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Performance management system in South African municipalities: Performance and Challenges

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Abstract: This study discusses some of the prevailing work published by different scholars and government departments about performance management systems. The literature review commences with the concept of performance management in terms of its importance in municipalities. The legislative frameworks governing performance management in South African municipalities are also discussed. Further, this study identifies the benefits and barriers of the performance management system used by South African municipalities. Moreover, the study analyses the crucial aspects of the performance management system that promote performance effectiveness and efficiency in municipalities. Secondary data was employed in the study to gather information. No interviews and questionnaires form part of the study, hence there was no human interaction recorded. Since the data in this statement was gathered from publicly accessible sources, it satisfies the requirements of research ethics. Through document analysis, the data was evaluated. Explaining the elements that could prevent a performance management system from being implemented successfully at the local governance level is the study's goal. Training, senior management commitment, awareness, and cultural change are just a few of the issues the report highlights as being related to performance management. The study offers a few solutions to enhance the performance management systems' current state of implementation considering the findings.

Keywords: Challenges, performance management system, South African municipalities, qualitative study.

Introduction

Performance management is defined by Dastile (2018:38) as the policies, practices, and strategies that focus managers' and staff members' attention on helping organisational performance. In the view of public management, performance management can boost consumer satisfaction while improving services. As stated by Gruman and Saks (2011:34) given that performance is the primary method by which work is accomplished, it is a vital component of a good organisation.

Lin and Lee (2011:84) state that performance management, which comprises an effective approach and management strategies for enhancing employee performance to examine organisational performance, initially emerged in the private sector. The international community has accepted implementing measurement and performance management systems as a strategic action plan to better public sector performance and facilitate service delivery.

According to Franco-Santos, Lucianetti, and Bourne (2012:79) performance systems are utilised as a strategic means to improve and encourage organisational performance by tying both monetary and non-monetary performance statistics to the organisational plan. Therefore, it is fair to conclude that performance management and related systems are important for new public management (NPM) practices (Vyas-Doorgapersad, 2011:290).

Established in the United Kingdom in the 1980s, NPM relates to the administrative reforms implemented by Margaret Thatcher's Conservative Party government (Carstens & Thornhill 2000:184). Vyas-Doorgapersad (2011:238) cites that NPM reforms are associated with the change in the public sector, which sets off from the standard, authoritarian, and restrictive model of public administration that centred on downward hierarchies.

Gruening (2001:1) notes that its foundations are in managerialism and public choice theory, which argue that public administrators act in the public's best interests (Gruening 2001:1). The primary objective of public choice theory is to use financial resources to address long-standing issues in politics and governance (Cameron, 2009:912), whilst the premise of managerialism is that qualified managers must organise and oversee a country's activities (Merriam-Webster Dictionary 2024: Internet Source).

A government's initiatives and modifications to enhance the public sector are collectively referred to as administrative reform. In contrast to the private sector, the public sector has historically been seen as ineffective and inefficient (Carstens & Thornhill 2000:189). To remedy this, public administration theorists like Jackson (1991:34) and Hood (1991:24) instituted NPM to reorganise the public sector to enhance the efficiency and effectiveness of public services using the following principles: division of finance, purchasing, service delivery, division of policy and operations, division of ownership and purchasing responsibilities, and development of competition among service providers (Barrett, Balloun, & Weinstein 2007:20).

The fundamental ideas of NPM are said to reflect the paradigm's most significant intellectual foundation (Kalimullah, Alam & Nour 2012:16). While attempting to minimise the quantity and scope of government activity, all of these ideas have a strong connection to each other and depend heavily on private sector practice (Kalimullah et al. 2012:6). The NPM concepts that drive performance management are addressed in the section that precedes.

Vyas-Doorgapersad (2011:238) cites that NPM can be understood as an ideological framework for cognition developed within the commercial sector and brought into the public sector. This is known as privatisation, the integration of private sector methods into public sector operations. Traditional government services, including health, sanitation, security, and education, have been targeted by privatisation in the vast majority of countries worldwide, including South Africa (Mansour 2007:285).

Kalimullah, Alam, and Nour (2012:6) define privatisation as overseeing the provision of public goods and services to improve the effectiveness and competitiveness of the public sector. Mansour (2007:285) states that shifting production and service delivery from public to private sector entities is referred to as privatisation. This often happens by selling assets owned by the government or by establishing a market to enable private companies to invest in areas where the government used to hold a monopoly. This would include, for instance, the private-public ownership of parastatals or state-owned entities like South African Airways, Transnet, and Telkom, among others. The aim is to minimise interference, constrain bureaucratic restrictions, and restrict the extent of political meddling in the operations of public entities (Karatas 2001:94).

