like accountability for results and a need to show and motivate why a particular approach to delivery was chosen over others (Talbot, 2004). There is no way this could be done without measuring and managing performance.

The public service transformation agenda

Public services transformation or reform as it is sometimes called, have mostly been driven by a need for efficiency. Transformation in South Africa, added to it elements like the bringing together of fragmented services from the former Bantustans and the apartheid regime needs to be transformed or reformed in order to attain efficiency. The WPTPS (1995) and the RDP (1994), articulated as one of their challenges, as to improve the way which public services are delivered towards efficiency and effectiveness. Accordingly, National Treasury requires that organs of state have strategic and business plans and approved organisational structures (National Treasury, 2002:17). While organisationally there was a weakness in delivery, a lot has been achieved at the level of human resources. This

transformation has continued to where (Public Service Coordinating Bargaining Council Resolution 7, 2003) staffing levels matching the requirements for service delivery (Mbeki, 2003). According to the Public Service Co-ordinating Bargaining Council's Resolution (2003), 'public service should be composed in such a way that it is capable and committed to the implementation of the policies of the government and the delivery of basic goods and services to the people of the country'. It further sought to promote a public service characterised by efficiency, professional ethics, effectiveness, equity, timeous service delivery and responsiveness where the right people with the right skills are in the right jobs.

The role of central government agencies

Excluding the Presidency, there are three government departments responsible for performance improvement measures. These are the National Treasury, the DPSA and the DPLG.

The DPSA is concerned with public service, especially human resource aspects, and the DPLG is solely responsible for the provincial and local governments. The DPSA is a policy formulation department which may be viewed as being responsible for the formulation of policy regarding performance measurement for the public service. Both, the DPSA and the DPLG have not yet formulated a mechanism to deal with organisational performance for the public service or part thereof. Through the formulation of the so called Integrated Implementation Plans (IPP), government

departments have been assisted in the development of strategic plans which are linked to the Medium Term Strategic Framework (MTSF) (The Presidency, 2002). The IPP process (South Africa Yearbook, 2001/2002:314) has internalised government priorities more effectively and made plans that are better designed for implementation. However, the personnel performance management system crafted by the DPSA is well taken care of. Policies around the performance of heads of department, the Senior Management Service and the public service as a whole are on track and functional.

The National Treasury, through its requirement that the multi-year budgets, should include performance targets has, to a certain extent, placed particular requirements on each department to report on, in terms of its annual reporting requirement.

In so far as the DPLG is concerned, only local government has a performance management requirement (Municipal Systems Act, 2000). The challenge seems to be coming up with a performance management system for the provinces. This will, however, complicate issues because the DPSA is also responsible for the public service which includes both the provinces and national government. Batho Pele has attempted to deal with performance from the client perspective, and while this approach could pull the rest of the organisation towards being efficiently and effectively run, it cannot be seen as performance management and measurement system, but rather an instrument of it.

The Public Service Commission (PSC), which monitors and evaluates government programmes, has not responded directly to performance measurement and management in the public service. However, its contribution has come from its monitoring and evaluation, a Constitutional requirement. Though broader in approach, the PSC's monitoring and evaluation is to a certain extent able to identify and highlight how delivery is progressing (Levin, 2002:42) without providing much assistance to the internal public organisation.

On policies with regard to personnel performance, like those dealing with heads of department, Senior Management Service and other civil servants, studies have been conducted by the PSC, which is also involved in the evaluation of heads of department. It follows then that when appropriate policy with regard to organisational performance has been formulated, the Public Service Commission will respond appropriately by providing the necessary advice and monitoring the system.

Accountability requirements

Performance management is also driven by the accountability and responsibility revolution, which propels the new culture towards efficiency and effectiveness in public institutions. To be able to measure particular processes, there is a need to identify, isolate and facilitate accurate measurement of both process efficiency and the effectiveness of the results

or their outcomes. Accountability requires that the roles and responsibilities be clarified (Norman, 2002:619).

The South African government may not have sufficient accountability mechanisms, especially at organisational level, but there are important accountability requirements, including the right to just administrative action (Constitution, 1996:s33 and the Administrative Justice Act, 2001). Parliament's accountability requirements include the Constitutional requirements (Constitution, 1996:s55(2)), where the National Assembly is required to provide mechanisms to ensure accountability by organs of the state. Through different committees, especially the Joint Standing Committee on Public Accounts, further accountability by the different organs of the state is ensured.

Several oversight bodies also ensure that there is fairness, effectiveness, efficiency and accountability for services rendered and resources utilised. These include the Public Service Commission (Constitution, 1996:s195) which monitors, evaluates and advises the government on public administration issues, and the Public Protector, who investigates any complaints by the public (Public Protector Act, 1994). The Auditor-General facilitates accountability through auditing on behalf of the taxpayer, while the PFMA (1999) requires of accounting officers an astute management of financial and other resources.

Annual reports also form part of the reporting and accountability mechanism in the public sector. The National Treasury through the PFMA (1999:s55) and the Public Service Commission (2000) have released guidelines on how and what to report on, in annual reports, besides financial requirements.

