

CHAPTER 3

MANAGING FOR SERVICE EXCELLENCE IN LOCAL GOVERNMENT

3.1 INTRODUCTION

The subject of public sector performance has featured prominently in the literature, along with other topical subjects, in the context of the debate about the proper role of government in contemporary society. The view that public institutions, in their various service-rendering activities, ought to demonstrate good performance has gained widespread approval. The requirement to show that performance is well managed, measured and improved is increasingly being mentioned as an essential prerequisite for effective public administration and management. Improving the quality, efficiency, and value of public services at all levels of government, especially in times of rising expectations and scarce resources, has become an important policy issue for all countries. This chapter examines the question of public sector performance in relation to the need to manage for excellence in local government in Swaziland.

Performance, as defined in the Oxford dictionary, is the ability (of an organization) to move quickly and operate efficiently. Its synonyms include such terms as *accomplishment*, *achievement*, *realisation*, and *fulfillment* (Oxford dictionary). Most of these terms, in the context of this discussion, have to do with the objective effect of public actions but some relate to the subjective sense of satisfaction experienced as a result of an authority's action. Naturally, the public

management literature emphasises the former meaning, not only because of its direct implications for the population being served, but also because subjective satisfaction is extremely difficult to measure and impossible to quantify.

Emphasis on performance in the public sector derives impetus from the fact that the activities of government bodies have very profound implications for individual citizens and the society in which they live. Yet, many of those activities are often undertaken in ignorance of their immediate, intermediate-term and long-term effect (Smith, P 1996:8); and also, as they carry out their activities, government bodies often do not seek to link the objectives they set to measurable outputs (Dilulio, J.J., Garvey, G. & Kettl, D.F. 1993:46). According to this view, in the government sector, there is often inadequate information about whether or not public institutions are achieving anything at all with the large amounts of financial and other resources at their disposal.

On this point, Peter Smith argues:

The form - and indeed existence - of many parts of the public sector is more an act of faith than a reasoned response to incontrovertible evidence. The absence of hard evidence relating to the effects of public sector activity is understandable. Functions are undertaken in the public domain when markets fail. Market failure often occurs when information is poor, or when individuals cannot make informed decisions. The difficulty of identifying and measuring effects is, therefore, often a reason for an activity being undertaken by the public sector, not a consequence (Smith, P.1996:8).

Understandably, public sector reformers have sought to remedy this deficiency i.e. the lack of information about the impact of public sector activities on individuals and the community, by drawing attention to the need to pay more attention to the question of performance. It is widely acknowledged that there is need to have performance indicators (measures of success) in the public sector in the same manner that there are clear and objective performance indicators (such as profit) in the private sector. But if performance indicators are supposed to indicate performance, the questions that arise then are: what exactly is performance in the public sector? What is the public sector's equivalent for the long-run profits sought by firms in the private sector? Should government performance be measured? If yes, how?

The view of various scholars is that, if such a corresponding measure of performance exists in the public sector, it should be the *outcome* for society of the government intervention. Outcome is seen as encompassing the ramifications throughout society of the relevant public sector intervention e.g. a project of a city council to construct a new bus terminal, replacing an old one or an urban renewal project of a city council designed to improve the living conditions of the city inhabitants by relocating all or a percentage of them to a planned settlement. The issue of performance, from this perspective, relates to whether particular government activities assist in meeting the community's needs and expectations. It also relates to the value society places on these activities (Smith, P. 1996:6).

In the light of the foregoing observations, *performance management* - the strategies designed to establish frameworks for managing the work of government competently in all its various domains – has been identified as an important subject that requires serious consideration. Accordingly, in this chapter, the various strategies and frameworks underlying performance management are examined. More specifically, the discussion considers the frameworks that are intended to increase *efficiency*, enhance *effectiveness*, maximise *economy*, and promote *equity* with regard to service rendering by local government. Given the focus of the present research on urban areas in Swaziland, the discussion inevitably involves assessing whether the local government system in the country's urban areas is geared towards service excellence in the manner that is proposed by the performance management movement. Therefore, the aim of this chapter is to:

- assess the motivation for the performance-focused approach in government;
- assess the argument – which is the underlying premise of this chapter – that the aim of all performance-based frameworks is to serve the people better;
- review international experiences pertaining to the implementation of performance measures, including the Swaziland experience;

- review the theoretical frameworks relating to performance management in order to provide a model as well as bring into focus the more recent insights on this issue;
- highlight the 4E framework - *efficiency, effectiveness, economy, equity* – and explain why it is useful as a tool for analysing and evaluating performance in the public sector; and apply the 4E framework to the analysis of service delivery by urban government in Swaziland.

3.2 JUSTIFICATION FOR THE PERFORMANCE-BASED APPROACH

In the final two decades of the 20th century public dissatisfaction with the inability of governments to deal effectively with critical problems and meet the welfare needs of the people had reached a very high level, as evidenced by the emergence, during this period, of the reform movement advocating a radical transformation of the public sector. Public services in most countries were seen as institutions in serious trouble. In Africa, for instance, the machinery of government was considered problematic and in need for reform. Governments had for too long clung to outdated structures, systems and procedures, and archaic instruments of development. Whilst these systems and procedures might have been fairly adequate in previous periods when the function of government was limited to simple and routine functions, such as the maintenance of law and order, they were found to be lacking in a constantly changing and dynamic environment (<http://www.iog.ca/publications/policybrief.pdf>).

Public sector reformers began to challenge what they perceived as the bankruptcy of bureaucratic government. The government sector, it was thought, required reinvigoration and redesign as a vital component of strategies to re-dimension the state (Turner, M. & Hulme, D. 2002:106). In arguing the case for reform, Osborne & Gaebler state:

Modern governments with their large, process-driven, centralised bureaucracies and standardized one-size-fits-all services were not up to the challenges of a rapidly changing information society and knowledge-based economy (Osborne, D. & Gaebler, T. 1992:XIII).