NPM argues that the public sector should try to implement prominent private sector approaches to elevate efficiency, with the priority being on providing services directly as opposed to political goals and biases (Mansour 2007:285). Private sector strategies, for example, consist of re-engineering departmental systems to foster accountability, introducing new procedures for monitoring productivity and effectiveness, and holding managers more accountable for performance targets (Denhardt & Denhardt 2000:550).

The notion that the ordinary civil service systems are firm, inefficient, and unproductive supports this (Battaglio 2009:203). However, it is difficult for public administration efforts to be detached from politics (Minnaar 2006:183).

Business procedure use in government operations is the definition of managerialism given by Kalimulah, Alam, and Nour (2012:6). Considering fundamental managerial tasks under the authority of the public sector is one example of this. When it comes to improving efficiency in areas where direct service delivery is the primary goal, managerialism maintains that the government should attempt to implement broadly accepted private sector approaches, such as scientific management and overall quality management (Mansour 2007:289).

Van de Walt, Venter, Phutiagae, Nealer, Khalo, and Vyas-Doorgapersad (2018:152) define total quality management as a strategy to satisfy consumer expectations by lowering costs, improving quality, and performing better. The primary objective is ensuring high-quality service delivery at a low cost (Mansour 2007:289).

As an aspect of NPM, managerialism encourages public sector organisations to provide goods and services at lower prices without sacrificing the value of such services. Enhanced cost-effectiveness, responsiveness, efficiency, transparency, decorum, and accountability are the goals of this school of thought (Mansour 2007:289). All of these contribute to the operation of public sector organisations, such as the City of Johannesburg (CoJ) and the City of Tshwane (CoT).

Decentralisation is described as the distribution of power to lower governmental levels over public operations and resources (Stegarescu 2005:304). Decision-making in the community has changed as a result of service beneficiaries (Kalimullah, Alam & Nour, 2012:6). Vyas-Doorgapersad (2011:239) defines decentralisation as the transfer of specific administrative duties to lower levels or sub-national units of the three spheres of government within departments or government agencies. This is when the government provides the people, through local government, for example, the authority to determine the best way to deliver services.

Delegation is another type of decentralisation, according to Vyas-Doorgapersad (2011:239) whereby the national government, as the supreme body, assigns decision-making power and the control of public activities to somewhat independent organisations that are not entirely under its control but are still ultimately answerable to it. This improves and guarantees peak performance in the public sector. In terms of NPM, this makes it possible for the government to ensure that citizens receive the necessary amenities at the right time. However, many contend that delegation does not produce the desired range of performance outcomes.

There is an argument that this does not empower managers because they obtain delegation without the tools to carry out their acquired authority (Cameron 2009:917). Therefore, the government must guarantee that when authority is delegated, it comes with adequate resources, enabling managers to fulfil their assigned responsibilities efficiently. The next section discusses the practice of NPM and performance management.

The goal of NPM is to minimise the scope while enhancing the organisation of the government by increasing market and competitive application and establishing performance goals (Gautam 2017:9682). According to Gautam (2017:9682), NPM reforms the public sector by decreasing public spending, raising the standard of public services, and enhancing governmental organisations' operational effectiveness.

De Waal (2013:2) contends that through performance management, NPM strives to enhance the accountability and transparency of public organisations, allowing them to achieve their goals, deliver superior services, and raise overall efficiency. Additionally, it promotes public managers to adopt an entrepreneurial leadership style instead of a stewardship one, whereby they are tasked with stimulating innovation and creativity through problem-solving and overcoming obstacles confronting the public sector.

The study contends that if properly integrated, NPM principles can assist organisational performance management whilst supporting the widespread practice of performance management in the government.

Materials and Methods

According to Barkley, Major, and Cross (2014:17) any innovative, systematic effort that expands the body of data, including understanding individuals, cultures, and societies and applying that knowledge, is referred to as research. Additionally, it is considered that research is much more than inquiry, active-based learning, or lab exercises. Asking questions, one does not know the answer to is the initial step in conducting research (Ellison & Patel 2022:46).