The influence of the private sector

Management, both, from the public and private sectors have come together through the realisation that performance is what both are concerned with. Performance management and measurement have therefore, been for a long time, used by the private sector as a means for improving profitability and productivity. As state resources have shrunk, a rethink of the approach has resulted in a number of formerly private sector approaches being adopted by the public sector. One of these is the performance management and measurement system, which includes the use of the Excellence Models, Total Quality Management, the Balanced Scorecard, Six Sigma and many others.

In the case of South Africa, while it has been a requirement to plan in terms of the RDP White Paper (1994) and lately as required by the National Treasury, taking those plans to implementation has not been an area well looked after except the emphasis, notably from the DPSA, on the human resources side of performance management.

From budgeting to planning and accounting

Over the years budget allocations have shrunk while the demand for government services has increased. This has necessitated considering innovative means to deliver improved services at less than what it cost in the past. Process improvement and staff motivation remain the only options and avenues available for implementing this. Planning and tracking progress has also been the way in which managers have been able to manage and account for resources.

Budgeting is planning, and considers everything in terms of rands and cents, while in some instances, especially in the non-profit sector, this approach might not be approved of. If budgeting is planning then somebody needs to map the performance path so that the plan facilitates reaching the planned target. Other factors which are non-financial become more important than the financial factors. The National Treasury requires that government departments submit multi-year plans together with targets and measurable objectives (The Presidency, 2003) to which they can be held accountable. This is a big shift from the input driven approach to output and outcome based method. Objectives and targets need to be monitored throughout the reporting period and one way of doing this efficiently is to track the cascaded strategy through the use of a performance measurement and management system.

Operationalizing mechanisms

Recent changes to the National Treasury's National Medium Term Expenditure Estimate (NMTEE) reporting requirements emphasise the shift away from simply reporting expenditure to one where departments establish measurable performance goals and actual results that can be reported as part of the budgetary process (National Treasury, 2001). This is part of the convergence of economic and political forces that are driving a systematic search for greater efficiency, effectiveness, economy, transparency and accountability in the public service. There is a growing movement towards performance measurement, quality improvement and citizen satisfaction particularly in the public service. Shrinking resources underscore the need to 'do more with less' and government departments are being challenged to increase their effectiveness and demonstrate that their services are having the desired impact on the communities. Funding decisions are being clearly linked to achieving results and the performance of departments, particularly in the area of service delivery. Whilst organs of the state have for some time been developing strategic and work plans, and submitting annual reports as part of reporting. There is a strong drive to explicitly link programme budgets and activities to outcome or objective measures.

Strategic or integrated planning lays the foundation for budgets that are performance based. Through strategic planning, organs can be enabled to develop goals and measurable objectives that form the basis for budget requests and appropriations. Because the plans will provide the strategic framework from which budgets are developed and reviewed, they need to

clearly indicate the direction the department is taking to address its key goals and objectives. Strategic or integrated planning and budgeting can provide the tools to improve performance and accountability.

Within the reporting mechanisms, the National Treasury in South Africa, has come up with a concept called 'the early warning system' whereby, over or even under-expenditure results in the system are detected, and an indication that something wrong is exposed. This results from data collection and analysis including comparison of figures using financial expenditure entries and comparing them to what is financially available. Government departments, through this system are then able to make the necessary adjustments or return to Treasury with amended expenditure plans. Vulindlela, a government data warehousing and analysis management system, plays a crucial role in this early warning system approach.

Making budgetary decisions requires the use of particular tools like the cost-benefit analysis to be informed of the possible outcomes associated with each of the options that exist. Other methods of assessing including costing mechanism will assist greatly in making informed decisions (Kraan, 1996:66).

Performance management: a need for a holistic approach

What is clear is the intention of the government concerning performance measurement and management and the lack of coordination that the different strategies experience. Reducing performance management to the human resources merit systems is a clouding factor as is failure to understand the concept, this failure omits the more important organisational component which includes systems and processes outside the mainstream. It is not only humans that are responsible for improved performance, it is argued that the ratio of systems to people for organisational improvement to take place could be as high as 90% in favour of the systems. There is a need to learn from, and emulate the path taken by DPLG (Municipal Systems Act, 2000) towards local government and making this, for example, part of the requirement for all organs of the state. In the case of parastatals, this could be part of corporate governance.

Issues of efficiency, effectiveness and productivity improvement in government will also be placed high on the service delivery agenda with the systems and processes playing their respective roles in the improvement agenda. Policy and its implementation and the role of strategy, include cascading it to lower levels. This is important as a delivery mechanism and an instrument of communication.

The systems approach can give guidance to an integrated approach that seems to be at the core of performance improvement. While performance

management has been recognised as at the core of improving service delivery, one wonders why only human resources received a better focus than other resources and systems. The performance and implementation of the strategy, for instance, cannot solely be seen as a function of human resources, though humans form the greater and a more important component of delivery. A need exists for the understanding of how all systems interact with each other and viewing the organisation as a system where the various parts and people interact and affect one another over time.