Commenting on the same subject Quade E.S. (1980) observes: *"We see signs everywhere of ineffective programmes, wasted money, and unresolved problems. There are complaints that the solutions being proposed range from poor, at best, to counter-productive, at worst "*. In the same vein, Steiss and Daneke argue that: *"In some quarters, the focus of government resources on a problem could well be a guarantee of failure rather than of success"* (Steiss and Daneke, 1980: I).

The above comments, made in the latter part of the last century, were as much a cynical and skeptical view of government performance as they were a call for better and more competent administration of public services. The demands for a more performance-oriented system of public administration have not suddenly

come to a halt in the first decade of the present century, the 21st century, a strong indication that the issue of public sector performance continues to occupy center stage in the study of Public Administration and is one that ought to remain at the top of the agenda for governments, including those in Africa.

Dissatisfaction with the public sector stems mainly from the apparent low correlation between public spending and service delivery. Governments, it is argued, have promised a lot but delivered little, spent more but achieved less and raised more taxes but accomplished little. The main thrust of the argument about government performance is that public services are inefficient and ineffective and that the problem is inherent in the government's way of doing things (Osborne, D. & Gaebler, T. 1992: 138 –140).

The disenchanted citizens, whose expectations are not met, may not understand the reason why public services are being delivered in an unsatisfactory manner. Consequently, the people who work in public institutions have been berated. The dissatisfaction that so many citizens have about public officials, the service providers, derives from the perception that they are concerned with meeting their own needs, not those of citizens. The public organisation too often seems in business for itself or perhaps for some special interest groups with special access to decisions. The problem with the governmental system is considered by some writers to be systemic. It is argued that public officials, the service providers, are not necessarily the problem; it is the systems employed in the

government sector where they work that create problems. For instance, in government, the focus has tended to be on *process* rather than *outcomes*. Since the administrative system is process–driven rather than outcomes–driven, the process tends to take precedence over outcomes and often becomes an end in itself rather than a means to an end (Dilulio, J.J., Garvey, G. & Kettl, D.F. 1993:46; Osborne, D. & Gaebler, T. 1992: 139).

In the same vein, it has been argued that government institutions often lack adequate capacity to define goals, measure results, and relate them to spending. This deficiency is significant because it makes it impossible to define what performance truly means or to measure how well government institutions are doing in terms of meeting the needs of the people. It also renders it impossible to reward employees for performance (Smith, P 1996:8; Dilulio, J.J., Garvey, G. & Kettl, D.F. 1993:46).

On this issue, Osborne & Gaebler note – *“that with so little information about results, bureaucratic governments reward their employees based on other things: their longevity, size of their budget, the staff they manage, and level of authority. So the employees assiduously protect their jobs, and build their empires, pursuing larger budgets, larger staffs and more authority”* (Osborne, D. & Gaebler, T. 1992:140).

The foregoing approach, it is suggested, does not lend itself to excellence but contributes to failure in service rendering; consequently, the gap widens between public expectations and service delivery. Commenting about the USA, Steiss and Daneke argue that municipal authorities, particularly those that they had observed, stand as glaring examples of the widening gap between public expectations and service delivery (Steiss, A.W. & Daneke D.A. 1980:1-2).

The foregoing observation about the gap between public expectations and performance, with respect to municipal services in the USA, has been echoed in many other countries. Concerning Africa, for instance, it is reported by the African Development Bank that despite the good efforts of some governments on the continent to decentralise or devolve power, the local government system has not been effective and, by extension, public expectations regarding service delivery by local government have not been met adequately; hence, the requirement to build management and institutional capacities at this level of government (African Development Report 2001: 164).

Whilst there are many complexities, arguments and counter-arguments concerning the operation of the government system, there is one indisputable point about what ought to happen in the interaction between government institutions and citizens. Citizens expect to be treated as customers, with responsiveness and consideration. A government institution is, first and foremost, in business to serve citizens, to provide goods and services that elected officials

have decided are in the public interest. Citizens expect those goods and services to be delivered competently; and they want their needs to take priority over the needs of those who are providing the goods and services (Dilulio, J.J., Garvey, G. & Kettl, D.F. 1993:48-51).

3.3. SERVICE EXCELLENCE AS THE AIM OF PERFORMANCE MANAGEMENT

It can be postulated that meeting the needs and expectations of the people through improvement in service delivery is a major goal of the modern public institution. Service to the people is not only an objective for the modern public organisation but is also what defines it. Excellence in service delivery is a close corollary of the private sector's total quality management (TQM) approach, which holds that customers, ultimately, determine quality. In government, an approach to quality and performance builds on the fundamental precept: to make citizens the focus of service and to make responsiveness to them a primary goal (Dilulio, J.J., Garvey, G. & Kettl, D.F. 1993:49).

The advocates of performance management contend that this approach, potentially, can lead to more efficient management systems, increase public satisfaction with public services and, in the end, mitigate 'the crisis of confidence' in government. The performance management drive, it may be reiterated, is not confined to national government but extends to local government. Reforms have been implemented within local authorities in a number of countries, reshaping the function and purpose of local authorities, as demonstrated in the relevant section

below. A major objective of the local government reform initiatives is the introduction of improved managerial practices, designed to foster better performance and to ensure a more competent and responsive service to the community being served (Hesse and Sharpe, 1991:607).