Thomas (2011:292) indicates that a research paradigm is a framework that represents the consensus on a particular topic. It includes instructions on how to conduct a study. A paradigm is easily identified by its unique standards, methods, and patterns. The facets of ontology, epistemology, and technique comprise the research paradigm. Methodology is the research approach, ontology is the way reality needs to be seen, and epistemology is the approach with which reality needs to be researched (Thomas 2011:292).

A research project's methodology explains the reasoning and arrangement of methodical steps taken to solve a research challenge (Mavuso 2014:57). According to Keeves (1997:147) the term methodology includes all of the methods, approaches, and procedures utilised in a carefully planned investigation to discover something. It includes the presumptions made, the obstacles endured, and how we acquire about the world or a particular aspect of it (Moreno 1947:41).

A universal term for qualitative research is not feasible. Thomas (2011:15) states that although qualitative research projects are flexible, attempts to impose a single, overriding paradigm on them are bound to face opposition. Abraham (2005:15) states that the academic field of qualitative research is transdisciplinary, interdisciplinary, and sometimes counter disciplinary. It is complex and cuts beyond the social sciences, physical sciences, and humanities. The intent of qualitative research is multi-paradigmatic, and those who use it are cognisant of the advantages of using several methods. They aim for a naturalistic position, the interpretive comprehension of human experience, and the importance of the multi-method approach. However, the qualitative area is politically charged by nature and influenced by various political and ethical ideologies (Denzin & Lincoln 2005:16).

One could think of qualitative research as a catch-all word for several methodologies. Notably, every strategy has distinct goals, philosophical foundations, and methodological precepts (Flick 2007 in Auriacombe 2011:36). Cloete, Wissink and Coning (2006:61) state that the way that qualitative researchers conceptualise the research that they are undertaking is directly related to how they understand the methodology and the processes of qualitative research. This makes it possible to think of qualitative research as existing on a continuum, with situational pragmatic and opportunistic methodological practices marking one dimension and a holistic, almost paradigm-like marking the other.

Bowen (2009:27) further states that organisational and institutional records have been fundamental for qualitative research for several years. A literature review examines books, academic journals, and other resources pertinent to a particular problem, field of study, or theory to provide an overview, synopsis, and critical evaluation of these works regarding the research subject under examination. Reviews of the literature seek to offer readers a synopsis of the sources employed in the studies of a specific subject and to show how the research falls into a broader area of study (Labaree 2009 in Ncamphalala 2019:16).

The researcher collected documentation which ranged from the municipalities' integrated development planning (IDP) documents from the year 2013 to date, as well as performance publications of the two metropolitans regarding the implementation of the performance management system.

Results and Discussion

The literature compiled in this section explores the following: the conceptual framework of performance management; and challenges hampering the effective implementation of performance management system. Policymakers and strategic role-players can find value in the article's recommendations for implementing a well-executed performance management system in government departments, organisations, and local government entities.

Conceptual framework of performance management

The following sections discuss the essential components or elements for successful performance management.

Effective performance goals cannot guarantee improved performance. This phase of the performance review process tackles employees' skill sets. A mentor may better perform their duty of coaching and mentoring by applying the performance appraisal procedure. Supporting others in realising their full abilities is the highest calling (Department of Public Service and Administration (DPSA) 1998:12). To achieve that, it is essential to acknowledge employees' strengths, guide them to topics that need improvement, offer advice and resources to support their efforts, acknowledge their efforts and successes, and support them through challenging times. After assessing employees' areas that need development, an evaluation can assist in setting the goals for training programmes (DPSA 1998:12).

An employee's performance has to be evaluated according to a work plan that defines their tasks and the goals they are targeting over a given timeframe. These goals should include both operational and personal development goals and should be stated in terms of the outputs to be produced in a particular period. The employer and the employee should both agree on the work plan (White Paper on a New Employment Policy for the Public Service (WPNEPPS) 1997:28).

To track development and, if necessary, take steps to improve, the assessment is done throughout the development process, and frequent discussions occur throughout this time. When performance fails to meet the work plan's norm, the evaluation, both written and oral, should emphasise uncovering the cause and coming to a mutually determined resolution for the action that must be implemented to bring about improvement (WPNEPPS 1997:28).