Problems with implementing policy and strategy

While it is difficult to implement policy, the major challenge normally lies with translating policy into strategy so that they are able to communicate with one another. Performance management tries to link the two by asking questions such as how one contributes to the success of the other through processes such as the fishbone approach or strategy maps. Fishbone and strategy maps assist in creating a causal link between the different levels and ensure alignment and consistency. Strategic plans are normally crafted without any reference to policy dictates leaving the two lying opposite each other. Without there being a link between the day to day operational activities and the medium to long term strategy, it will always be difficult to assess whether daily activities contribute to the intended strategy and mission and if so, how and why.

The need for alignment and leadership in performance

Unlike in the past, today's leaders need to manage within a framework of continuous learning where there is continuous feedback, and a need to promote the development of business plans based on the strategy the organisation has chosen for itself. Leaders need to assess the organisation's performance based on multiple points of view. Leadership skills such as visioning, communication and the capacity to inspire are very important in such situations. Managers and leaders in the public sector and the public service in particular have not reached a stage where they can operate with these points of view in mind but the Treasury drives performance and understandably so from a financial standpoint. While visioning, leadership need to be aware of policy requirements and how they translate to strategy and the link to operational and individual plans. This kind of alignment needs to be mapped, otherwise policy runs the risk of failure when alignment is lacking. Performance management and measurement requires the support and involvement of leaders and managers for it to succeed.

CONCLUSION

Governments, generally and the South African government in particular have, despite successes in policy formulation, experienced problems when it comes to public policy implementation. Numerous causes have been identified as playing a role in this failure. It is for this reason that a need exists for more effort to be put into making government organisations more

efficient and effective through the use of instruments such as performance measurement and management.

Performance measurement has various aspects to it that need consideration. It is for this very reason that makes the South African government experience problems with policy and strategy implementation. Linking the two has been found to be a problem as well. There are, however, compelling reasons for performance measurement and management to be considered especially when greater demand for a superior quality of government service is made by the citizens.

The Constitution (1996) supported by the Public Finance Management Act (PFMA) (1999) requires of public administration to be efficient, effective and economical. The realisation of the three e's means looking at systems and processes, as well as at human resource performance in a holistic manner. More than ever before, accountability places an obligation on managers and politicians to report success or failure. A performance measurement system will make this reporting much easier. While South Africa has succeeded in formulating appropriate policies aimed at improving the livelihood of all, little implementation has taken place and this is an area where the challenge is greater.

Pressure on the state has been brought about by the welfare state, which is experiencing a shrink in resources. Managing the state therefore requires

innovation and skills in performance improvement. The requirement for departments to have and to craft strategic plans has not as yet yielded the required results due to a lack of implementation. A performance measurement system will ensure that senior managers cascade strategic plans to lower levels as a means for operationalizing them.

The human resource aspect of performance management seems to be progressing well in the public service. The current Departmental Performance Management Systems (DPSA, 2003), while having no link to organisational performance, is being implemented by various departments. What is missing is the creation of a link between individual or personnel performance and the organisational performance especially the strategy used and actually trying to operationalise and cascade the strategy throughout government organisations. This will be in line with the government's vision of translating 'global' expectations into concrete individual or group workplans. Through this approach, employees are able to share in the common vision and goals that the organisation is trying to achieve, and collectively, they identify with the values, goals and priorities of the programmes that serve the citizens.

CHAPTER TWO

RESEARCH METHODOLOGY

INTRODUCTION

Research is a rigorous exercise that requires, from the outset, developing plausible arguments for inference data/ information collection, analysis, actual writing and the presentation of the findings. This chapter explains the rationale for and shows why a particular research methodology was thought to be appropriate for this study. A selection of research methodologies, are also investigated. The topic of public administration and management can be approached from a number of different angles, depending on the nature of the problem under consideration. In the case of the topic at hand, a case study approach was chosen because of its ability to use multiple sources of evidence (Yin, 1993:3) including documents, interviews, observations and its flexibility. Gummertson (1991:76), views case study research as seeking to obtain a holistic view of a specific phenomenon or a series of events able to assist, where managers are the audience, in the implementation of the findings. Public sector performance management and measurement could not have found a better approach because of the need for informed decisions that would assist with the implementation of proposed programmes and policies.

South Africa is comprised of three spheres of government (Constitution, 1996:s41), namely, national, provincial and municipal governments. At the

national sphere there are approximately 34 government departments; about 90 departments are provincial level with each province having approximately ten departments. There are 284 Municipalities made up of six metros, 47 district Councils and 231 lower level municipalities. The national Department of Labour and The City of Tshwane, which is a Metropolitan Council are the two state organisations selected for this study. These two organizations represent different levels of government with the DoL being part of the public service while the City of Tshwane is a metropolitan government independent of the central government and public service policies. A Metropolitan government is not defined as part of the public service (Public Service Act, 1994) though efforts are being made to include all spheres of government under one public service.

The Department of Labour is one of the few departments that has some form of measurement while the City of Tshwane, as a municipality is statutorily required (Municipal Systems Act, 2000) to measure and manage performance.