The contributions by Neil Marshall invite attention to three factors that underlie this broad thrust. The first factor is managerialism, or the new public management. Managerialism has been particularly influential in shaping the substance of reform and transformation processes from the 1980s when many governments around the world started reforming their public sectors with a view to promoting greater efficiency and effectiveness of operation. To achieve these goals, they introduced a series of measures or strategies, including management styles based on private sector approaches. It was simply assumed or accepted that such measures and strategies were necessary and desirable for the entire government system and should be adopted by the local government sector as well (Marshall, N. 1998:647).

A second important factor influencing local government transformation is the recognition that a more effectively managed and performance-oriented local government sector can make a significant contribution to the social and economic development of communities. Through the efficient delivery of services, local government is seen as providing the essential foundations upon which national socio-economic development could be built. Though local

government institutions have long contributed in this capacity, it was not until the more recent period of time that the value of this sector's strategic role was fully appreciated (Marshall, N. 1998: 647).

A third factor influencing reform in the local government sector is the recognition that local government's role in the national polity, and its contribution to social and community objectives generally, have broadened substantially in more recent years. Councils have become increasingly absorbed into national policy initiatives and strategic objectives and have come to be seen as significant contributors to urban renewal strategies and other development activities in urban areas. By requiring local government institutions to embrace corporate management strategies and to improve their management practices, national governments have provided councils with more scope to become involved in a wide range of services and activities (Marshall, N. 1998: 647-648).

The foregoing comment about the purpose of performance management is likely to have resonance for all countries that seek to reform the local government system. From the perspective of the present research and its focus, the significance of performance management is underlined by the fact that, ultimately, the aim of all performance-based frameworks is to achieve excellence in service rendering. At this point, the discussion turns to a discussion of a few international examples of the growing strength of performance management in government including the local level (or sphere) of government.

3.4 PERFORMANCE MANAGEMENT: INTERNATIONAL EXPERIENCES

Evidence, as already suggested, indicates that in a number of countries, new managerial strategies have been or are being introduced within municipal authorities to improve performance. For instance, institutional reform has taken place at the local government level in the in the 'Anglo-cluster' of countries e.g. United Kingdom, Australia and New Zealand – due to the realisation that the administrative conditions of local authorities have, in the course of the past few decades, been in a precarious state (Hesse and Sharpe, 1991: 607; Marshall, N. 1998: 643-645).

The reforms have included devolution of authority, accompanied by more stringent expectations in terms of performance and accountability, as well as an emphasis on quantifiable outcomes. Corporate management practices are now required along with encouragement to adopt private sector business approaches, including improved responsiveness to client needs. The respective roles of elected councillors and council employees have been more clearly defined with councillors now setting overall directions and being made responsible for policy outcomes. Councillors are also charged with exercising leadership and vision for their communities and must abide by certain standards of behaviour e.g. a code of conduct. New approaches to human resource management have changed significantly the terms and conditions of employment of staff such that senior

managers are now appointed on the basis of merit and placed on fixed-term performance contracts. Clearly, in all these initiatives, considerable emphasis has been put on the function of local government as an efficient and effective provider of public services (Marshall, N. 1998:644-648).

From the perspective of Africa, particularly Southern Africa, it is worth mentioning some of the more recent attempts to direct attention to performance management, particularly in relation to local government. The South African experience offers a good example of the growing emphasis on performance management and performance measures in all spheres of government. Consequently, the local sphere of government in South Africa has undergone transformation since 1994. A strong system of local government capable of exercising the functions and powers assigned to it is viewed as a prerequisite for service delivery in the local sphere of government (Cloete and Thornhill. (2005:41). It is appropriate to mention a few of the initiatives in the form of statutory guidelines that signal the intention to establish a performance management system for the local sphere of government in South Africa, namely, the White Paper of Public Service Delivery, Local Government Municipal Structures Act, 1998 and Local Government Municipal Systems Act.

The White Paper on Public Service Delivery, already cited in chapter 2 of this research, outlines the eight principles — *consultation, service standards, access, courtesy, information openness and transparency, dealing with complaints and*

value for money — which are guidelines designed to instil a service-oriented ethos within the government sector. As part of these guidelines, government bodies must develop service standards that can be used to assess performance; there must also be a monitoring of service delivery through a performance management strategy. The eight principles contained in the White Paper apply to local government as much as they do to the other two spheres of government (Van der Waldt, G. 2004:319; Government's White Paper/*WPTPS* – 1995).

In addition to the foregoing the Parliament of South Africa passed the Local Government Structures Act, 1998 (Act No.17 of 1998) and then subsequently the Local Government Municipal Systems Act, 2000, (Act No. 32 of 2000). The latter in particular outlines the core principles and mechanisms that are needed to allow municipalities to move progressively towards the socio-economic upliftment of all communities as well as facilitate wider access to essential public services. The Act requires that a municipal council administer its affairs in an economical, effective, efficient and equitable manner and must for, this purpose: give effect to its integrated development plan and its transformation programmes; establish a performance management system commensurate with its resources and best suited to its circumstances; and promote a culture of performance management amongst its members, committees and functionaries, and its administration (Cloete and Thornhill 2005:98; Van der Waldt, G. 2004:319; Local Government: Municipal Systems Act No. 32. 2000).

It is evident from the foregoing discussion that local government administrations in Britain, New Zealand, Australia, and South Africa, have undergone change that has culminated in the emergence of municipal governments that are required to be more performance-oriented, more service-oriented and more competent. From the foregoing international experiences, it can be deduced that performance-oriented public institutions, in the shape of municipal authorities, can provide the essential building blocks for the social and economic upliftment of people in the communities being served, for example, the urban community. Therefore, the research accepts as a point of departure the argument that performance management is an important strategy for bringing about change and improvement in the operations of the government sector in general, and local government, in particular. The discussion turns to a consideration of the Swaziland experience.