Management has to consider employees, how they may grow, and what is expected of them through performance reviews. The compensation for each interaction level and how performance will be evaluated are two topics addressed in performance appraisal discussions. Creativity is the only limitation to the type of incentive compensation offered (Machete 2025). However, several elements are necessary for an incentive compensation scheme to be successful, as follows (Dessle 1998:32): well-defined goals; a realistic chance of success; understanding the value that will be created by accomplishing the goal; knowing how much of the value is to be shared with employees; an established feedback system to avoid unpleasant surprises; and agreement on the estimation and payment dates of incentives.

If an organisation's incentive programme has these essential components, it will have a great chance of accomplishing the intended results and retaining essential employees (Dessle 1998:33).

Speed, equality, value, and service are the metrics used to measure performance. These actions are crucial to creating and maintaining a competitive edge, and their integration is required to improve services and attain mass organisations. Without quality, speed is pointless. Value results from the combination of price and quality to give the customer a sense that they are getting more value for their money. The product of employees' work is gauged by speed, quality, service, and value. Upon review of an employee's performance, management may assist the worker in developing an improvement mechanism (Institute for Performance Management 2005:53).

Long-term performance improvement is considerably more likely when competency-based performance management is applied properly. The competency job profile offers a benchmark for evaluating job holders and illustrates what high achievers should look like (Weiss & Hartle 1997:22).

It is generally accepted that the interaction between job-related competencies and the work environment determines a person's job performance. The work conditions and how people are managed significantly affect their performance (Johnson 2000:22).

It should come as no surprise that authors on performance management acknowledge that the idea is unclear given the various definitions of it and its essential components. Many methods for managing performance fall short because they solely focus on the tangible elements of performance that can be measured and targeted. A balance between verifiable outcomes and the elements that lead to organisational success must be expressed in the performance management process (Weiss & Hartle 1997:26). However, three primary perspective types of performance management models are identified (Williams & Zairi 2012:105). These three models are discussed in the paragraphs below.

Performance management as a system for managing organisational performance

According to Kaplan and Norton (2010:51) performance management as a system for managing organisational performance is appealing as it includes multiple management concepts, beliefs, and practices that surfaced in the 1980s and 1990s. The main points of emphasis are the organisation's strategy and its implementation through its procedures, business system, technology, and structure. Even though they will be impacted by organisational, operational, and technological changes, employees are not at the centre of this phase.

The three main procedures that comprise an organisational performance management framework are reviewing, planning, and improving. Based on this idea, creating the organisation's vision and strategy and defining what performance implies are among the duties involved in performance planning (Karatas 2001:36).

Performance management as a system for managing employee performance

Considering using performance management as a system for managing employee performance, the management and the manager should meet to determine what is expected of the employee to reach this mutual understanding; involvement and participation are usually suggested. The line manager is responsible for supporting performance, as they have a specific function to play in performance reviews. In this manner, the performance review is an endeavour in which the employee and the manager share responsibilities. Furthermore, rather than occurring only once or twice a year, the performance review has become an ongoing process (Kataras 2001:113).

Performance management as a system for merging the management of organisational and employee performance

Performance management as a system for merging the management of organisational and employee performance is the result of combining the first two concepts, even though the key subjects differ. This range reflects the two primary models discussed above and the degree to which organisational performance is prioritised over employee performance. The second model places extreme value on how well employees work towards and accomplish organisational objectives. Strategy planning, coordination, and review are all part of performance management (Louis & Ohemeng 2009:117).

It is typical to fail to recognise the human element, even though it is the most crucial element of effective performance management. Human performance accounts for 35% of the success in most successful organisations, with organisational variables accounting for 65%. Senior management service-level public personnel are situated strategically to ensure that government performance management achieves its ultimate purpose of providing services to the citizens (Louis & Ohemeng 2009:117).

The next sub-section explains performance management subsystems. Schwandt and Marquadr (2000:30) highlight the following four critical performance management subsystems for a performance management system to function:

The exchange subsystem: The exchange subsystem provides the adaption function to the performance system. It is responsible for acquiring, vending, inspecting, and removing material and human resources to meet the organisation's requirements and fulfil its objectives.