RATIONALE FOR CHOICE

A case study method can contain several case studies and could use multiple sources of evidence (Yin, 1993:3) including documents, interviews and observations. It also allows for the utilisation of both qualitative and quantitative approaches and is thereby seen as being in line with the

postmodern thinking that is integrative. It is for this reason that a case study approach was chosen.

Because this study intends to deal with a management and administration phenomenon, it became logical to adopt a case study approach. Two cases are looked at, that is performance management and measurement in a national department and a large municipality. While not all sectors of the public sector can be covered by this research, the fact that two out of three spheres of government form part of it allows for the generalisation of the results. Actually, only the public enterprises and parastatals are left out. These cannot be said to fit perfectly into the public sector because of the element of profit that has been added to them. However, the findings of this research could apply to parastatals since it is organisationally based and does not take into consideration the return on investment element.

The unit of analysis is an organisation in this case the Department of Labour and the City of Tshwane. Bless and Higson-Smith (1995) in defining the unit of analysis say that data collected describes that unit which, when combined with similar data collected from a group of similar units provides an accurate picture. The unit of analysis is an organ of the state in this case, a government department and a city government. Deducing from the results, the conclusion will be that the outcome can apply to all other organs of state especially the public service. The focus of research itself can be said to be divided into three categories (Bless *et al*, 1995) (i) conditions

(exposing current state), (ii) orientations (concern with the attitudes and beliefs) and (iii) actions (observed by an actor and directly reported).

The two organisations, the Department of Labour and the City of Tshwane have been chosen as case studies for this research. A case study is of secondary interest because it plays a supportive role facilitating our understanding of something else. The case is looked at in depth, its context scrutinised, its ordinary activities studied because this helps us pursue the external interest, in this case the implementation problem (Stake, 1994:236) and performance measurement. The governance cluster of the South African government is responsible for good governance, and each of the members of the cluster has a particular responsibility in so far as promoting good governance is concerned. Members departments of this cluster are the Department of Home Affairs, Department of Public Service and Administration, the Presidency, the National Department of Provincial and Local Government, the National Treasury, the Public Service Commission and the South African Management Development Institute (SAMDI). Except for the Department of Home Affairs and SAMDI, each of these departments will be considered to determine what their roles are or supposed to be and what they are doing in the area of performance measurement. The choice of these departments is based on their direct role and responsibility they have with the public service.

The Department of labour

The National Department of Labour (DoL) has the responsibility to regulate labour issues especially administering particular programmes, for Occupational Health and Safety of Persons at work; Social Insurance and the Unemployment Insurance Fund; Employment Skills Development Services; Labour Relations; Labour Market Policy; Service Delivery; and Auxiliary, including contributing to the National Economic Development and Labour Council (NEDLAC). This department is tasked to reduce unemployment, poverty and inequality through policies and programme development. It is also required to improve economic efficiency and productivity, skills development and employment creation, sound labour relations, eliminating inequality and discrimination in the workplace, alleviating poverty, as well as employment, and the protection and enhancement of workers rights and benefits (Department of Labour Annual Report, 2002/2003:9).

The Department of Labour was selected because it has, to a certain extent, implemented an organisational performance management system over and above the mandatory human resource performance management system for both the Senior Management Service (SMS) and the Performance and Development Management System for Level 12 and below (DPSA, 2003).

The City of Tshwane

The City of Tshwane is situated in the north of the Gauteng Province, which is one of the nine provinces of South Africa. It is one of the six Metropolitan governments existing in South Africa. The Gauteng Province where the City of Tshwane, the administrative capital of the Republic of South Africa, is located, is known as the economic powerhouse of South Africa.

In the case of the City of Tshwane, performance management and measurement is a requirement in terms of the Municipal Systems Act (2000). Any Integrated Development Plan (IDP) of a municipality need to be followed by a performance management system that operationalises that plan. A large municipality like the City of Tshwane, has a number of areas where performance management is monitored against goals predetermined and stated in its IDP. A combination of the two cases, the DoL and Tshwane will also highlight the gaps that exist between the different spheres of government (Constitution, 1996:s41) in so far as performance management is concerned.

The challenges facing the City of Tshwane are based on its population of about 2,2 million (Tshwane 2020 Plan). The City of Tshwane, like all other municipalities, is further constrained by the fact that they are the most visible part of government. Local governments, generally and due to their proximity to the ground, become the most visible part of government. An example could be that a politician in local government interacts with the

community on a daily basis as compared to a provincial or a national Member of Parliament. Expectations are higher than resources available and a need exists for innovative ways for stretching those resources and being held accountable for their actions and the resources at their disposal. The Municipal Systems Act (2000) requires that municipalities, including the City of Tshwane, to establish performance management systems (Ibid:s38) which must be adopted by a municipal council (Ibid:s39). Such a system must have key performance indicators, measurable performance targets and performance needs to be monitored, measured and reviewed (Ibid: s41). It is for this reason that it was considered appropriate to include a municipality in the study so as to create an awareness of the existence of such system in at least one of the three spheres of government and not in the other two.