3.5 PERFORMANCE MANAGEMENT: SWAZILAND EXPERIENCE

With governments the world over repositioning themselves to serve their citizens better, it is worth noting that the Swaziland government too has expressed the need and commitment to reform the public sector to achieve better performance in service delivery. The last ten years have witnessed various attempts to promote a performance-oriented culture in public management in Swaziland.

It is appropriate at this stage to highlight briefly the Swaziland experience, in terms of the implementation of reform initiatives and transformation strategies. The reform initiatives in Swaziland were given impetus by economic factors, particularly, the economic crisis of the 1990s. From the early 1990s the country started experiencing economic difficulties, which manifested in a growing budget deficit. Concerning the economic crisis it was observed in the late 1990s that:

"In the past six to seven years, Swaziland has been faced with deteriorating economic performance. Between 199/93 and 1994/95, the government budget ran into deficit with expenditure far exceeding the revenue. Among the expenditure items, personnel costs took the largest share and absorbed more than 40% of the revenue. This economic performance contrasted sharply with the economic growth rates that were achieved by the country in the late 1980s and at the beginning of the 1990s." (GOS, PSMP, 1999:3).

At the time of doing this research up to 2005, the economic situation described in the preceding paragraph had not changed for the better. This adverse economic situation in the country necessitated a change in the way government conducted its business. The Swaziland government came to the realisation that scarce government financial resources had, in the past been consistently or continually misallocated. Accompanying this realisation was the concern that the public service was bloated and too costly to maintain. Furthermore, it was acknowledged that services were being delivered poorly by many government

departments and that the day-to-day management of the public service was inadequate.

The Swaziland government, therefore, saw the need to embark on reform initiatives that emphasised the need to adopt prudent fiscal management, instill discipline in financial management, meet targets and uphold important principles such as affordability, efficiency, and effectiveness in service delivery (GOS, The PSMP, 1999: 4).

In 1994, the government instituted an internal structural adjustment programme, a locally developed policy adjustment programme which focused on assisting government to diversify revenue and control expenditure. From the internal structural adjustment programme emerged the Public Sector Management Programme (PSMP) which was created in 1995 to assist the national government in addressing the economic difficulties that stemmed from the administrative crisis. Subsequently, in 1997 the Economic and Social Reform Agenda was launched, followed seven years later by the Smart Programme Economic Empowerment Development (SPEED). It is appropriate to explain briefly each of the above initiatives.

The PSMP was entrusted with the responsibility of enhancing the capacity of the public service to perform at consistently higher levels to meet the expectations of the national government and the people concerning the proper role of

government in a changing and globalised world. The overriding purpose of the programme was to raise the standards of service delivery and to realise greater efficiency and effectiveness of the public service in Swaziland. The specific objectives of the PSMP were stated as follows (GOS, The PSMP, 1999:5-6):

- to develop clear and appropriate ministerial missions, objectives, strategies, structures and staffing levels;
- to identify areas where government needs to be reduced or is found to be appropriate, and to increase the participation of the private sector, non-governmental organizations and individuals in the provision of services;
- to improve the productivity of the public service for effective and efficient delivery of services, through new or revised operating, technical and management systems and new human resources management systems;
- to build the capacity of operational staff, middle level and senior public sector managers, through training;
- to create awareness and disseminate information to public servants and the nation at large about the goals, objectives and activities of the programme in order to encourage support and ownership of the PSMP.

At the time of completing this research the PSMP, in pursuit of its mandate, had already started giving effect to some of the initiatives aimed at improving public

sector performance. The first initiative was concerned with developing a policy and regulatory framework for the alternative delivery of public services. The objective was to explore the possibility or feasibility of privatizing or commercializing some of the functions that are currently performed by the government. The second initiative involved determining the state of service delivery in the government of the Kingdom of Swaziland. In this regard, the main purpose was to assess the level of satisfaction with public services amongst the citizens of Swaziland, and to establish the areas where improvements were needed as well as consider ways of effecting the improvements.

It is noteworthy that as part of the attempts to improve public sector performance the government launched the Economic and Social Reform Agenda (ESRA). ESRA was the brainchild of the Government of Swaziland [1997-2002]. This initiative was projected as an action programme with quantifiable targets aimed at assisting government departments to improve their efficiency and effectiveness by working towards meeting targets, which had been identified by the government. The monitoring was to be done at the highest level of government i.e. by the Prime Minister's office. ESRA lasted as long as the Prime Minister i.e. the Head of Government who had initiated it was in office. With the appointment of a new Prime Minister in 2002, the Government of Swaziland announced a new reform programme - the Smart Programme Economic Empowerment Development (SPEED), effectively replacing ESRA.

In addition, prior to instituting these measures, government had undertaken to strengthen the national government planning system by establishing the National Development Strategy (NDS). The NDS was projected as the vision for the development of Swaziland over a twenty-five year period and was based on the inputs received from stakeholders and major players in the economy. Another indication of the Swaziland government's desire to introduce and promote a service culture manifests in the requirement that is now imposed on all government ministries to produce annual performance reports. In this regard, it suffices to mention that the requirement for performance reports is a relatively new innovation, associated with performance budgeting. Traditionally, it was considered sufficient for the executive authority to provide an account to parliament in the form of treasury annual reports indicating how public money had been spent and whether it had been spent according to legal mandates. This approach was eventually judged to be inadequate because it failed to emphasise the outputs of government activities i.e. what the various ministerial departments were achieving with the allocated funds. As part of budgetary reform, each government department must now, at the end of each financial year, in addition to financial reporting, produce and submit before Parliament a performance report detailing what it accomplished from the expenditures incurred.