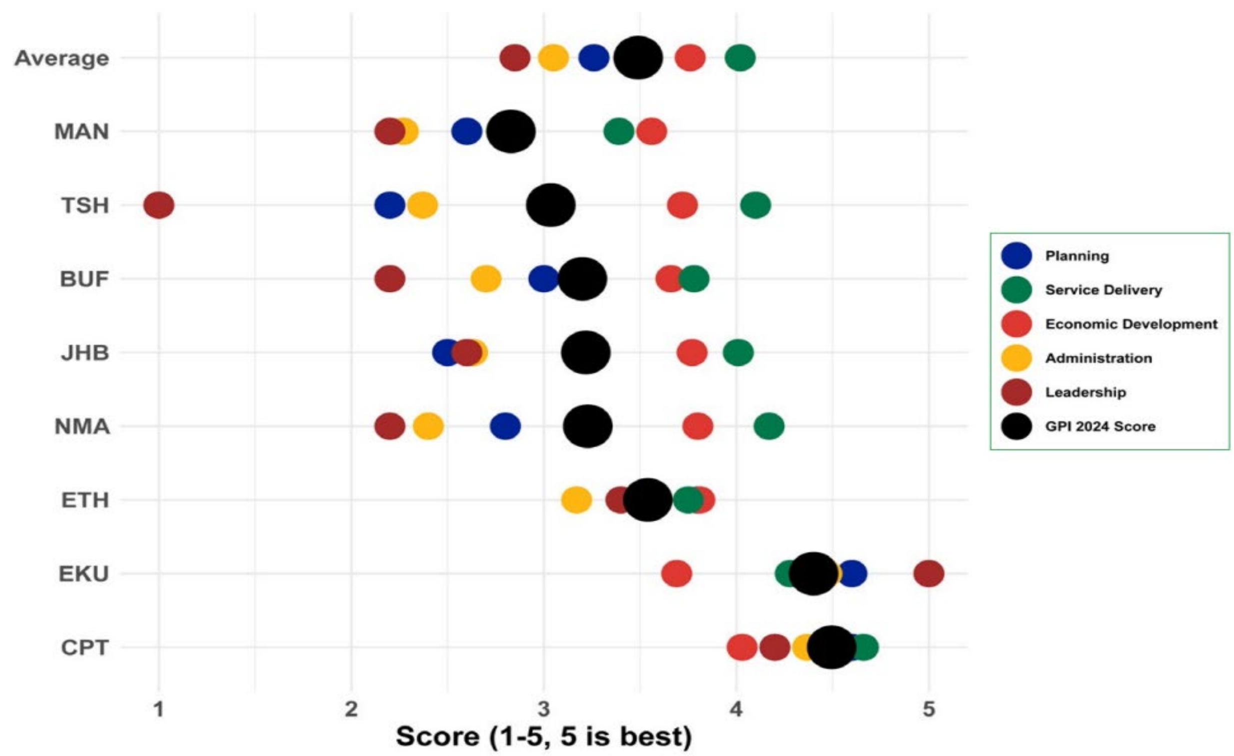
The production subsystem: The production subsystem offers the goal attainment function to the performance management system. It is complex because it includes every procedure and activity the organisation needs to follow to accomplish a goal. Management efforts often place a great deal of emphasis on this subsystem. It involves using knowledge, skills, and abilities in the following areas: planning, quality assurance, research and development, manufacturing services, marketing, sales, procurement, and finance.

The coordination subsystem: The coordination subsystem provides the integration function to the performance management system. For individual acts to be included in a team effort, their elements and actions must embody methods that combine human behaviour and capabilities with the expectations of the work and the performance norms needed. It includes planning, career development, training, management control, job design, and employee assistance procedures.

The reinforcement subsystem: The reinforcement subsystem provides the pattern maintenance function to the performance management system. It involves the parts that assist in maintaining the standards and values organisations use to assess their performance. It contains actions related to evaluation, enticements, payment, quality standards, feedback, supervision, and coaching.

In this regard, the Figure 1 shows the various tasks a metropolitan municipality performs, and the performance level recorded for all in 2024.

Figure 1: Metropolitan municipality Governance Performance Index (GPI) 2024 scores