OBJECTIVITY AND THE TYPE OF RESEARCH

Objectivity in any research is an important element that contributes to respect for results, reliability and validity. Research is not undertaken in isolation. The researcher's knowledge of the topic is crucial, therefore it is important to state one's methodological frame of reference.

With the two types of research, basic and applied research, it has been considered that the latter is more appropriate to public administration and management, especially if what is being studied concerns organisations or institutions as the case is with this research. Supporting this notion is

Brynard and Hanekom (1997:5) who view applied research as that kind of research where the results can be applied to solve an immediate problem. Performance measurement as a mechanism that intends to improve service delivery fits the description of being an immediate problem. The fact that not one, but a number of government departments and a Metropolitan government are part of this research ensures its objectivity.

Science and objectivity

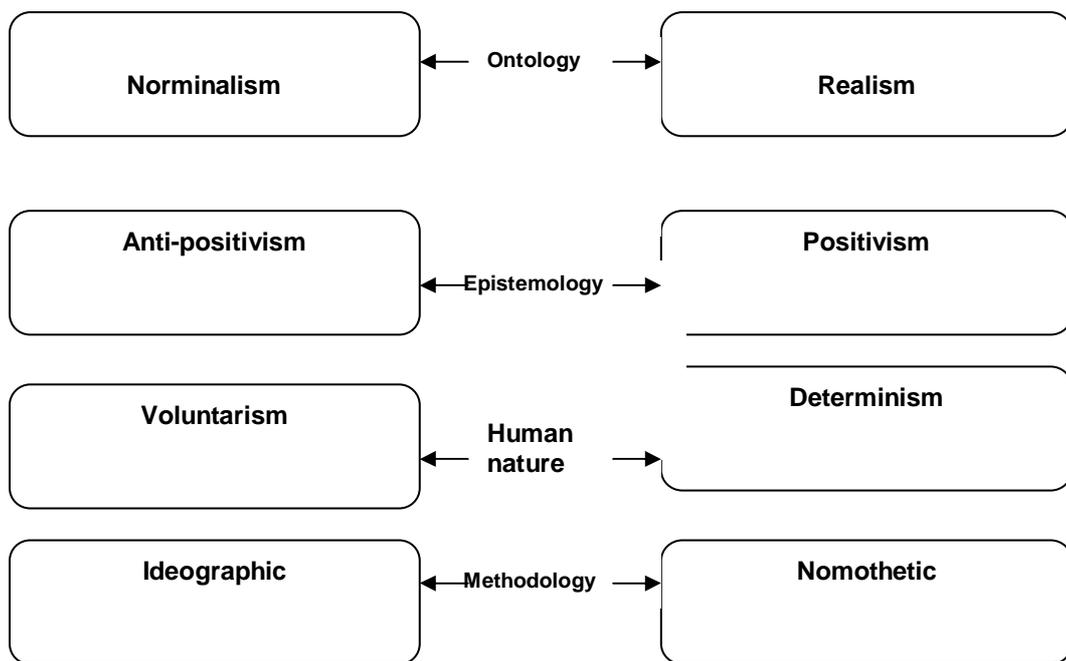
It is generally accepted that the role of science is that of defining the world we live in and attempting to improve people's standard of living. The unfortunate part is that there is lack of compatibility and major disagreements on demarcation over what constitutes a convincing explanation of social phenomena. While natural science objectivity can be achieved by successfully maintaining a distance between the researcher and the subject, this is not possible or even desirable within human sciences. Burrell and Morgan (1979) argue that it is convenient to conceptualise social science in terms of four sets of assumptions related to:

- (a) ontology or assumptions about the nature of reality and how it exists, is organised and works,
- (b) epistemology referring to the nature of knowledge and how it is derived and validated,
- (c) the human nature, and

(d) methodology or techniques for acquiring knowledge.

Burrell and Morgan (1989) had the following to say about the philosophy of science and theory of society:

Figure 2.1: Philosophy of science and theory of society



Source: Burrell and Morgan's (1979) assumptions about the nature of science, the subjective versus the objective approaches

Ontology or assumptions about reality. Social scientists are faced with the ontological question of whether the 'reality' to be investigated is external to the individual, imposing itself on the individual consciousness from without, or is it the 'reality', a product of the individual consciousness. In short, is the 'reality' a given, or a product of an individual's mind.

Epistemology or the theory of knowledge, based on how one understands the world and communicates that knowledge to one's fellow human beings. It also covers the form in which knowledge can be gained including sorting the truth from what is false. Questions such as whether knowledge can be acquired or attained through experience form part of epistemological doctrine.

The philosophy of social science is divided into two broad camps with regard to epistemology; the objectivist and the constructivist paradigms. The objectivist paradigm contends that human experience and reason alone lead to knowledge, meaning that the pursuit of knowledge is gained through a procedure. Further knowledge production is informed by the role of rationalistic, empiricist and positivist processes. The empiricist view relies on experimental design where quantitative research yield figures. The constructivist thinking rejects the notion of using a procedure to produce universally significant knowledge. The humanities or the “soft sciences” have always favoured ways of thinking concerning an appreciation of multiple perspectives and reasoning in context (Comstock, 1982) viewing knowledge as constructed from researched instances. It is this constructivism that has informed the the approach this project has taken despite the fact that it is not easily definable because it covers a wide spectrum of beliefs about cognition.