Most of the aforementioned performance improvement initiatives in the public sector in Swaziland are fairly recent. Some are still underway in terms of implementation. The majority of them targeted the problems of performance in the national government. It is considered that, primarily, the driving force behind

the above reform initiatives in Swaziland was the need to address the economic crisis. A secondary objective was to address the administrative crisis. Since the economic crisis of this period was associated with national government, much of the interest on performance management and improvement tended to be confined to that level of government. Therefore, the main critique of the foregoing reform initiatives is the preoccupation with the problems of national government and the almost total neglect of local government, even though the latter, as an integral part of the public sector and of the service-rendering effort, receives substantial resources in terms of public money and must, like other all public bodies, experience improvement in performance and in service delivery.

Box 3.1 Swaziland's Performance Management Strategies 1990- 2003

- 1990s - formulation of the National Development Strategy (NDS)
- 1990s - creation of the Public Sector Management Programme (PSMP)
- 1990s - formulation of the Economic and Social Reform, Agenda (ESRA)
- 2002- to date - the Smart Programme Economic Empowerment Development (SPEED)

Much remains to be learnt about the success of the initiatives outlined above in increasing public sector performance in Swaziland. To evaluate these initiatives or for that matter to follow them in any detail would be beyond the scope of the present research. At this point, the discussion turns to a discussion of the frameworks that are designed to assist public bodies, particularly local government, to increase performance in order to meet the objective of service excellence.

3.6 PERFORMANCE MANAGEMENT: FRAMEWORKS AND TECHNIQUES

In this research it is accepted that performance in the public sector is an important issue for consideration and that public organisations need to be performance-oriented as well as results-oriented. Therefore, it is argued that it is important to have a system of assessing and evaluating whether productivity and performance have been enhanced in public bodies (Leeuw, F. & Sonnichsen, R. 1994:1). It is therefore important, from this perspective, to evaluate performance in local government institutions, quite apart from evaluating whether the financial resources raised by or appropriated to them were spent in accordance to legal mandates. Evaluating performance is important because public institutions such as Swaziland's urban municipalities have limited resources at their disposal and so the most prudent and responsible utilisation of the limited resources they have is important.

However, attaining measures of organisational performance is not an easy task in the public sector. In contrast with the private sector, the public sector is seen as having a service orientation. The public domain is where service is accepted as the main measure of success (Pauw, J.C, Woods, G, Van der Linde, G.J.A, Fourie, D. & Visser, C. B. 2002:1). In the private sector, criteria such as profit or loss and market share can and are used to establish some measure of performance. In the public sector, however, particularly the non-commercial sector, such as local government, the notion of a market has limited applicability.

For example, local councils in Swaziland are responsible for 'generally promoting public health, welfare and convenience, sanitation and the amenities of the municipality', an objective that is not amenable to quantitative measurement. For this reason, different criteria need to be used to measure performance, usually criteria pertaining to aims and objectives (Smith, P. 1996:1-2; Boyle, R. 1989:17).

A distinguishing feature of performance in the public domain is that it is guided and assessed by multiple standards of efficiency, effectiveness, economy, and equity. Evaluations or assessments, when carried out, are to establish and report whether the scarce resources (human, financial and material) are procured, protected, and utilised in the most economical, efficient, effective and equitable manner by the implementing agency e.g. a city council or town council or town board and whether organisational goals are being achieved or realised (<http://www4.od.nih.gov/ccr/org-ombuds.htm>).

3.6.1 Outcomes approach in government

It is argued that the fundamental aim of public management is to manage public resources in such a way that public goods and services are delivered to a given individual, group, community and society in a responsive and an optimal way. Osborne and Gaebler (1992:14) explain that in attempting to control virtually everything in government people become so obsessed with regulating the process and controlling the inputs that they ignored the outcomes i.e. the results.

This is what has contributed to what Peter Drucker (1980:103-106) referred to as the sins of public management and administration or bureaupathologies in government: slow and inefficient processes. However, today's environment demands public institutions that are flexible and adaptable. It demands institutions that deliver high quality goods and services and value for taxpayers' money. It demands institutions that are responsive to their customers, offering good quality services; that give their employees a sense of meaning and control, and even ownership. It demands institutions that empower citizens rather than simply serve them (Van der Waldt, G. 2005:32-79).

As Osborne and Gaebler (1992: 32) also note convincingly, "those who steer the boat have far more power over its destination than those who row it". Public managers should act as entrepreneurs - i.e. use scarce resources in new ways to maximise productivity and effectiveness; search for more efficient and effective ways of managing; abandon old policy programmes and methods; be innovative, imaginative and creative (Osborne & Gaebler, 1992).

Matheson (2002:7) also argues persuasively that traditional rule-governed bureaucracies can definitely be performance-focused. An important part of the performance orientation is motivating officials towards goals and discouraging them from giving attention to matters that do not relate to performance. Matheson emphasises the requirement to develop new ways in government to improve

results and to transform departments into high-performance institutions that are also outcomes-focussed.

Outcomes-focused management is about ensuring that government decision-making and government action take sufficient account of how those decisions and actions impact on the society. It is an approach therefore that is of fundamental importance to public management and indeed to good governance. It is considered that this approach is desirable because: it strengthens the organisation; it increases the focus on the expectations of citizens; and it ensures that government bodies are delivering services properly aligned to the public interest and with efficient use of resources (Matheson, 2002:19).

3.6.2 Elements of Performance Management

Performance management is described as a more systematic and responsive approach compared to conventional approaches in public administration. It is a perspective that combines the traditional approaches of public administration with contemporary concepts of systems analysis, planning and budgeting in an attempt to achieve a coherent process capable of yielding more rational public policies and decisions (Steiss, A. & Daneke, G. 1980:1-2).