MAN: Mangaung

TSH: City of Tshwane

BUF: Buffalo City

JHB: City of Johannesburg

NMA: Nelson Mandela Bay

ETH: City of eThekwini

EKU: City of Ekurhuleni

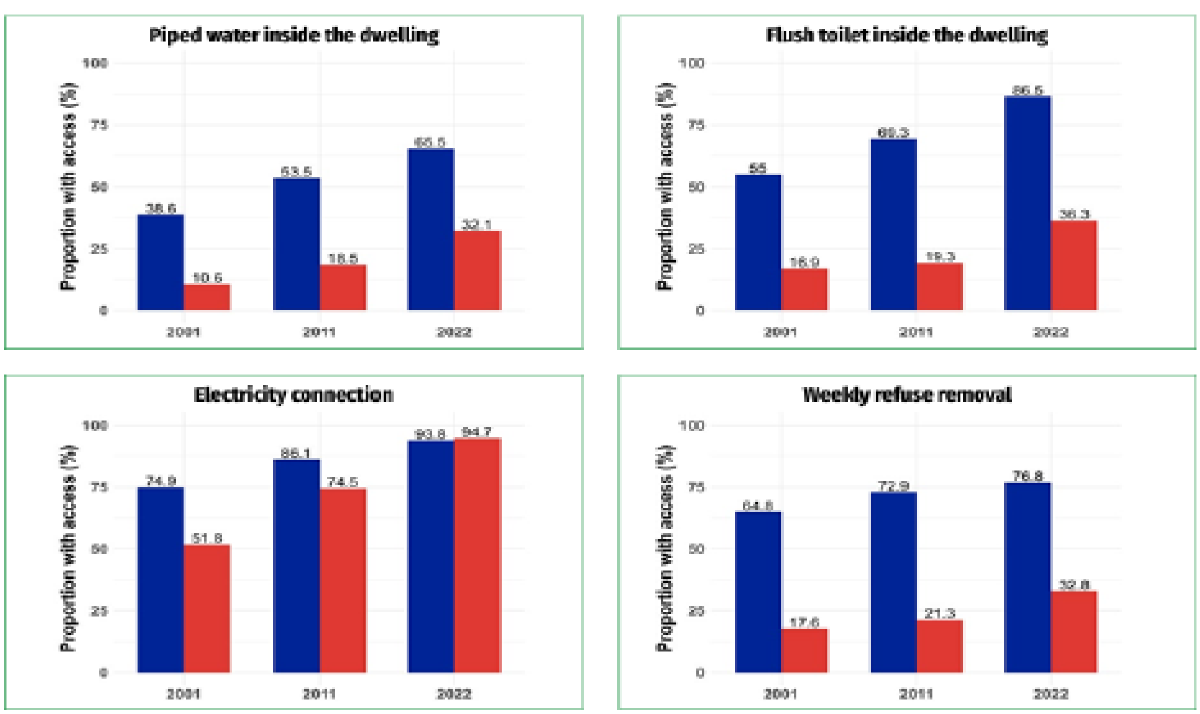
CPT: City of Cape Town

Source: Good Governance Africa (GGA) 2024:13, cited in Machete and Vyas-Doorgapersad, 2025a: 798.

The services can be delivered efficiently, and performance can be recorded at a satisfactory level, when the personnel performing these tasks are skilled. Any organisation should frequently aspire to grow its employees since they join to improve their line of work, and the organisation has a responsibility to mentor and support these individuals as they become more skilled and effective. This is best accomplished when an organisation has well-executed performance management, and all employee inefficiencies have been identified and suitably addressed. Performance management is, therefore, a crucial component of effective organisational planning (Rose & Kumar 2006:22, cited in Machete and Vyas-Doorgapersad, 2025a: 798).

Another important consideration, particularly for the indicators related to service delivery access, is whether a municipality includes any territory that was either formerly under homeland system control or is currently subject to some form of traditional authority. Figure 2 compares households in areas with this history to those without it in terms of access to essential services (Good Governance Africa, 2024, cited in Machete and Vyas-Doorgapersad, 2025b: 12).

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



Source: Good Governance Africa, 2024, cited in Machete and Vyas-Doorgapersad, 2025b: 13.

Hence, many scholars and practitioners, such as Sørensen (2002; Machete, 2025), emphasised that the effectiveness of any performance management system depends on how well it is implemented.

Challenges hampering the effective implementation of performance management system

Performance management is faced with various challenges. This study identified the following performance management challenges, as discussed in the following paragraphs.

Assessing and recording relevant information

It must be simple for business and line managers, human resource (HR) and talent managers, and staff members to evaluate their objectives and how well they are going about them. Instead of saving significant incidents for the next meeting, staff members should be able to document them as soon as they happen. To foster a rich, friendly feedback culture, it would be ideal if employees approached fellow employees for input on their performance and advancement (Patton 1997:220).