Conducting research has been debated mostly between positivists, who favour a quantitative approach, and phenomenologists, who favour

qualitative methods. It is difficult and nearly impossible to come across a situation where both cultural and personal beliefs do not influence our perceptions and interpretations of human phenomena. Phenomenologists recognise that even the act of simply observing a phenomenon changes it while positivists view this reactivity as a variable to be eliminated in the interest of objectivity.

Positivism is based on the assumption that there are universal laws that govern social events, and uncovering these laws enables researchers to describe, predict, and control social phenomena (Wardlow, 1989). Interpretive or phenomenologically based research, in contrast, seeks to understand values, beliefs, and meanings of social phenomena while critical science explains social inequalities through which individuals can take actions to change injustices (Comstock, 1982).

While the ideal is for any discipline to be driven by scientific methods as the positivist approach tried to do to research, the interpretive element, which most view as subjective, also allows the alternative models of reality to enrich and give a deeper analysis to a phenomenon. Management and administration cannot rely on central tendencies though the central tendencies may become good checklists for action. Social scientists use descriptive theories because of their ability to focus on the emotions, aspirations, achievement and social behaviour of individuals and groups. Using descriptive methods and theories enable social scientists to identify

deeper forces at work in organisations. The following table compares the two approaches, positivism and phenomenology:

Figure 2.2: Positivism and phenomenology

	Positivist paradigm	Phenomenological paradigm
Basic beliefs	The world is external and objective Observer is independent Science is value free	The world is socially constructed and subjective Observer is part of what is observed Science is driven by human interests
Researcher should	Focus on facts Look for causality and fundamental laws Reduce phenomena to simplest elements Formulate hypotheses and test them	Focus on meaning Try to understand what is happening Look at the totality of each situation Develop ideas through induction from data
Preferred methods include	Operationalising concepts so that they can be measured Taking large samples	Using multiple methods to establish different views of phenomena Small samples investigated in depth over time

Source: Easterby-Smith, Thorpe and Lowe (1991) *Management Research Summary*. London Sage.

Public management and administration is a discipline within humanities and it falls outside the definition of natural science. As a management field it is concerned with managing people as employees, who undoubtedly cannot only be the subject of the kind of scientific approach propagated by natural scientists. This does not mean that natural science and the positivist

scientific approaches cannot be used, but merely that there is a need in this field to look beyond natural sciences for answers.

Human nature deals with the relationship between human beings and their environment. One perspective of human nature is based on an understanding that human beings' experiences are products of their environment and are conditioned by external circumstances. However voluntarism regards human beings as the creator of his/ her environment, the controller as opposed to being controlled.

RESEARCH WITHIN HUMANITIES, ADMINISTRATION AND MANAGEMENT

Public management and administration mostly uses case study methods as a means of determining the appropriateness and possible success of a particular approach.

Just as there are various kinds of causal assertion, different modes of theory-building and different research objectives, there are different kinds of case studies. Causal assertions, can be simple, complex, or chaotic (complex interactions, numerous variables, low probability associations, and endogeneity). Such assertions can take the form of 'covering laws', contingent generalizations, or explanations of individual cases in terms of generalizable variables.

Modes of theory building include heuristic induction of candidate theories, empirical testing of proposed or competing theories, and preliminary probes of the plausibility of new theories. Research objectives may focus on one or more of these modes of theory-building, they may address phenomena on various levels of analysis or at various stages of causal processes. Not one case study design is appropriate to all possible causal assertions, modes of theory-building, and research designs adapted to different purposes, including designs of single case studies, comparative case studies, and case studies of most and least likely cases.

THE RESEARCH STRATEGY

Research strategies can be classified into three distinct categories, namely experiments, surveys and case studies (Yin, 1993). These three strategies describe the different ways of collecting and analysing data. Robson (1993) states that a common understanding between research strategies and the research purpose exists and are as follows:

- (a) Surveys are appropriate for descriptive work
- (b) Experiments are appropriate for explanatory work
- (c) Case studies are appropriate for exploratory work.

The success of any research depends on the methodology followed by the collection and analysis of data for it to be reliable, valid and respectable. For

this study, two case studies were chosen. The area of performance measurement and management is fairly new and is currently mandatory in terms of the Municipal Systems Act (2000) in municipalities while in the public service it is only the human resource part that has been implemented. This study is not so much about the human resources performance management element but is focused on the systems and processes which is the reason for choosing the Department of Labour and the City of Tshwane.

While this study is not fully exploratory work but answers research questions that are applied in real life context, it was considered that a case study approach would be appropriate though a lot of both explanatory and descriptive elements are also included.