It is concerned with deciding in advance what an organization should do in the future (planning), determining who will do it and how it will be accomplished

(management), and monitoring and enhancing ongoing activities and operations. According to (Steiss, A.W. & Daneke D.A. (1980:1-2) the following elements (constituting a procedural framework) identify the intended scope of performance administration: (1) Establish overall strategic goals and select appropriate objectives for particular public programmes (the strategic plan); (2) determine requirements to meet identified goals and objectives and establish the necessary procedures, operations, and/or activities to carry out the strategic plan, including a selection of the best sequence for performance (planning and programming); (3) determine the available resources (fiscal, personnel, materials, equipment, and time) required for public programmes as a whole, and judiciously allocate these resources in accordance with some system of priorities (budgeting); (4) schedule the entire programme from the point of commitment to completion and exercise control by reacting to (and anticipating) deviations between predicated and actual performance (control); and (5) Monitor activities to determine whether or not reasonable, feasible, and efficient plans and programmes are being produced and executed adequately, and if not, why not (performance monitoring and evaluation).

According to Van der Merwe (1992:114) a clear vision and understanding for any balanced judgment of the performance of a particular organisation boils down to the following: (1) a clear vision and understanding of the objectives of the different functions, programmes, services, for which it is responsible, and why; (2) the availability of data or information relating to the economy, efficiency and

effectiveness of programmes; and (3) the use of correct and valid yardsticks to evaluate the economy, efficiency and effectiveness of different programmes. The same author makes the point that performance assessment can take the form of monitoring or evaluation. The two forms of assessment can be differentiated in terms of frequency and focus.

Performance monitoring – looks at what is done, at what level, at what cost, with what effect and how efficiently.

Performance Evaluation - is concerned more with a fundamental appraisal of the activity or service under investigation – with how things are done.

Performance Assessment (whether by regular monitoring or by a single comprehensive evaluation) does not usually involve an absolute statement of efficiency and effectiveness. Rather, for comparative purposes, performance is judged against some referent. The following are the most common referents:

- comparison over time: for example, comparing this years performance with last year's;
- comparison against targets/standards: for example, examining the number of housing repairs over last month against projected repairs;

- comparison with other organizations: for example, by contrasting the performance of one local authority in road maintenance with another authority;
- comparison within organizations: for example, by comparing the performance of benefits offices in different parts of the country.

In the performance framework, the key words or concepts are: objectives, inputs, process, outputs, outcomes and quality of service. *Objectives* are the basic building blocks on which performance measurement is found. They identify the purposes that the individual or organization is seeking to achieve. *Inputs* are the resources consumed for a particular activity; for example staff, building, and equipment. *Process* has been defined as ‘how we work’ or how services are delivered. *Outputs* – are the things produced by an organization and may be divided into intermediate and final outputs. Intermediate outputs refer to the capacity to provide the service, such as the number of hospital beds and school places. Final outputs refer to the services actually provided or performed; for example, benefits paid, or education delivered to a child. *Outcomes* are the impact a service has on recipients, such as when poverty is relieved or illness cured. On their own, measures of output, process, output and outcome reveal only a limited amount of intelligence about how an organization is performing. The relationship between the measures is also important. The most commonly used concepts to describe these relationships are efficiency and effectiveness, often described as the two key aspects of performance. *Quality of service* refers

to the provision of a fault-free service to a client. The important point about quality of service is that it looks at performance from the consumer's point of view. Indicators of quality at the process/output level could include such examples as the time it takes to process a claim, and delays in the delivery of letters. At the outcome level, an example would be then development of indicators of the quality of life in nursing homes (Boyle, R. 1989: 7).

3.7 PERFORMANCE MANAGEMENT IN SWAZILAND: THE 4E FRAMEWORK

The more recent literature on performance management identifies three aspects that are needed to achieve public objectives - *efficiency*, *effectiveness* and *economy*. To the three concepts of efficiency, effectiveness, and economy may be added a fourth – *equity* for reasons that will be explained shortly.

The thesis argues that *efficiency*, *effectiveness*, *economy* and *equity* are four different but related aspects of performance. The 4Es are not only key principles in performance management but are also concepts that provide a useful model for assessing performance in a public organisation such as a local government authority. At this point, the essay turns to a discussion of each of these four concepts. The section also incorporates the findings on local government in Swaziland concerning the subject of performance.

3.7.1 Efficiency

The question to be addressed in this section is whether the local government system in Swaziland is geared towards efficiency as well as managing for excellence in service rendering. *Efficiency* - is concerned with the relationship between the goods and services produced (the outputs), on the one hand, and the resources used to produce them (the inputs), on the other. Organisations must be efficient, which is considered to be the ability to produce maximum output from any given set of inputs, such that there is maximum productivity and lower unit costs. Efficiency is measured by the ratio of inputs to output.

Thus a local authority in Swaziland that is geared towards efficiency will seek to minimise inputs, to maximise outputs, or to do both. If for instance the budget of the city council had not increased from previous years, the council should be able to upgrade the infrastructure in the town – in terms of roads and amenities – using available resources without compromising the quality i.e. spend less but achieve more. Depending on where the focus of attention lies, a distinction may be made between output efficiency (maximising desired output with a given level of inputs) and input efficiency (minimising inputs for a given level of output). An efficient entity produces the maximum output from any given set of inputs. Alternatively, it may require minimum inputs to achieve a given quality of and quantity of output. This will be reflected in increased productivity and lower unit

costs. In summary, efficiency means ensuring that maximum output of goods and resources has been gained from the resources used in their production, which means, spending well (Boyle, R. 1989: 17-24; Jane-Erik-Lane 1993). To this technical definition of efficiency may also be included reference to timeliness in service delivery – the ability to move with speed and to accomplish the task within set deadlines.