Engaging both line managers and employees

Many consider performance reviews a wasteful activity, a piece of HR red tape that takes significant resources away from the organisation's daily operations and brings little to no value. The advantages that a business-focused, adaptable, and culturally sensitive project management process can offer both an organisation and its members must be stated clearly to people. As a result, everyone will be aware of their contribution to the organisation's success and be able to relate the performance evaluation to the competencies listed in the competency-based role description (Nzimakwe & Ntshakala 2016:111).

Monitoring the process and keeping it on track

According to Scriven (1999:220) to take preventative action, managers must be able to quickly identify what has been done to support the goals being achieved and identify which are past due. Additionally, HR administration is often required to send out carefully targeted regular reminders that sustain process flow and offer summary information. Of the same view, Nzimakwe and Ntshakala (2016:111) allude that the requirements highlight the need for an automated, intuitive, always-available system with dashboards and reminders to keep the process on track and do away with the need for spreadsheets, calendars, and follow-up emails.

Unfair standards and rating system

An inadequately conducted performance management system may differ throughout departments and units, leading to injustice and non-standardised processes within the organisation. Consequently, poor communication means employees will be unable to improve based on their performance ratings, which are the requirements for obtaining awards (Balaboniene & Vecerskiene 2015:318). Managers have multiple opportunities within every organisation to directly affect their employee's performance and, consequently, their business contributions (Phago 2010:26).

Ineffectve communication and misleading information

The absence of agreement on goals that allow for ongoing changes in circumstances and priorities and ineffective communication between managers and staff will likely result in an insufficiently effective management system (Sisa 2014:489). Without a consistent system in an organisation, there is an enormous opportunity for information fabrication and subjective employee performance decisions. Furthermore, it creates ineffective and incorrect feedback, which employees resent (Phago 2010:3).

Challenges associated with internal role players

Armstrong (2012:25) alludes that performance management systems' limitations pose additional challenges. Traditional performance metrics may not accurately capture employees' diverse contributions and skills, particularly in knowledge-based or creative roles. Moreover, when quantitative measurements become overemphasised, teamwork, creativity, and customer happiness are among the qualitative aspects of success that can be disregarded, resulting in an incomplete assessment. Grote (2016:49) also indicates that organisational culture and leadership styles can either facilitate or impede effective performance management. A culture that values transparency, accountability, and continuous improvement is more conducive to successful performance management initiatives. Conversely, autocratic leadership styles or hierarchical structures may inhibit open communication, feedback, and employee engagement in the performance management process.

Result and discussion

The following is deduced from the literature review:

Performance management as an ongoing process

Performance management is an ongoing procedure that involves performance planning, feedback, evaluation, and development instead of a one-time assessment event. The focus should be to give employees feedback on how well they have performed in meeting specific performance goals and expectations and how effectively they have developed essential competencies and skills (Selden & Sowa 2011:260). The performance management phases are performance planning, implementation, and result assessment, as discussed in the paragraphs below:

Performance planning phase: The performance planning phase refers to reviewing organisational performance objectives, functional knowledge domains, and behavioural skills for assessing employee performance. The process of planning starts with the timeframe needed to evaluate performance. It includes establishing relevant performance standards that relate to the organisation's business strategy and determining success at different organisational levels (Chingos & Marwick 1997:43). The best results from this performance planning method require a significant employee involvement rate. To conclude this process, the employee and management must plan a performance meeting to discuss the employee's goals for the forthcoming year and how they will fulfil their job responsibilities (Setlhare 2019:1).

Implementation phase: The implementation phase continues throughout the performance management phase. It focuses on ways managers may offer criticism and mentoring to boost and progress employees' performances. Feedback matters since workers wish to be informed about their progress compared to performance standards. This phase's most important element is the chance to develop communication within the performance management term (Smith 2000:33).

Result assessment phase: The result assessment phase generally occurs after the performance management phase. Results are assessed against expectations of overall dimensions during this phase, leading to the development of a performance improvement plan. There are two main objectives for this phase. The first objective is identifying suitable connections between the employee reward system and issues like yearly monetary incentive payments, pay increases, and overall training and development requirements (Chingos & Marwick 1997:26). The second objective stresses modifications to functional knowledge areas, behavioural competencies, and business performance goals that may be essential to respond to shifting organisational and job requirements; it also helps with planning for the next performance cycle (Chingos & Marwick 1997:26).

The next sub-section explains performance management as a business process.