The problem with a case study approach is that the researcher may need to gain familiarity with the phenomenon in question by undertaking a preliminary examination of a variety of cases before selecting one or several intensive examinations. This can be time consuming. Despite the researcher's best efforts, the formulation of the design has a likelihood of remaining imperfect in one or another respect. These imperfections may emerge and become evident to the investigator as (s)he progresses. If these defects are sufficiently serious, the researcher might have to consider halting further work and redesigning the study. This is normally dealt with by conducting a pilot study.

Not much has been documented about organisational performance management in South Africa. The background information and data will come from the Department of Labour, the City of Tshwane and international public sector organisations that have embarked on implementing systems measuring and using performance management. Secondary information used, includes guides especially the guide on performance management from the Department of Provincial and Local Government, DPISA's Integrated Performance and Development System for levels 12 and below, internal memos of the Department of Labour and the City of Tshwane and any other documents found to be useful for this purpose. The government is also divided into clusters with the Governance and Administration cluster the most relevant. Cluster partners like the Departments of National Treasury, Public Service and Administration, The Presidency, Provincial and Local Government each have a role to play in ensuring that performance is measured and managed. They are also given consideration together with the Public Service Commission, a body responsible for public service oversight (Constitution, 1996:s196).

Data gathering

Data was gathered using semi-structured open interviews as a major source of data collection. These interviews were conducted with senior and middle managers in the Department of Labour and a senior manager responsible for performance measurement in the Tshwane Metro. The method utilised for collection was voluntary participation (Bless *et al*, 1995). The selection of

managers knowledgeable and directly responsible for performance enabled the data collected to provide a necessary deep insight.

Interviews are a kind of conversation, a conversation with a purpose and a flexible and adaptable way of finding things out (Robson 1993). There are several types of interviews which are based on the degree of structure or formality used with the interview process. They vary from being highly structured to free-range conversations using closed and open-ended questions and responses in a set order. This type of interview is used in survey and case study research. Semi-structured interviews use a list of prepared questions where the interviewer determines which questions to ask and when. Semi-structured interviews are more flexible than fully structured interviews thus allowing the interviewer to adapt an interview for specific situations.

The first case study, the Department of Labour one was chosen to indicate both the personnel as well as the organisational side of performance management within a service driven environment while the municipality's choice was driven by their emphasis on organisational performance and measurement.

Policy documents, especially in the area of performance management in the public service both for the Senior Management, the Directors-General and the Integrated Performance and Development Management System for

levels 12 and below (DPSA, 2003), the Public Service Regulations (1999 & 2001), the WPTPSD (1997), Treasury Regulations (2001), documents from the Department of Labour including their Annual Report and budgetary information and other policy and secondary policy documents are used. In so far as local government is concerned, the Municipal Systems Act (2000) and the Municipal Structures Act (1998) is given consideration together with the IDP of the City of Tshwane.

Data presentation and analysis

Data collection and analysis is an integral part of an inquiry, without data there is no inquiry. There are distinctive methods of collecting evidence that give rise to qualitative data and those that give rise to quantitative data. According to Coolican (1990), quantification means to measure on some numerical basis whatever is counted or categorized while the quantitative approach by contrast emphasises meaning, experience and descriptions. Raw data will be exactly what people have said or a description of what has been observed. It is this data that is presented and on the basis of it, an analysis and recommendations are provided. It needs to be stated that unlike quantitative approach, it is not that easy to present information collected through qualitative research methods. Chemail (1995) wrote that it takes two studies to present one in qualitative research. One study is the 'official' research project and the other is the study about the study.

While the data presented here is guided theory, data presentation itself does requires a particular strategy which would depend on a number of issues. Costas (1992) makes a few suggestions regarding how data can be presented. These are *natural, most simple to most complex, first discovered to last discovered or constructed, qualitative informed, theory guided, narrative logic, most to least important or major to minor, dramatic presentation and no particular order.*

Natural: Data is presented in a form that resembles the phenomenon being studied or in a manner that represents a sequential order following the flow of the session itself.

Most simple to most complex: Starting with data with the simplest example and as complexity of each example presented increases, the reader will have a better opportunity of following the presentation.

First discovered to last discovered: Data is presented in chronicle like fashion, showing the course of the researcher's personal journey in the study.

Qualitative-informed: Data is presented according to strategies commonly found in quantitative or statistical studies (central tendencies, ranges, clusters or frequencies).

Theory guided: Data arrangement is governed by the researcher's theory regarding the phenomenon being studied.

Narrative logic: Data arranged with an eye for story telling in order to best relate particulars of a theory.

Most important to least important: Taking the journalistic style of the inverted pyramid, the most important findings first followed by the minor discoveries.

Dramatic presentation: This is the opposite of the pyramidal style preferring to present last the dramatic or the climax.

No particular order; Where there is no particular order or the author fails to explain it if an order system has been used.

SIGNIFICANCE OF THE METHODOLOGY

Since no performance measurement system has been implemented nationally in the public service except for those departments that considered it necessary, and in the local government sphere, it would not have made sense to approach this research from the quantitative perspective. Firstly, this study intends to find out how the different government departments responsible for performance, view the issue of performance measurement.