This section incorporates the findings on local authorities in Swaziland on the subject of efficiency. The question to be addressed is whether there is any evidence of efficiency in the operations of local government and an emphasis on service excellence.

Table 3.1 Performance of the local government system - Manzini

Manzini	Excellent performance	Average performance	Poor performance	Total
Efficiency	13	72	15	100
Effectiveness	16	60	24	100
Economy	19	54	21	100
Equity	12	43	45	100

Most residents of the affluent neighbourhoods in Manzini – Fairview, Madonsa and Coats Valley are neither satisfied nor too dissatisfied with the efficiency which the local government delivers its service. Most also report that the services are delivered timeously. For example refuse is collected on a fixed day per week. A majority of residents in Fairview pointed out that local government rarely delivers the services in an efficient manner, although a few are of the view that

local government always delivers the services efficiently. In the poor neighbourhoods of the city – Ngwane Park (and its constituent wards) the level of satisfaction is lower compared to the affluent neighbourhoods. The majority of the respondents give local government in Manzini an average rating with regard to the efficiency of municipal services because a majority of them said they are rarely satisfied and in some wards not a single person said he or she is satisfied with the quantity and quality of municipal services and very few said they were extremely dissatisfied. A substantial proportion of residents in this area say local government services are rarely or never delivered timorously.

Table 3.2 Performance of the local government system – Nhlangano

Nhlangano	Excellent performance	Average performance	Poor performance	Total
Efficiency	3	59	18	80
Effectiveness	4	54	22	80
Economy	4	49	27	80
Equity	12	19	49	80

In Nhlangano very few respondents were satisfied with the efficiency of the town council. The majority of the respondents reported that the council rarely delivers services efficiently. From the responses in Nhlangano it can be concluded that very few of the residents consider the performance of the council to be excellent.

In Mankayiyane very few respondents were satisfied with the performance of the town council. The majority of the respondents reported that the council rarely or never delivers services efficiently.

Table 3.3 Performance of the local government system – Mankayiyane

Mankayiyane	Excellent performance	Average performance	Poor performance	Total
Efficiency	3	8	9	20
Effectiveness	4	7	9	20
Economy	2	5	13	20
Equity	1	5	14	20

3.7.2 Effectiveness

This section incorporates the findings on local authorities in Swaziland on the subject of effectiveness. The question to be addressed is whether there is any evidence of effectiveness in the operations of local government and an emphasis on service excellence.

Effectiveness - is concerned with achieving predetermined objectives (specific planned achievements) or goals and with the actual impact (the output achieved), compared with the intended impact (the objectives). Using a range of performance measures and indicators, it is possible to assess an entity's effectiveness. In summary, effectiveness means ensuring that the desired results, objectives, targets or policies have been successfully achieved.

Municipal bodies are expected to be effective - which is judged to be the ability to formulate policies and deliver the goods, standards, and services for which the local government body was created. It is a measure of its success in achieving objectives.

Effectiveness is concerned with outputs and the relationship between outputs and outcomes. Effectiveness is more of a problem concept than efficiency because definitions vary considerably. However, it is widely accepted that effectiveness equates the degree of success of activities or services in meeting their objective; thus, the outcomes specified in the objectives are achieved. This raises the question of whose objectives are to be taken into account. In determining effectiveness, it is necessary to specify clearly which stakeholders should be recognized and what their objectives are. In the public sector, (local government) three main organisational participants (role players) can be recognized: the politicians, staff, and clients. These groups may hold common objectives for a particular programme, or they may have their own particular, perhaps competing, objectives (Boyle, R. 1989: 17-24).

Only a small proportion of the respondents in the affluent areas reported that the services they receive from local government are delivered in an effective manner. The majority expressed a moderate level of satisfaction with very few expressing the view that the services are never delivered in an effective manner. The same distribution is observed with regard to the level of satisfaction with the quantity

and quality of services received. As for the poorer section of the city of Manzini local government there is only a moderate level of satisfaction with the effectiveness of the local government; residents report they are rarely delivered in an effective manner. The residents are either moderately satisfied or very dissatisfied with the quality and quantity of municipal services, no health inspections or punitive measures for littering residents, and those without proper drainages whose water swamp the streets.

The majority of respondents from Nhlanguano report a moderate level of satisfaction with effectiveness followed by those who are extremely dissatisfied with the effectiveness of the town council. Only a small proportion expressed the view that the town council has been effective. A similar picture is revealed in Mankayiyane.

3.7.3 Economy

Economy - is concerned with minimizing the cost of resources (staff, material, and equipment) used for an activity in the pursuit of objectives. An economical organization acquires its input resources, of the appropriate quality and quantity, at the lowest cost. Public organizations must observe due economy which is understood to mean that in their spending decisions, organizations must avoid avoidable costs i.e. must not spend more than is necessary or justifiable for the purpose. Therefore, economy is about ensuring that the assets and services purchased by a public body are produced and maintained at the lowest possible

cost consistent with a specified quality and quantity. The concept assumes particular importance in government because of scarcity i.e. the assumption that the resources available to government are limited and ought to be spent prudently. In summary, economy means minimizing the cost of resources used for an activity, having regard to quality.

([http: www.naresa.ac.ik/sleva/pdf/kandasamy.pdf](http://www.naresa.ac.ik/sleva/pdf/kandasamy.pdf)).

The question to be answered is whether the local government system is geared towards ensuring the economic utilization of resources as well as managing for excellence in service rendering. Residents of the up market neighbourhoods are dissatisfied about the rates because they report that they are very high and unreasonable. Residents report that the resources are never utilised in a manner that is satisfactory because there is no attempt to utilise the resources in an economic manner. Only a small proportion of the residents reported that the resources are utilized efficiently. As for the residents of the poorer sections, the survey reveals that very few are satisfied with the utilisation of resources. The majority reported that local government rates are very high yet the resources are never used in an economic manner they hold the view that the resources are not utilised in an economic manner. The high rates and the high levels of poverty lead to default of rates. Rate collection is poor and there is no follow-up on defaulters. Residents in the poorer sections did not full appreciate the justification for paying rates since they haven't been paying them before and also have a poor understanding of the mandate of the City Council. There were no significant

differences in the views of the respondents according to whether the local government is a city council, town council or town board.