Performance management as a core business process

A successful organisation is supported by performance management, which ensures teams and individuals collaborate to gain a long-term competitive advantage. This includes preparing for performance management enhancement, providing teaching to execute the goals, monitoring advancement constantly, and praising success. This is how strategic transformation is implemented (Hale & Hartle 1997:44). Warner (2002:19) argues that organisations underuse their performance management system because they become excessively consumed with filling out paperwork and reports and neglect why they are using it in the first place. Williams makes the same argument (2002:55), emphasising that even more effective performance management is essential despite the organisation's conditions. The performance management process continues to be considered by many organisations as a dynamic, rapid aspect of working life.

It is not a process that stands alone; instead, it should be established based on a thorough grasp of the organisation's core strategy and its role in reaching business objectives. Put another way, performance management aligns each worker's or manager's job to the department's overarching aim, thus assisting the organisation's departmental goals (Simons 2009:105).

Conclusion

Municipalities find it challenging to successfully execute their performance management system (balanced scorecard) since it does not offer crucial information needed to meet the system's goals (Manghani 2011:35). Before disseminating strategic documents and reports, municipalities should ensure appropriate and sufficient quality assurance (QA) protocols and processes have been followed. This can be achieved by requiring all line managers in the municipality to possess QA competencies.

The line managers shall perform QA on all reports and documents relating to their units. In order to report on the system, this would ensure that every detail on these documents is accurate and reduce the number of omissions and errors.

It is important to ensure that KPIs are identified and established to measure the success of the performance management system. These KPIs should be specific, measurable, achievable, relevant, time-bound, and independent (SMARTI).

According to the European Union (EU) Integration Office (2011:42), these SMARTI principles assist municipalities in improving performance management as follows:

Specific: The objectives should be measurable and substantial; for example, they should reflect a crucial component of a goal, to put it in exact terms.

Measurable: Measuring can either be conducted quantitatively or qualitatively, using accurate data. Every signal must be based on reality rather than opinion. Both informed sceptics and project proponents should understand it in the same way.

Available: The resources utilised to improve performance should be at an acceptable cost based on obtainable data. Similarly, indicators should use easily obtainable data or data that can be collected with little work as part of the project management process.

Relevant: The data collected should be relevant to address the identified challenges and opportunities. For example, documenting changes post-intervention that directly result from the project.

Time-bound: Setting target timeframes will allow management in municipalities to determine when the objective/target must be accomplished and plan accordingly.

Independent: Each indicator in the intervention logic must be associated with a single goal and be independent of the others, i.e. to one result, the project purpose, or the overall objective. It is not recommended to utilise the same indication for more than one goal. For instance, indicators at the resulting level should illustrate the quantifiable outcome of an activity's execution rather than summarising what has been said at the activity level (EU Integration Office 2011:42).

The balanced scorecard (BSC) may also be used, and according to Kaplan and Miyake (2010:12) the BSC is one of the models in the world that, by maintaining an organisation as effectively and efficiently as possible, can increase productivity and growth.

Municipalities are fortunate to have a performance management system in place that is so well organised, i.e. the BSC; therefore, they need to ensure it benefits from the rewards in connection with this system.

According to the Local Government: Municipal Structure Act, No. 32 of 2000 (2000:467), organisations utilise the BSC to accomplish the following goals:

- Ensure the strategy and vision are translated with clarity.
- Establish set goals and organise tactical actions.
- Connect and communicate objectives.
- Improve tactical criticism and education.
- Match from departmental and personnel objectives to strategy.
- Connect strategic goals to long-term objectives.
- Carry out regular and methodical strategic plans, as well as evaluations.

This study presented key arguments concerning performance management systems and described the concept of performance management and its elements and aspects. It explained that South Africa's performance management has advantages and disadvantages. In this case, the government formulated various policies and strategies to address such issues. To identify the key challenges and obstacles facing the performance management system, various methods and tools are outlined to address the imminent challenges.

The literature review on the performance management system was the topic of this study. The statutory and legislative frameworks and the challenges of implementing performance management within South African municipalities were highlighted. Furthermore, the concept of performance management was the first to be reviewed, followed by the statutory, regulatory, and legislative frameworks that govern performance management.

This study provided additional detail about the advantages and disadvantages of performance management, the essential components that support efficient and successful performance management, and the main obstacles it faces. Moreover, the study discussed the critical success elements for monitoring performance management implementation.

Note

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