Secondly, it was undertaken to find out how and why the departments that have implemented performance measurement have gone about it so that learning can take place and feed into future efforts that may be directed at developing and implementing similar systems in other departments or throughout the public service. The conclusion was that the best way to do this was to approach it from a qualitative research perspective.

THE PROBLEM STATEMENT AND METHODOLOGY

What is important in any research is the correct formulation of the problem statement. The problem or question becomes the axis around which the whole study revolves. If the statement of the problem is expressed with the utmost precision and then divided into more manageable subproblems, goals and directions of the entire research effort becomes clarified.

The relationship between the data collected and analysed and the phenomenon lies in the gap that exist between what is implemented at the different levels of government in the area of performance management and what could be. It is the knowledge lying in between the two that forms the basis of this study. The problem that this study deals with is whether the use of performance measurement and management will amount to an improvement in service delivery. The different tools of policy, mission and strategy implementation are explored.

VALIDITY AND RELIABILITY TESTS

For any result of a research project to be accepted, there has to be some level of validity that is scientifically acceptable. There are three important elements to validity, *construct*, *internal* and *external* validity that all assist in determining the reliability of the results.

In terms of *construct validity* which according to Gomm (2004:147) answers the question of whether one is measuring what should be measured (Brinberg & McGrath, 1985:114), the study, looks at measurement and performance management which are the identified gaps in service delivery and therefore satisfy construct validity.

In terms of *internal validity*, described by Gomm (2004:39) and Hall & Hall (1996:43) as the ability to show a causal relationship between treatment and outcome, this study intends to demonstrate that when and where performance measurement and management are applied, performance results will improve. It therefore satisfy internal validity.

In terms of *external validity*, which refers to the study's findings to be generalized (Gomm, 2004:42 and Dooley, 1990:218), or the ability of the research findings to be applied to other client groups or in other settings, the study of the two cases will show that irrespective of the nature of the government department, systems are the same and in some instances policies apply across departments.

In terms of *reliability*, it is an indication of consistency and stability (Singleton *et al*, 1988:111) and reducing uncertainty (Brinberg *et al*, 1985:127) that if the study were to be repeated, similar results will be produced, is proven through an understanding firstly that the policies the study is investigating are central and apply to the public service and all municipalities.

SCOPE AND NATURE OF THE THESIS

The public sector is broad and even more so when considering it as an organ of state (Constitution, 1996:s239) in perspective and definition. This study will not investigate the public sector as a whole while benefits from it will accrue to the public sector as a whole. It will confine itself to the national Department of Labour and a municipality, the City of Tshwane.

Performance measurement systems have been implemented and do exist in the local government sphere, it is for this reason that this sphere will be included in the research. Parastatals operate more as the private sector and execution of mandates is normally based on both public policy and the Companies Act (1973) and on an individual bases. It would have been ideal to also include them in the survey but this will require more resources including time and money. It is however hoped that objectivity will not be compromised as a result of these exclusions.

LIMITATIONS OF THE STUDY

This study only concentrates on management leaving the lower level employees, who could have assisted in giving a different perspective. This has been deliberately done since policies in both the public service and local government are negotiated centrally with the trade unions and is presumed to have been discussed and agreed to by members of trade unions and, or elected representatives.

The risk in targeting management lies in getting one side of the case with a possibility of having an interviewee bias. The case study approach itself cannot be fully relied upon for generalizability and a danger exists where generalization does not represent what is existing. Telling the truth can sometimes lead to problems and even victimization, and not telling as it is. Consequences arise where the identity of the interviewees is known or very obvious. While implementation studies are evaluation studies as well, the role and scope of this study is not to evaluate policy implementation but rather considers implementation methods. Though this study has used a public service department and a municipality, its intention is to make recommendations to the public service it is the lack of public service departments that have implemented performance measurement and management systems that has necessitated the inclusion of a municipality.

CONCLUSION

This chapter has considered the research methodology to be followed and why that particular methodology was chosen over others. The two main sources of information, namely the Department of Labour and the Metropolitan Government of Tshwane are introduced with reasons given for their choice over other departments and government organisations. The chosen research approach's objectivity, because it concerns public administration and is case study based. It is considered to be objective. Its results are considered applicable in situations where an immediate problem is to be solved. This chapter looked at science and objectivity and ensuring arguments of ontology, epistemology, methodology and human nature, including the fact that the phenomenon under study is an performance within an organisation.

The research strategy is to include how data will be collected and gathered, presented, and analysed using the case study approach before the findings and recommendations are arrived at. Lastly, the scope of the study and the reasons for choosing the public service, including a municipality is defended in that it is not feasible to also include the parastatals, but the results can also be of use throughout the public sector. Validity and reliability elements are also discussed and defended.

Through the selected approach it was considered that the required and necessary information would be gathered and the results will be scientifically acceptable to be used for generalization about what the current

and 'as is' situation in the public sector is. Constraints are explained, given the research problem and the approach. The manner in which validation and reliability are tested is explained, giving the study the required scientific respect. Recommendations from this study will and can be accepted as scientific enough to be utilised in the formulation and implementation of a performance management and measurement system in the public sector.