3.7.4 Equity

Equity – is concerned with fairness in the manner in which citizens are treated. It is about ensuring that all members of society feel that they have a stake in it and do not feel excluded from the mainstream. The outstanding characteristic of the concept of social equity is that it requires fairness, reasonableness and honesty in dealings with the public (Cloete, 1986:26). Social equity requires the support and maintenance of the well-known principles of democracy. This means that when financial decisions are taken and financial policy is determined, great care should be taken neither to harm the interest of one group, nor advance the interests of another group undeservedly or to the detriment of other groups (Gildenhuys, 1997: 55).

Therefore equity requires all groups, especially the most vulnerable to have opportunities to maintain or improve their well being. A government body is oriented towards equity when its clients are treated fairly in the provision of goods and services, which implies that they will receive a fair share and/or what they deserve. Receiving a fair share from public services is different from receiving an equal share, where everybody receives exactly the same amount and/or is required to make exactly the same input. In summary, equity is about

ensuring that the customers get fair treatment, such that they get the quality and quantity of services they deserve (Pauw, J.C, Woods, G, Van der Linde, G.J.A, Fourie, D. & Visser, C.B 2002:7).

Equity assumes particular importance because of the realisation that the recipients of government services, the people, deserve to be treated fairly such that they are satisfied with the services they receive. As well as asking whether resources were spent *efficiently, effectively, economically*, the question must also be asked whether the people, whose needs are being served and who are at the end-point of the activities of public institutions, have received a fair share from the services being rendered by public bodies. In any country there may be factors (barriers) that prevent a fair and equitable delivery of public services e.g. gender inequality, race, age, social and economic class. As an illustration, services may be delivered very effectively in the affluent neighbourhoods of the city and very inadequately in the poorer or disadvantaged areas of the same city (social and economic class). Women may have limited access to services due to gender-based stereotypes (gender inequality). The senior citizens may not get services due to them because of lack of mobility (age discrimination). Public organizations, therefore, must seek to promote equity by observing standards of fairness in service rendering such that people of all races, ages, social and economic class, men and women have access to public services and get a fair share or receive what they deserve from public services. This may require that the barriers to access be identified and removed (Gildenhuys, JSH .1997:224-5).

This section incorporates the findings from the local government institutions in Swaziland. The question to be resolved is whether the local government system is geared towards equity in the provision of municipal services in Swaziland. The majority of respondents reported that they have difficulty in accessing local government services. They also reported that the municipal services do not fully address the needs of the poor sections of the community. Most residents of the poorer sections report that they have difficulty accessing local government services and the services rendered only moderately address the needs of the poor sections of community. The responses from Nhlanguano reveal overwhelmingly that the respondents are of the view that the local government services are delivered in an inequitable manner. The picture is less clear with regard to Mankayiyane where the Respondents reported a moderate level of satisfaction with equity in local government services. The reason for this could be that there are fewer urban residents in the town Board areas.

3.7.5 Link between Efficiency, Effectiveness, Economy and Equity

The 4E's are all linked. Economy is about inputs, effectiveness is about outputs, efficiency is about both inputs and outputs (Jones, R. & Pendlebury, M.1988:3-5) and equity is about access and the people's satisfaction with public services felt when organizations attempt to strike the right balance between input and outputs. Therefore, economy is about minimizing the cost of the input resources.

Efficiency is about the relationship between outputs produced (the goods and services) and the input resources used to produce them. Effectiveness is about the extent to which an entity's predetermined objectives have been achieved. Equity is about the extent to which the needs of the people, the recipients of public services, are met through service provision, in relation to other people in the same community (Jones, R. and Pendlebury, M.1988:3-8).

The 4Es when optimally combined produce what has been termed “*value for money*”. However, they may not always work together. For example, an organization may be providing an effective service but may be using more staff than necessary to do it, and hence be inefficient. Similarly, a service that is being run efficiently may not be meeting the objectives it was designed to achieve. The achievement of economic, efficient, effective, and equitable resource utilization depends on the existence of good management controls.

Economy, efficiency, and effectiveness if put together, relate to the extent to which government resources are expended economically and efficiently and the extent to which the related programmes are effective and equitable in meeting their objectives. Due regard to economy requires that resources of appropriate quantity and quality be obtained at least cost.

3.7.6 Performance Initiatives

As part of the investigation the study sought to establish whether municipal authorities in Swaziland have adopted strategies to improve performance. Evidence was found of a number of initiatives that are associated with performance improvement. Firstly, in all councils, it was discovered that the managerial staff have short term contracts that are renewable. It was reported that performance was the main basis for the renewal of the contract. However, the difficulty that stem from this is that contract renewal of town clerks in particular has been the main reason for the divisions that have been observed amongst councillors. So serious are some of the disputes that councillors are diverted completely from their objective of monitoring the delivery of services.

Secondly, it was found that all councils have embarked on strategic planning and all had infact produced strategic plans as an approach to performance management. This is a new development in councils that is designed to assist them in linking objectives, resources and targets.

Thirdly, only the Manzini city council had experimented with private sector approaches in service delivery. Where this had been done, it involved entering into commercial joint ventures with the private sector that would assist in diversifying the source of income for the council. In these commercial ventures e.g. construction of shopping malls, the council's contribution has been the land where the structures were built.

